

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your Share Stapled Units (as defined herein) in the HKT Trust and HKT Limited, you should at once hand this Prospectus, together with any enclosed PAL, 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.

A copy of each of the Rights Issue Documents, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, have been registered by the Registrar of Companies in Hong Kong as required by Sections 38D and 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance. The Registrar of Companies in Hong Kong and the SFC take no responsibility for the contents of any of the Rights Issue Documents or any other documents referred to above.

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

Neither the Rights Issue Documents nor any copy thereof may be released into or distributed directly or indirectly in the United States or any other jurisdiction where such release or distribution might be unlawful.

Distribution of the Rights Issue Documents into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession the Rights Issue Documents come (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction, for which the HKT Trust and HKT will not accept any liability. In particular, subject to certain exceptions as determined by the HKT Trust and HKT, this Prospectus and the PAL should not be distributed, forwarded to or transmitted in, into or from any of the Excluded Jurisdictions.

The securities described in this Prospectus have not been and will not be registered under the US Securities Act of 1933, as amended (the "US Securities Act") or the laws of any state in the United States and may not be offered or sold within the United States, except in certain transactions exempt from registration under the US Securities Act and applicable state laws. There is no intention to register any portion of the Rights Share Stapled Units or any securities described in this Prospectus in the United States or to conduct a public offering of the securities in the United States.

Holders of Share Stapled Units with registered addresses in any of the Excluded Jurisdictions and Holders of Share Stapled Units or Beneficial Owners who are residents of the Excluded Jurisdictions are specifically referred to the sections of this Prospectus headed "Non-Qualifying Holders of Share Stapled Units", "Non-Qualifying Beneficial Owners" and "Limited categories of persons in the Excluded Jurisdictions who may be able to take up their rights under the Rights Issue". Except as otherwise set out herein, the Rights Issue described in this Prospectus is not being made to Holders of Share Stapled Units, Beneficial Owners or investors in the Excluded Jurisdictions.

Holders of Share Stapled Units, Beneficial Owners and any other persons having possession of this Prospectus and/or a PAL are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any Excluded Jurisdiction receiving this Prospectus and/or a PAL may treat the same as an offer, invitation or solicitation to subscribe for any Rights Share Stapled Units unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or regulatory or legal requirements in such territory, except as may be agreed to by the HKT Trust and HKT in their absolute discretion.

HKT

HKT Trust

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

and

HKT Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 6823)

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

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



Joint Underwriters
(in reverse alphabetical order)

Morgan Stanley

Deutsche Bank 

The latest time for acceptance of and payment for the Rights Share Stapled Units is 4:00 p.m., Tuesday, 15 July 2014. The procedures for acceptance of and payment for the Rights Share Stapled Units are set out in the section headed "Procedures for Acceptance or Transfer" on pages 29 to 38 of this Prospectus.

Dealings in the Existing Share Stapled Units and the Rights Share Stapled Units in their nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC. You should consult your licensed securities dealer, other licensed corporation, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

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

It should be noted that the Joint Underwriters have the right to terminate the Underwriting Agreement upon the occurrence of certain events, including force majeure, at any time prior to the Latest Time for Termination. Such events are set out in the section headed "Termination of the Underwriting Agreement" in this Prospectus. The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. If the Underwriting Agreement does not become unconditional or is terminated by the Joint Underwriters at any time prior to the Latest Time for Termination, the Rights Issue will not proceed, in which case, a further announcement will be made by the HKT Trust and HKT at the relevant time. Upon the giving of the notice of termination, all the obligations of the Joint Underwriters and the HKT Trust and HKT under the Underwriting Agreement shall cease and no party shall have any claim against any other for costs, damages, compensation or otherwise (save in respect of certain rights and obligations under the Underwriting Agreement, including rights of the parties thereto in respect of any antecedent breach).

The Share Stapled Units have been dealt with on an ex-rights basis from Thursday, 19 June 2014 and the Rights Share Stapled Units are expected to be dealt with in their nil-paid form from Thursday, 3 July 2014 to Thursday, 10 July 2014 (both days inclusive). Such dealings will take place when the conditions of the Rights Issue remain unfulfilled. Any person dealing in the securities of the HKT Trust and HKT up to the date on which such conditions are fulfilled or waived and any person dealing in the nil-paid Rights Share Stapled Units from Thursday, 3 July 2014 to Thursday, 10 July 2014 (being the first and last day of dealings in the nil-paid Rights Share Stapled Units respectively) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any person dealing or contemplating any dealing in the securities of the HKT Trust and HKT and/or the Rights Share Stapled Units in their nil-paid form during this period who is in any doubt about his or her or its position is recommended to consult his or her or its own professional adviser.

30 June 2014

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EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO HOLDERS OF SHARE STAPLED UNITS, BENEFICIAL OWNERS OR INVESTORS IN THE EXCLUDED JURISDICTIONS. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Share Stapled Units or fully-paid Rights Share Stapled Units or to take up any entitlements to nil-paid Rights Share Stapled Units or fully-paid Rights Share Stapled Units in any jurisdiction in which such an offer or solicitation is unlawful. None of the nil-paid Rights Share Stapled Units, the fully-paid Rights Share Stapled Units, this Prospectus and the PAL have been nor will be registered under the securities laws of any of the Excluded Jurisdictions and none of the nil-paid Rights Share Stapled Units, the fully-paid Rights Share Stapled Units, this Prospectus and the PAL will qualify for distribution under any of the relevant securities laws of any of the Excluded Jurisdictions (other than pursuant to any applicable exceptions as agreed by the HKT Trust and HKT). Accordingly, the nil-paid Rights Share Stapled Units and the fully-paid Rights Share Stapled Units may not be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, into or within any of the Excluded Jurisdictions (other than pursuant to any applicable exceptions as agreed by the HKT Trust and HKT).

Holders of Share Stapled Units with registered addresses in any of the Excluded Jurisdictions and Holders of Share Stapled Units or Beneficial Owners who are residents of the Excluded Jurisdictions are referred to the sections of this Prospectus headed “Non-Qualifying Holders of Share Stapled Units”, “Non-Qualifying Beneficial Owners” and “Limited categories of persons in the Excluded Jurisdictions who may be able to take up their rights under the Rights Issue”.

Each person acquiring the nil-paid Rights Share Stapled Units and/or Rights Share Stapled Units under the Rights Issue will be required to confirm, or be deemed by his acquisition of the nil-paid Rights Share Stapled Units and/or Rights Share Stapled Units to confirm, that he is aware of the restrictions on offers and sales of the nil-paid Rights Share Stapled Units and/or Rights Share Stapled Units described in this Prospectus.

Notice relating to investors in Australia

This Prospectus does not constitute a prospectus or other disclosure document under Part 6D.2 of the Corporations Act 2001 of the Commonwealth of Australia (the “**Corporations Act**”) nor does it constitute a product disclosure statement under Part 7.9 of the Corporation Act. This Prospectus has not been and will not be lodged with the Australian Securities and Investments Commission (“**ASIC**”). Accordingly, this Prospectus may not contain all of the information which would otherwise be required by Australian law to be disclosed in a disclosure document or product disclosure statement prepared in accordance with the Corporations Act and ASIC does not take any responsibility for its contents.

This Prospectus has not been made available to any person in Australia, other than the persons to whom it has been given, being existing investors in the HKT Trust and HKT Limited in circumstances which fall within a class of excluded offers contemplated under section 708 of the Corporations Act and to persons who are

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classified as wholesale clients under section 761G(4) of the Corporations Act. This Prospectus does not constitute an offer to any other person or to the public generally in Australia. No action has been taken which would permit any public offering of Share Stapled Units in the HKT Trust and HKT Limited in Australia. If you are in doubt about the contents of this Prospectus, you should obtain independent professional advice.

The HKT Group is not licensed in Australia to provide financial product advice in relation to the Share Stapled Units. The information provided in this Prospectus is not financial product advice and is not intended to be relied upon as advice to investors. This Prospectus has been prepared by the HKT Trust and HKT without taking into account any particular person's investment objectives, financial situation or particular needs. These should be considered, together with professional advice, when deciding whether to participate in the offer of Rights Share Stapled Units under this Prospectus.

Notice relating to investors in Belgium

The offering of Rights Share Stapled Units in the HKT Trust and HKT Limited described in this Prospectus and any other offer materials relating to the interests in the HKT Trust and HKT Limited do not constitute a public offering in Belgium within the meaning of the Belgian Act of 16 June 2006 on the Public Offering of Investment Instruments and the Admission of Investment Instruments to Trading on a Regulated Market.

This Prospectus has been issued to the intended recipient for its personal use only and exclusively for the purposes of the offer of interests in the HKT Trust and HKT Limited. Accordingly, this Prospectus may not be used for any other purpose nor passed on to any other person in Belgium.

Notice relating to investors in Bermuda

Securities may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act 2003 of Bermuda, which regulates the sale of securities in Bermuda. The securities are not subject to, and have not received approval from, either the Bermuda Monetary Authority or the Registrar of Companies in Bermuda and any statement to the contrary, explicit or implicit, is prohibited. Non-Bermudian persons may not carry on or engage in any trade or business in Bermuda unless such persons are authorised to do so under applicable Bermuda legislation. Engaging in the activity of offering or marketing the Share Stapled Units to persons in Bermuda may be deemed to be carrying on business in Bermuda.

Notice relating to investors in the British Virgin Islands

No invitation whether directly or indirectly will be made to any person resident in the British Virgin Islands to subscribe for any of the Rights Share Stapled Units but the Rights Share Stapled Units may be acquired by British Virgin Islands persons who receive the offer of the Rights Share Stapled Units outside of the British Virgin Islands and in a manner which does not contravene the laws of the jurisdiction in which such offer is received.

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Notice relating to investors in Canada

Neither the nil-paid Rights Share Stapled Units nor fully-paid Rights Share Stapled Units may be distributed, directly or indirectly, in any province or territory of Canada or to or for the benefit of any resident of any province or territory of Canada except pursuant to an exemption from the requirement to file a prospectus or rights offering circular with regulatory bodies in the province or territory of Canada in which the offer or sale is made and as agreed by the HKT Trust and HKT.

Notice relating to investors in the Cayman Islands

No invitation whether directly or indirectly will be made to the public in the Cayman Islands to subscribe for any of the Rights Share Stapled Units.

Notice relating to investors in Chile

The Rights Share Stapled Units have not been registered with the Superintendencia de Valores y Seguros in Chile and may not be offered or sold publicly in Chile.

Notice relating to investors in Denmark

The issue and distribution of this Prospectus is restricted by law and has not been approved by the Danish Financial Supervisory Authority. This Prospectus is being distributed and communicated to persons in Denmark only in circumstances where such distribution will not conflict with the provisions of the Danish Securities Trading Act.

The Rights Share Stapled Units are not being offered or sold to any person in Denmark except in circumstances which will not result in an offer of securities to the public in Denmark within the meaning of Chapter 6 of the Danish Securities Trading Act and pursuant to an exemption from the obligation to publish a prospectus set out in the Danish Prospectus Executive Orders No. 643/2012.

Notice relating to investors in European Economic Area

This Prospectus has been prepared on the basis that all offers of the Rights Share Stapled Units will be made pursuant to an exemption under the Prospectus Directive (and amendments thereto, including Directive 2010/73/EU), as and to the extent implemented in Member States of the European Economic Area (“EEA”), from the requirement to produce a prospectus for offers of the Rights Share Stapled Units. Accordingly, any person making or intending to make any offer within the EEA of the Rights Share Stapled Units which are the subject of the offer/placement contemplated in this Prospectus should only do so in circumstances in which no obligation arises for the HKT Trust and HKT to produce a prospectus for such offer. The HKT Trust and HKT have not authorised, and do not authorise, the making of any offer of Rights Share Stapled Units through any financial intermediary, other than offers of the Rights Share Stapled Units made by the HKT Trust and HKT as contemplated in the information in this Prospectus.

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In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, no offer of any securities which are the subject of the offering contemplated by this Prospectus has been or will be made to any natural or legal persons other than:

- (a) to any legal entity which is a “qualified investor” as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives of the underwriters for any such offer; or
- (c) pursuant to an exemption under Article 3(2) of the Prospectus Directive from the requirement to produce a prospectus regulated by the Prospectus Directive,

provided that no such offer of securities shall require the HKT Trust and HKT to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive. For these purposes, the expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

Notice relating to investors in France

This Prospectus is not being distributed in the context of a public offering in France within the meaning of article L. 411-1 of the French Monetary and Financial Code (*Code Monétaire et Financier*) and has therefore not been submitted to the Autorité des Marchés Financiers (“**AMF**”) for prior approval and clearance procedure. The offering has not and will not be approved by the AMF and the transaction will not be advertised in France. Any person who is in possession of this Prospectus understands that no action has been or will be taken which would allow an offering of the Rights Share Stapled Units to the public in France.

Accordingly, the Rights Share Stapled Units have not and may not be offered or sold, and will not be offered or sold, directly or indirectly, to the public in France, and neither this Prospectus nor any other offering materials relating to the Rights Share Stapled Units may be distributed or caused to be distributed or made available to the public in France. Any individual offers, sales and distributions may and have only been and shall only be made in France to: (i) qualified investors and/or (ii) a restricted circle of investors, which in each case may take part in the offering solely for their own account, all as defined in and in accordance with articles L. 411-2 and D. 411-1 to D. 411-4, D. 744-1, D. 754-1 and D. 764-1 of the French Monetary and Financial Code.

In addition, the Rights Share Stapled Units acquired by, such French investors may not be distributed or transferred, directly or indirectly, to the public unless in accordance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Monetary and Financial Code.

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Furthermore, no solicitation or canvassing of the public will be conducted in connection with the offering of the Rights Share Stapled Units.

Notice relating to investors in Indonesia

Any securities offered or sold, directly or indirectly, in Indonesia or to any Indonesian citizen or corporation (wherever located) or to any Indonesian resident in a manner which constitutes a public offering under Indonesian laws and regulations must comply with the prevailing Indonesian laws and regulations.

Notice relating to investors in Ireland

This Prospectus, and the information contained herein, has been prepared and is intended for use in Ireland solely by those holders of Existing Share Stapled Units in Ireland to whom it is sent by the HKT Trust and HKT. It may not be reproduced, redistributed or passed on to any other persons in Ireland or published in whole or in any part in Ireland for any other purpose. Nil-paid Rights Share Stapled Units and the fully-paid Rights Share Stapled Units may not be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered directly or indirectly into Ireland other than to holders of Existing Share Stapled Units.

Any offer of securities contained in or considered to arise in or by virtue of this Prospectus is addressed to fewer than 150 persons in Ireland and accordingly there is no requirement to publish a prospectus pursuant to the Prospectus (Directive 2003/71/EC) Regulations, 2005 (as amended) (the “**Irish Prospectus Regulations**”).

Therefore, this Prospectus has not been prepared in accordance with Directive 2003/71/EC (as amended), the Irish Prospectus Regulations or any measures made under such Directive or the laws of Ireland. Furthermore, this Prospectus has not been reviewed by any regulatory authority in any EU Member State.

Notice relating to investors in Italy

The offering of the Rights Share Stapled Units has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”), in accordance with Italian securities legislation. Accordingly, the Rights Share Stapled Units may not be offered or sold, and copies of this offering document or any other document relating to the Rights Share Stapled Units may not be distributed in Italy except to Qualified Investors, pursuant to Article 34-*ter*, subsection 1, paragraph b) of CONSOB Regulation no. 11971 of 14 May 1999, as amended (the “**Issuers’ Regulation**”), or in any other circumstance where an express exemption to comply with public offering restrictions provided by Legislative Decree no. 58 of 24 February 1998 (the “**Consolidated Financial Act**”) or Issuers’ Regulation applies, including those provided for under Article 100 of the Finance Law and Article 34-*ter* of the Issuers’ Regulation, and provided, however, that any such offer or sale of the Rights Share Stapled Units or distribution of copies of this offering document or any other document relating to the Rights Share Stapled Units in Italy must (i) be made in accordance with all applicable Italian laws and regulations, (ii) be conducted in accordance with any relevant limitations or procedural requirements that CONSOB may impose upon the offer or sale of the Rights Share Stapled Units, and (iii) be made only by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Consolidated

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Financial Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended, and Legislative Decree No. 385 of 1 September 1993, as amended, and in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or the Bank of Italy.

Notice relating to investors in Isle of Man

This Prospectus has not been, and is not requirement to be, filed or lodged with any regulatory or other authority in the Isle of Man. The HKT Trust and HKT are not subject to any regulatory approval in the Isle of Man. Investors in the Share Stapled Units are not protected by any statutory compensation arrangements in the event of a failure of the HKT Trust and HKT and the Isle of Man Financial Supervision Commission does not vouch for the financial soundness of the HKT Trust and HKT or, for the correctness of any statements made or opinions expressed with regard to them.

No person may market, offer or sell Share Stapled Units in or to persons in the Isle of Man other than in compliance with the licensing requirements of the Isle of Man Financial Services Act 2008 or in accordance with the relevant exclusion contained in the Isle of Man Regulated Activities Order 2013 (as amended) or exemptions contained in the Isle of Man Financial Services (Exemptions) Regulations 2013 (as amended).

Notice relating to investors in Japan

A securities registration statement has not been and will not be filed under the Financial Instruments and Exchange Act of Japan (the “FIEA”) with respect to the Rights Share Stapled Units in this Rights Issue. The Rights Share Stapled Units may not be offered or sold in Japan to, or for the benefit of, any resident of Japan, or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan or to others for offering or resale, except, in any case, pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan. As used in this paragraph, the term “resident of Japan” means any natural person having his or her place of domicile or residence in Japan, or any corporation or other entity organized under the laws of Japan or having its main office in Japan.

Notice relating to investors in Jersey

Subject to certain exemptions (if applicable), the HKT Trust and HKT shall not raise money in Jersey by the issue anywhere of Share Stapled Units and this Prospectus relating to the Rights Share Stapled Units shall not be circulated to the public in Jersey, without first obtaining consent from the Jersey Financial Services Commission pursuant to the Control of Borrowing (Jersey) Order 1958, as amended. No consent under Article 8(2) or 8(3) of the Control of Borrowing (Jersey) Order 1958 have been obtained by the HKT Trust and HKT in relation to the circulation of this Prospectus. This Prospectus is addressed only to a restricted circle of persons in Jersey, meaning that: (i) the offer is addressed to an identifiable category of persons to whom it is directly communicated by the HKT Trust and HKT or their appointed agent, (ii) the members of that category are the only persons who may accept the offer and they are in possession of sufficient information to be able to make a reasonable evaluation of the offer and (iii) the number of persons in Jersey to whom the offer is so communicated does not

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exceed fifty. It must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the HKT Trust and HKT.

Notice relating to investors in Luxembourg

In relation to the Grand Duchy of Luxembourg (“**Luxembourg**”), no offer of Rights Share Stapled Units to the public will be made pursuant to this Prospectus, except that an offer of Rights Share Stapled Units to the public in Luxembourg may be made at any time:

- (a) to any person or legal entity which is a qualified investor as defined in the Prospectus Law; or
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Law); or
- (c) in any other circumstances which do not require the publication by the HKT Trust and HKT of a prospectus pursuant to Article 5 of the Prospectus Law.

For the purposes of this provision, the expression “offer of Rights Share Stapled Units to the public” in relation to any Rights Share Stapled Units in Luxembourg means the communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Rights Share Stapled Units to be offered so as to enable an investor to decide to purchase or subscribe the Rights Share Stapled Units and the expression “Prospectus Law” means the law of 10 July 2005 *relative aux prospectus pour valeurs mobilières*, as amended.

Notice relating to investors in Malaysia

This Prospectus has not been and will not be registered as a prospectus with the Malaysian Securities Commission (“**SC**”) under the Capital Markets and Services Act 2007 (“**CMSA**”). However, this Prospectus will be deposited as an information memorandum with the SC within 7 days after the issue of this Prospectus in accordance with the CMSA. Accordingly, this Prospectus and any other document or material in connection with the issue, offer for subscription or purchase, or invitation to subscribe for or purchase, or sale, of the nil-paid Rights Share Stapled Units or fully-paid Rights Share Stapled Units shall not be circulated nor distributed, nor may the nil-paid Rights Share Stapled Units or fully-paid Rights Share Stapled Units be issued, offered or sold, or be made the subject of an invitation for subscription, whether directly or indirectly, to any person in Malaysia, other than to persons falling within any of Schedules 6 and 7 of the CMSA pursuant to the Rights Issue (or other exempted exercise). This Prospectus does not constitute and may not be used for the purpose of a public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Securities Commission Malaysia under the CMSA.

No approval of, or recognition by, the SC has been or will be obtained and, consequently, the nil-paid Rights Share Stapled Units and fully-paid Rights Share Stapled Units may not be made available, issued, offered or sold, or be made the subject of an invitation for subscription, whether directly or indirectly, to any person in

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Malaysia unless such making available, issue, offer or invitation is exempted from the requirement for the approval of, or recognition by the SC by virtue of Schedule 5 to the CMSA.

Notice relating to investors in the Netherlands

No prospectus approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the “**AFM**”) has been or will be made generally available in the Netherlands and the Rights Issue is not supervised by the AFM.

Notice relating to investors in Norway

This Prospectus is not a prospectus within the meaning of Chapter 7 of the Norwegian Securities Trading Act 2007 or the Securities Funds Act 2011, and has not been and will not be reviewed by or registered with a Norwegian regulatory body. The Rights Share Stapled Units are not marketed or offered in Norway other than in circumstances where Norwegian licensing and prospectus requirements do not apply or exemptions from such requirements apply. The existence and contents of this Prospectus is confidential, and it is provided to recipients on a personal basis and must not be transferred or assigned to others. Each investor should carefully consider individual tax questions before investing in the Rights Share Stapled Units.

Notice relating to investors in the People’s Republic of China

If a Shareholder resident in the PRC and/or any other PRC resident (including both individuals and companies) wishes to invest in any nil-paid Rights Share Stapled Units or fully-paid Rights Share Stapled Units, it shall be responsible for complying with relevant laws of the PRC. The HKT Trust and HKT will not be responsible for verifying the PRC legal qualification of such Shareholder and/or resident and thus, should the HKT Trust and HKT suffer any losses and damages due to non-compliance with the relevant laws of the PRC by any such Shareholder and/or resident, the Shareholder and/or other resident shall be responsible to compensate the HKT Trust and HKT for the same.

The HKT Trust and HKT shall not be obliged to issue the nil-paid Rights Share Stapled Units or fully-paid Rights Share Stapled Units to any such Shareholder and/or other resident, if in the HKT Trust and HKT’s absolute discretion issuing the nil-paid Rights Share Stapled Units or fully-paid Rights Share Stapled Units to them does not comply with the relevant laws of the PRC.

Notice relating to investors in the Republic of Korea

This Prospectus has not been and will not be registered under the Financial Investment Services and Capital Markets Act (the “**FSCMA**”) of the Republic of Korea (“**Korea**”) for public offering in Korea. None of the Rights Share Stapled Units may be offered, sold and delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder. Furthermore, the Rights Share Stapled Units may not be re-sold to Korean residents unless the purchaser of the Rights Share Stapled Units complies with all applicable

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regulatory requirements (including, but not limited to, government approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with the purchase.

Notice relating to investors in Singapore

The offer of Rights Share Stapled Units is made only to and directed at, and the Rights Share Stapled Units are only available to, persons in Singapore who are existing Holders of Share Stapled Units previously issued by the HKT Trust and HKT.

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Share Stapled Units may not be circulated or distributed, nor may the Rights Share Stapled Units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than existing Holders of Share Stapled Units.

Notice relating to investors in South Africa

In order to comply with South African law, PALs sent to Qualifying Holder of Share Stapled Units with registered addresses in South Africa will not be transferable. Qualifying Holder of Share Stapled Units with registered addresses in South Africa should note that they may require the approval of the South African exchange control authorities if they wish to take up their entitlements. Such persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights.

Notice relating to investors in Spain

The Rights Share Stapled Units may not be offered or sold in Spain except in accordance with the requirements of the Spanish Securities Market Law 24/1988, of 28 July 1988 (*Ley 24/1988, de 28 de julio, del Mercado de Valores*), as amended and restated, and Royal Decree 1310/2005, of 4 November 2005 on the listing of securities, public offers and applicable prospectus (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1988, de 28 de julio, del Mercado de Valores en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*), as amended from time to time (the “**Spanish Securities Market Law**”). The Rights Share Stapled Units may not be sold, offered or distributed to persons in Spain, except in circumstances which do not constitute a public offer (*oferta pública*) of securities in Spain, within the meaning of the Spanish Securities Market Law. Neither the Rights Share Stapled Units, this offering nor this Prospectus and its contents have been approved or registered with the Spanish Securities and Exchange Commission (*Comisión Nacional del Mercado de Valores*), and therefore it is not intended for the public offering or sale of Rights Share Stapled Units in Spain.

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Notice relating to investors in Taiwan

The securities under the proposed Rights Issue are offered to the existing Holders of Share Stapled Units and the beneficial owners of such Share Stapled Units, without having registration in Taiwan and may not be publicly offered, sold or resold, privately placed, transferred or distributed in Taiwan. No individual or entity in Taiwan has been authorised to offer, sell, resell, make privately placement, transfer, distribute, give advice or services regarding or otherwise intermediate the offer or sale of the securities under the proposed Rights Issue.

Notice relating to investors in the UK

This Prospectus is not a prospectus regulated by the European Union's Directive 2003/71/EC (and any amendments thereto, including those made by Directive 2010/73/EU) (the "**Prospectus Directive**") and accordingly has been prepared on the basis that the Rights Issue Documents will be provided in the UK only to, and are directed only (i) to those persons who are "qualified investors" for the purposes of sections 86(1) and 86(7) of the UK Financial Services and Markets Act 2000 ("**FSMA**") (including pursuant to Article 2(1) of the Prospectus Directive), (ii) to fewer than 150 persons (other than qualified investors) in the UK, and/or (iii) otherwise to those persons to whom it may be directed pursuant to another exemption under Article 3(2) of the Prospectus Directive from the requirement to produce a prospectus regulated by the Prospectus Directive any such person(s) to whom the Rights Issue Documents are made available on such basis each being a "**Relevant Person**"). The Rights Issue Documents and their contents must not be acted upon or relied upon in the UK by any persons who are not Relevant Persons. Any investment or investment activity to which the Rights Issue Documents relate is available only in the UK to Relevant Persons, and will be engaged in only with such persons. This Prospectus is only made available to Qualifying Holders of Share Stapled Units (who are Relevant Persons) and as such is exempt under Article 43 of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "**Order**") and/or another applicable exemption from the general restriction on the communication of invitations or inducements to enter into investment activity under the Order and has therefore not been approved by an authorised person in the UK, as would otherwise be required by section 21 of FSMA. Any investment(s) to which this Prospectus and/or any Rights Issue Document relates is only available to (and any investment or investment activity to which it relates will be engaged in only with) Relevant Persons. Persons located in the UK who are not Relevant Persons should not take any action upon receipt of this Prospectus (or the PAL). This Prospectus and each of the Rights Issue Documents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by the intended recipients to any other person(s) in the UK. By taking any action in connection with any investment or investment activity to which this prospectus and any of the Rights Issue Documents (including the PAL) relate in the UK, you are deemed to warrant to each of the HKT Trust and HKT that you fall within the categories of persons described above to which this Prospectus and the Rights Issue Documents may lawfully be made available.

Notice relating to investors in the US

This Prospectus may not be circulated, distributed, forwarded, delivered or redistributed, electronically or otherwise, to persons within the US, and may not be relied upon as a basis for any investment decision or for any other purpose by any person within the US, save as provided below.

NOTICES

These materials do not constitute or form a part of any offer or solicitation of any offer to purchase or subscribe for securities in the US. The Rights Share Stapled Units in their nil-paid and fully-paid forms have not been and will not be registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the US and may not be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the US except pursuant to an applicable exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the US. The Rights Share Stapled Units in both nil-paid and fully-paid forms, the Prospectus and the PAL have not been approved or disapproved by the US Securities and Exchange Commission, any state's securities commission in the US or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Share Stapled Units in either nil-paid or fully-paid form, the PAL or the accuracy or adequacy of this Prospectus. There will be no public offer of these securities in the US. The Rights Share Stapled Units in both nil-paid and fully-paid forms (1) are being offered and sold in offshore transactions in reliance on Regulation S under the US Securities Act, and (2) may be offered and sold by HKT Trust and HKT in the US to persons whom the HKT Trust and HKT reasonably believe to be QIBs in reliance on the exemption from the registration requirements of the US Securities Act under Section 4(a)(2) thereof and who have fulfilled relevant requirements to the HKT Trust and HKT's satisfaction, in transactions exempt from the registration requirements of the US Securities Act.

The Rights Share Stapled Units offered outside the US are being offered in reliance on Regulation S under the US Securities Act. Each purchaser or subscriber of Rights Share Stapled Units being offered and sold the Rights Share Stapled Units outside the US will be deemed to have represented and agreed, among other things, that the purchaser or subscriber is acquiring the Rights Share Stapled Units in an offshore transaction meeting the requirements of Regulation S under the US Securities Act.

None of the Rights Issue Documents has been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Rights Issue, the Rights Issue Documents, the nil-paid Rights Share Stapled Units, the fully-paid Rights Share Stapled Units, the Rights Share Stapled Units or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

In addition, until 40 days after the posting date of the Rights Issue Documents, an offer, sale or transfer of the Rights Share Stapled Units in or into the US by a broker/dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the US Securities Act.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (“**RSA 421-B**”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY

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DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Enforceability of Judgments

The Trustee-Manager is a company incorporated under the laws of Hong Kong. HKT is a company incorporated under the laws of the Cayman Islands. Most of the members of the Trustee-Manager Board and the HKT Board and most of the employees of the Trustee-Manager and HKT are citizens or residents of countries other than the US. A substantial portion of the assets of such persons and all or substantially all the HKT Trust and HKT's assets are located outside the US. As a result, it may not be possible for investors to effect service of process within the US upon such persons or upon the HKT Trust and HKT, or to enforce judgments obtained in US courts, including judgments predicated upon civil liabilities under the securities laws of the US or any state or territory within the US. In addition, there may be substantial doubt as to the enforceability, in the Cayman Islands, of original actions or actions for enforcement based on the federal securities laws of the US or judgments of US courts, including judgments predicated upon the civil liability provisions of the securities laws of the US.

Forward-Looking Statements

All statements in this Prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “predict”, “confident”, “plan”, “seek”, “continue”, “illustrate”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this Prospectus include, without limitation, statements in respect of the HKT Group's business strategies, product offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the HKT Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this Prospectus are based on management's present expectations about future events. Management's present expectations reflect numerous assumptions regarding the HKT Group's strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the HKT Group's actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the HKT Group or that the HKT Group does not currently consider material could also cause the events and trends discussed in this Prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

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Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of the Prospectus. Except as required by applicable law, the HKT Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this Prospectus, be it as a result of new information, future events or otherwise.

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DEFINITIONS

In this Prospectus, unless the context requires otherwise, the following terms and expressions shall have the meanings as set out below:

“Acquisition Circular”	the circular of the HKT Trust and HKT dated 31 December 2013 relating to the acquisition of CSLNW by HKT;
“Announcement”	the joint announcement of the HKT Trust and HKT, and PCCW dated 13 June 2014 relating to, among other things, the Rights Issue;
“ARPU”	average revenue per user;
“associate(s)”	has the meaning ascribed to it in the Listing Rules and (in the case of the HKT Trust and HKT) as modified by the Listing Agreement;
“Beneficial Owner(s)”	any beneficial owner(s) of Share Stapled Units whose Share Stapled Units are registered in the name of a Registered Owner;
“Business Day”	a day (other than a Saturday, Sunday, any public holiday in Hong Kong or a day on which a tropical cyclone warning signal number 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which commercial banks in Hong Kong are generally open for business;
“Canadian Offering Memorandum”	the Canadian Offering Memorandum to be issued by the HKT Trust and HKT in connection with the Rights Issue and dated on or around the date of this Prospectus, to be sent to Holders of Share Stapled Units with registered addresses in Canada;
“CAS”	CAS Holding No. 1 Limited, a wholly-owned subsidiary of PCCW;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant;
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant;
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation;
“CCASS Participant”	a CCASS Clearing Participant or a CCASS Custodian Participant or a CCASS Investor Participant;

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“Citigroup”	Citigroup Global Markets Asia Limited, licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities under the SFO;
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended or supplemented from time to time;
“Completion”	the completion of the acquisition of the entire issued share capital of CSLNW by HKT which occurred on 14 May 2014;
“connected person(s)”	has the same meaning ascribed to it in the Listing Rules and (in the case of the HKT Trust and HKT) as modified by the Listing Agreement;
“CSLNW”	CSL New World Mobility Limited (now known as CSL Holdings Limited), an investment holding company incorporated in Bermuda with limited liability which is engaged, through its subsidiaries and joint venture interests, primarily in the provision of mobile telecommunications services through 4G, 3G and 2G networks, and the sale of mobile telecommunications products, to customers in Hong Kong under three mobile brands: “1010”, “one2free” and “New World Mobility”;
“CSLNW Group”	CSLNW and its subsidiaries at the relevant time;
“Deutsche Bank”	Deutsche Bank AG, Hong Kong Branch, licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities;
“Eisner”	Eisner Investments Limited, a company which is wholly-owned by Mr. Li Tzar Kai, Richard, the Executive Chairman and an Executive Director of HKT and the Trustee-Manager;
“Eisner’s Undertaking”	the irrevocable undertaking dated 20 June 2014 given by Eisner in favour of the HKT Trust and HKT, and the Joint Underwriters, as described in this Prospectus;
“Excluded Jurisdictions”	the US, the UK, Canada, Australia, Japan, Saudi Arabia, Jersey and New Zealand, being jurisdictions in respect of which the HKT Trust

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	and HKT have determined, in accordance with Rule 13.36(2)(a) of the Listing Rules, that it was necessary or expedient not to offer Rights Share Stapled Units to Holders of Share Stapled Units in such jurisdictions on account either of the legal restrictions under the laws of a place outside Hong Kong or the requirements of a relevant regulatory body or stock exchange in that place (other than offers to certain categories of sophisticated and/or qualified investors permitted by, and in accordance with, applicable local laws and regulations);
“Existing Share Stapled Units”	the Share Stapled Units which were in issue at 5:00 p.m. on the Record Date;
“Goldman Sachs”	Goldman Sachs (Asia) L.L.C., a corporation licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“HKT”	HKT Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability and registered as a non-Hong Kong company in Hong Kong under Part XI of the then Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as subsequently amended, repealed and replaced by Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time) and having its Share Stapled Units, jointly issued with the HKT Trust, listed on the main board of the Stock Exchange (stock code: 6823);
“HKT Articles”	the amended and restated articles of association of HKT;
“HKT Board”	the board of directors of HKT;
“HKT Director(s)”	the director(s) of the Trustee-Manager and HKT;
“HKT Group”	the HKT Trust and HKT and its subsidiaries at the relevant time;
“HKT Trust”	a trust constituted on 7 November 2011 under the laws of Hong Kong and managed by the Trustee-Manager and having its Share Stapled

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	Units, jointly issued with HKT, listed on the main board of the Stock Exchange (stock code: 6823);
“Holder(s) of Share Stapled Units”	person(s) duly registered in the Share Stapled Units Register as holder(s) of Share Stapled Units, except that where the registered holder of Share Stapled Units is HKSCC Nominees Limited on behalf of CCASS shall also include, where the context so admits, the CCASS Participants whose CCASS stock accounts are deposited with such Share Stapled Units;
“Hong Kong”	the Hong Kong Special Administrative Region of PRC;
“Hong Kong Branch Register of Members”	the branch register of members in Hong Kong of HKT as maintained in accordance with the provisions of the Trust Deed;
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, a registered institution as defined in the SFO and registered to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities, and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), as amended or supplemented from time to time;
“Independent Third Party(ies)”	third party(ies) who is/are independent of the HKT Trust and HKT and any connected person(s) of the HKT Trust and HKT and is/are not connected person(s) of the HKT Trust and HKT;
“Intermediary”	in relation to a Beneficial Owner whose Share Stapled Units are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the Beneficial Owner’s Share Stapled Units with a CCASS Participant;
“Investor Participant”	a person admitted to participate in CCASS as an investor participant;
“Joint Underwriters” (in alphabetical order)	Citigroup, Deutsche Bank, Goldman Sachs, HSBC, Morgan Stanley and Standard Chartered;
“Last Trading Day”	Thursday, 12 June 2014, being the last completed Stock Exchange Trading Day immediately prior to the publication of the Announcement;

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“Latest Acceptance Date”	the latest date for acceptance of, and payment for, Rights Share Stapled Units, which is expected to be Tuesday, 15 July 2014 (or such other date to be agreed in writing between the Trustee-Manager, HKT and the Joint Underwriters);
“Latest Practicable Date”	Wednesday, 25 June 2014, being the latest practicable date prior to the printing of this Prospectus for the purposes of ascertaining certain information contained in this Prospectus;
“Latest Time for Termination”	4:30 p.m. on the Business Day immediately following the Latest Acceptance Date, which is expected to be on Wednesday, 16 July 2014;
“Listing Agreement”	the listing agreement dated 28 November 2011 entered into between the Trustee-Manager, HKT and the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	Friday, 25 July 2014 (or such later date as the Joint Underwriters may agree);
“Morgan Stanley”	Morgan Stanley & Co. International Plc. In so far as Morgan Stanley, in performing its functions under the Underwriting Agreement, is “dealing in securities” as defined in Part 2 of Schedule 5 to the SFO, it shall only do so through its agent, Morgan Stanley Asia Limited, and only in circumstances such that none of sub-paragraphs (I), (II), (III), (IV) and (V) in paragraph (iv) to the definition of “dealing in securities” in Part 2 of Schedule 5 to the SFO is applicable;
“Non-Qualifying Holder(s) of Share Stapled Units”	those Holder(s) of Share Stapled Units whose registered address(es) as shown on the Share Stapled Units Register at 5:00 p.m. on the Record Date was/were in any of the Excluded Jurisdictions and Holder(s) of Share Stapled Units and Beneficial Owner(s) of Share Stapled Units who is/are otherwise known by the HKT Trust and HKT to be resident in any of the Excluded Jurisdictions, except for those Holder(s) of Share Stapled Units with addresses in, or Holder(s) of Share Stapled Units or Beneficial Owner(s) who is/are otherwise known by the HKT Trust and HKT to be resident in, the Excluded Jurisdictions who fulfil, to the satisfaction of the HKT Trust and HKT, certain requirements to enable them to take up their rights under the Rights Issue;

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“Notes due 2015”	the US\$500 million 5.25% guaranteed notes due 2015 issued by PCCW-HKT Capital No.3 Limited (an indirect wholly-owned subsidiary of HKT) in July 2005, irrevocably and unconditionally guaranteed by PCCW-HKT Telephone Limited (an indirect wholly-owned subsidiary of PCCW), Hong Kong Telecommunications (HKT) Limited (an indirect wholly-owned subsidiary of HKT) and HKT Group Holdings Limited (a wholly-owned subsidiary of HKT) and listed on the Singapore Exchange Securities Trading Limited;
“Notes due 2016”	the US\$500 million 4.25% guaranteed notes due 2016 issued by PCCW-HKT Capital No.4 Limited (an indirect wholly-owned subsidiary of HKT) in August 2010, irrevocably and unconditionally guaranteed by Hong Kong Telecommunications (HKT) Limited (an indirect wholly-owned subsidiary of HKT) and HKT Group Holdings Limited (a wholly-owned subsidiary of HKT) and listed on the Singapore Exchange Securities Trading Limited;
“Notes due 2023”	the US\$500 million 3.75% guaranteed notes due 2023 issued by PCCW-HKT Capital No.5 Limited (an indirect wholly-owned subsidiary of HKT) in March 2013, irrevocably and unconditionally guaranteed by Hong Kong Telecommunications (HKT) Limited (an indirect wholly-owned subsidiary of HKT) and HKT Group Holdings Limited (a wholly-owned subsidiary of HKT) and listed on the Singapore Exchange Securities Trading Limited;
“Ordinary Shares”	ordinary shares with a nominal value of HK\$0.0005 each in the share capital of HKT conferring the rights set out in the HKT Articles;
“Overseas Holder(s) of Share Stapled Units”	those Holder(s) of Share Stapled Units whose name(s) appeared on the Share Stapled Units Register at 5:00 p.m. on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong and Holder(s) of Share Stapled Units and beneficial owner(s) of Share Stapled Units at that time who is/are otherwise known to the HKT Trust and HKT to be resident in a place(s) outside Hong Kong;
“PAL(s)”	the provisional allotment letter(s) issued in connection with the Rights Issue;
“PCCW”	PCCW Limited, a company incorporated in Hong Kong with limited liability and having its shares listed on the main board of the Stock Exchange (stock code: 0008) and traded in the form of American

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	Depository Receipts on the OTC Markets Group Inc. in the United States of America (ticker: PCCWY);
“PCCW Group”	PCCW and its subsidiaries at the relevant time;
“PCCW’s Undertaking”	the irrevocable undertaking dated 13 June 2014 given by PCCW in favour of the HKT Trust and HKT, and the Joint Underwriters, as described in this Prospectus;
“PCD”	Pacific Century Diversified Limited, a company which is indirectly wholly-owned by Mr. Li Tzar Kai, Richard, the Executive Chairman and an Executive Director of HKT and the Trustee-Manager;
“PCD’s Undertaking”	the irrevocable undertaking dated 20 June 2014 given by PCD in favour of the HKT Trust and HKT, and the Joint Underwriters, as described in this Prospectus;
“PCGH”	Pacific Century Group Holdings Limited, a company which is wholly-owned by certain trusts of which Mr. Li Tzar Kai, Richard, the Executive Chairman and an Executive Director of HKT and the Trustee-Manager, was the founder;
“PCGH’s Undertaking”	the irrevocable undertaking dated 20 June 2014 given by PCGH in favour of the HKT Trust and HKT, and the Joint Underwriters, as described in this Prospectus;
“PCRD”	Pacific Century Regional Developments Limited, a company in which PCGH holds, through itself and certain wholly-owned subsidiaries, an aggregate of 77.12% interest;
“PCRD’s Undertaking”	the irrevocable undertaking dated 20 June 2014 given by PCRD in favour of the HKT Trust and HKT, and the Joint Underwriters, as described in this Prospectus;
“PRC”	the People’s Republic of China, which for the purpose of this Prospectus excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Preference Shares”	preference shares with a nominal value of HK\$0.0005 each in the share capital of HKT conferring the rights as set out in the HKT Articles;
“Prospectus”	this prospectus in connection with the Rights Issue;

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“QIB(s)”	“qualified institutional buyer(s)” within the meaning of Rule 144A under the US Securities Act;
“Qualifying Holder(s) of Share Stapled Units”	those Holder(s) of Shared Stapled Units, other than the Non-Qualifying Holders of Share Stapled Units, whose name(s) appeared on the Share Stapled Units Register at 5:00 p.m. on the Record Date;
“Record Date”	Friday, 27 June 2014, the date by reference to which entitlements to participate in the Rights Issue were determined;
“Registered Owner”	in respect of a Beneficial Owner, means a nominee, trustee, depository or any other authorised custodian or third party which is the registered holder in the Share Stapled Units Register for the Share Stapled Units in which the Beneficial Owner is beneficially interested;
“Register of Beneficial Interests”	the register of beneficial interests in the Ordinary Shares which are registered in the Register of Members in the name of the Trustee-Manager in its capacity as trustee-manager of the HKT Trust, as maintained in accordance with the provisions of the Trust Deed;
“Register of Members”	the principal register of members of HKT maintained in the Cayman Islands;
“Registers”	the Share Stapled Units Register, the Units Register, the Register of Members, the Hong Kong Branch Register of Members and the Register of Beneficial Interests, collectively, and “Register” means any of them;
“Regulation S”	Regulation S under the US Securities Act;
“Relevant Persons”	have the meaning given on the cover pages of this Prospectus, under the heading “Notice relating to investors in the UK”;
“Relevant Requirements”	the applicable requirements of the section headed “Limited categories of persons in the Excluded Jurisdictions who may be able to take up their rights under the Rights Issue”;
“Rights Issue”	the issue, by way of rights, of 18 Rights Share Stapled Units for every 100 Existing Share Stapled Units at the Rights Subscription Price, payable in full on acceptance;

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“Rights Issue Documents”	the Prospectus and the PAL;
“Rights Share Stapled Unit(s)”	new Share Stapled Unit(s) to be allotted and issued by way of rights to Qualifying Holders of Share Stapled Units;
“Rights Subscription Price”	the subscription price of HK\$6.84 per Rights Share Stapled Unit;
“SFC”	the Securities and Futures Commission of Hong Kong;
“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;(b) the beneficial interest in a specifically identified Ordinary Share linked to the Unit and held by the Trustee-Manager as legal owner in its capacity as trustee-manager of the HKT Trust; and(c) a specifically identified Preference Share stapled to the Unit;
“Share Stapled Units Register”	the register of registered Holders of Share Stapled Units as maintained in accordance with the provisions of the Trust Deed;
“Share Stapled Units Registrar”	Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong;
“Standard Chartered”	Standard Chartered Securities (Hong Kong) Limited, a registered institution as defined in the SFO and registered to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“take up”	the taking up of those Rights Share Stapled Units and/or the Underwritten Rights Share Stapled Units in respect of which the

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	relevant PALs have been lodged and accompanied by cheques or other remittances for the full amount payable in respect thereof;
“Trading Day”	a day on which the Stock Exchange is open for trading;
“Trust Deed”	the trust deed dated 7 November 2011 constituting the HKT Trust, entered into between the Trustee-Manager and HKT, as amended from time to time;
“Trustee-Manager”	HKT Management Limited (a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of PCCW), in its capacity as the trustee-manager of the HKT Trust;
“Trustee-Manager Board”	the board of directors of the Trustee-Manager;
“UK”	United Kingdom of Great Britain and Northern Ireland;
“Underwriting Agreement”	the underwriting agreement dated 13 June 2014 entered into between the Trustee-Manager, HKT and the Joint Underwriters in relation to the Rights Issue;
“Underwritten Rights Share Stapled Units”	the Rights Share Stapled Units (other than the aggregate of (1) 728,498,849 Rights Share Stapled Units to be subscribed (or procured to be subscribed) by CAS pursuant to PCCW’s Undertaking (which PCCW has undertaken to procure subscription for); (2) 7,020,000 Rights Share Stapled Units to be subscribed by Eisner pursuant to Eisner’s Undertaking; (3) 3,085,568 Rights Share Stapled Units to be subscribed by PCD pursuant to PCD’s Undertaking; (4) 2,007,399 Rights Share Stapled Units to be subscribed by PCGH pursuant to PCGH’s Undertaking; and (5) 20,078,664 Rights Share Stapled Units to be subscribed by PCRD pursuant to PCRD’s Undertaking), underwritten by the Joint Underwriters subject to the terms and conditions of the Underwriting Agreement, being 394,321,062 Rights Share Stapled Units;
“Unit”	an undivided interest in the HKT Trust, which confers the rights stated in the Trust Deed as being conferred by a Unit (whether in its own right or as a component of a Share Stapled Unit);
“Units Register”	the register of registered holders of Units as maintained in accordance with the provisions of the Trust Deed;
“US” or “United States”	United States of America (including its territories and possessions, any state of the US and the District of Columbia);

DEFINITIONS

“US Securities Act”	US Securities Act of 1933, as amended;
“US\$”	United States dollar(s), the lawful currency of the US; and
“%”	per cent.

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

In this Prospectus, unless the context otherwise requires, any reference to the singular includes the plural and vice versa and any reference to a gender includes a reference to the other gender and the neuter.

SUMMARY OF THE RIGHTS ISSUE

The following information is derived from, and should be read in conjunction with and subject to, the full text of this Prospectus:

- What is the Rights Issue?** : A means for the HKT Trust and HKT to raise additional capital by offering to the existing Holders of Share Stapled Units who are Qualifying Holders of Share Stapled Units the right to subscribe for further Share Stapled Units in proportion to their existing holdings of the Share Stapled Units.
- Basis of the Rights Issue** : Qualifying Holders of Share Stapled Units are being offered the opportunity to subscribe for 18 Rights Share Stapled Units for every 100 Existing Share Stapled Units held at 5:00 p.m. on the Record Date. For more information in relation to Qualifying Holders of Share Stapled Units, see the sections of this Prospectus headed “Qualifying Holders of Share Stapled Units”, “Distribution of this Prospectus and the PAL”, “Non-Qualifying Holders of Share Stapled Units” and “Limited categories of persons in the Excluded Jurisdictions who may be able to take up their rights under the Rights Issue” in the “Letter from the Trustee-Manager Board and the HKT Board”.
- Rights Subscription Price** : HK\$6.84 per Rights Share Stapled Unit payable in full on acceptance.
- Number of Share Stapled Units in issue** : 6,416,730,792 Share Stapled Units as at the Latest Practicable Date.
- Number of Rights Share Stapled Units to be issued** : 1,155,011,542 Rights Share Stapled Units.
- Latest Acceptance Date** : Expected to be Tuesday, 15 July 2014.
- Amount to be raised by the Rights Issue** : Expected to be approximately HK\$7,900 million (approximately US\$1,013 million) before expenses.
- Enlarged total issued Share Stapled Units upon completion of the Rights Issue** : 7,571,742,334 Share Stapled Units (assuming no new Share Stapled Units (other than the Rights Share Stapled Units) are allotted and issued on or before completion of the Rights Issue).
- Status** : The Rights Share Stapled Units, when allotted, issued and fully-paid, will rank *pari passu* in all respects with the Share Stapled Units then in issue. After the Rights Share Stapled Units have been issued and fully-paid, holders of the fully-paid Rights

SUMMARY OF THE RIGHTS ISSUE

Share Stapled Units will be entitled to receive all future distributions, the record dates of which are on or after the date of issue of the fully-paid Rights Share Stapled Units.

Number of Underwritten Rights Share : 394,321,062 Rights Share Stapled Units.
Stapled Units

Assuming no new Share Stapled Units (other than the Rights Share Stapled Units) are allotted and issued on or before the completion of the Rights Issue, the 1,155,011,542 Rights Share Stapled Units in nil-paid form proposed to be provisionally allotted represent approximately 18.0% of the issued Share Stapled Units of the HKT Trust and HKT as at the Latest Practicable Date and approximately 15.3% of the issued Share Stapled Units of the HKT Trust and HKT as enlarged by the allotment and issue of the Rights Share Stapled Units.

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

TERMINATION OF THE UNDERWRITING AGREEMENT

The Joint Underwriters have the right to terminate the Underwriting Agreement by notice to the HKT Trust and HKT at any time prior to the Latest Time for Termination if any of the following occurs:

- (a) any breach of any of the warranties or the undertakings given by the Trustee-Manager and HKT in the Underwriting Agreement comes to the knowledge of any of the Joint Underwriters, or there has been a breach on the part of the Trustee-Manager or HKT of any other provision of the Underwriting Agreement or there has come to the knowledge of any of the Joint Underwriters any matter has arisen which would reasonably be expected to give rise to such a breach or a claim in respect of such warranties or undertakings; or
- (b) any statement contained in the Prospectus has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect, or matters have arisen or have been discovered which would, if the Prospectus was to be issued at the time, constitute a material omission therefrom; or
- (c) the Trustee-Manager and HKT are required to produce a supplementary Prospectus; or
- (d) there is any change or prospective change in the condition, results of operations, prospects, management, business, shareholders' equity or in the financial or trading position of any member of the HKT Group which, in the sole opinion of the Joint Underwriters, is or may be materially adverse in the context of the Rights Issue; or
- (e) permission to deal in and listing of all the Rights Share Stapled Units (in their nil-paid and fully-paid forms) has been withdrawn by the Stock Exchange; or
- (f) there has occurred, happened or come into effect any event, series of events or circumstances concerning or relating to (whether or not foreseeable):
 - (i) any change in, or any event or series of events likely to result in any change (whether or not permanent) in local, national or international financial, political, military, industrial, economic, legal, fiscal, regulatory or securities market matters or conditions or currency exchange rates or exchange controls in or affecting the PRC, Hong Kong, the United States or the European Union (or any member thereof); or
 - (ii) any event or circumstance in the nature of force majeure (including, without limitation, any act of government, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis, in or affecting the PRC, Hong Kong, the United States or the European Union (or any member thereof); or
 - (iii) the declaration of a banking moratorium by authorities in the PRC, Hong Kong, United States or the European Union (or any member thereof) occurring due to exceptional financial circumstances or otherwise; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (iv) any moratorium, suspension or restriction on trading in shares or securities generally, or the establishment of minimum prices, on the Stock Exchange, the London Stock Exchange plc, the New York Stock Exchange, Inc. or NASDAQ, or any major disruption of any securities settlement or clearing services in Hong Kong; or
- (v) any suspension of dealings in the Share Stapled Units (other than pending publication of announcements in respect of the Rights Issue); or
- (vi) any new law or regulation or any change, or any development involving a prospective change, in existing laws or regulations in Hong Kong or any other place in which any member of the HKT Group conducts or carries on business,

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

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

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

The Rights Share Stapled Units are expected to be dealt with in their nil-paid form from Thursday, 3 July 2014 to Thursday, 10 July 2014 (both dates inclusive).

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If the conditions of the Rights Issue are not duly fulfilled and/or waived (where applicable), the Rights Issue will not proceed. Any persons dealing in Share Stapled Units or Rights Share Stapled Units in their nil-paid form, or in any other securities of the HKT Trust and HKT, up to the date on which all the conditions to which the Rights Issue is subject have been fulfilled and/or waived (where applicable) and the Joint Underwriters' right to terminate the Underwriting Agreement has ceased, will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Holders of Share Stapled Units or other persons contemplating any dealings in the Share Stapled Units or Rights Share Stapled Units in their nil-paid form, or in any other securities of the HKT Trust and HKT, are advised to exercise caution and to consult their professional advisers.

EXPECTED TIMETABLE

The expected timetable^{(1),(2)} for the Rights Issue is set out below:

2014

Registers re-open	Monday, 30 June
Rights Issue Documents to be posted	Monday, 30 June
First day of dealings in nil-paid Rights Share Stapled Units	Thursday, 3 July
Latest time for:	1:00 p.m. on Monday, 7 July
(1) US persons who are QIBs to contact the HKT Trust and HKT to notify the HKT Trust and HKT of their eligibility to accept Rights Share Stapled Units offered under the Rights Issue;	
(2) UK persons who are Relevant Persons to contact the HKT Trust and HKT to notify the HKT Trust and HKT of their eligibility to accept Rights Share Stapled Units offered under the Rights Issue;	
(3) Canadian persons who are “accredited investors” as defined in NI 45-106 to contact the HKT Trust and HKT to notify the HKT Trust and HKT of their eligibility to accept Rights Share Stapled Units offered under the Rights Issue; and	
(4) Australian persons who are “professional investors” for the purposes of Section 9 of the Corporation Act 2001 (Cth) to contact the HKT Trust and HKT to notify the HKT Trust and HKT of their eligibility to accept Rights Share Stapled Units offered under the Rights Issue.	
Latest time for splitting nil-paid Rights Share Stapled Units	4:30 p.m. on Monday, 7 July
Last day of dealings in nil-paid Rights Share Stapled Units	Thursday, 10 July
Latest time for acceptance of and payment for Rights Share Stapled Units ...	4:00 p.m. on Tuesday, 15 July
Rights Issue and Underwriting Agreement expected to become unconditional	4:30 p.m. on Wednesday, 16 July
Announcement of the results of acceptances of the Rights Issue	Tuesday, 22 July
Share Stapled Unit certificates for Rights Share Stapled Units to be posted/ CCASS stock accounts to be credited with Rights Share Stapled Units	Thursday, 24 July
Cheques to Non-Qualifying Holders of Share Stapled Units, if any, to be posted	Thursday, 24 July
First day of dealings in fully-paid Rights Share Stapled Units	9:00 a.m. on Friday, 25 July
Designated broker starts to provide matching services for odd lots of Share Stapled Units ⁽³⁾	9:00 a.m. on Friday, 25 July
Designated broker ceases to provide matching services for odd lots of Share Stapled Units ⁽³⁾	4:00 p.m. on Friday, 15 August

Notes:

(1) All references to times and dates in this Prospectus are references to Hong Kong time and Hong Kong dates, respectively.

EXPECTED TIMETABLE

- (2) Dates or deadlines specified in this Prospectus are indicative only and may be extended or varied by agreement between the Trustee-Manager, HKT and the Joint Underwriters. Any changes to the timetable will be published or notified to the Holders of Share Stapled Units and the Stock Exchange, as appropriate.
- (3) For details, see the section headed “Odd Lot Matching Services” in the “Letter from the Trustee-Manager Board and the HKT Board”.

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

The latest time for acceptance of Rights Share Stapled Units and the payment therefor will not take place as shown if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 15 July 2014. Instead, the latest time for acceptance of Rights Share Stapled Units, and the payment therefor, will be extended to 5:00 p.m. on the same Business Day; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Tuesday, 15 July 2014. Instead, the latest time for acceptance of Rights Share Stapled Units, and the payment therefor, will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of Rights Share Stapled Units, and the payment therefor, does not take place on Tuesday, 15 July 2014, the subsequent dates mentioned in this section headed “Expected Timetable” may be affected. An announcement will be made by the HKT Trust and HKT to notify the Holders of Share Stapled Units and the Stock Exchange in such event as soon as practicable.



HKT Trust

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

and

HKT Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 6823)

Executive Directors:

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

Registered Office of HKT:

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

Non-Executive Directors:

Peter Anthony Allen
Chung Cho Yee, Mico
Lu Yimin
Li Fushen

Registered Office of the Trustee-Manager

*Head Office and Principal Place
of Business of HKT in Hong Kong:*
39th Floor, PCCW Tower
TaiKoo Place, 979 King's Road
Quarry Bay, Hong Kong

Independent Non-Executive Directors:

Professor Chang Hsin Kang, FREng, GBS, JP
The Hon Raymond George Hardenbergh Seitz
Sunil Varma
Aman Mehta

30 June 2014

*To the Qualifying Holders of Share Stapled Units and,
for information only, certain Non-Qualifying Holders of Share Stapled Units*

Dear Sir or Madam,

**RIGHTS ISSUE OF HKT TRUST AND HKT LIMITED
OF 1,155,011,542 RIGHTS SHARE STAPLED UNITS
AT THE SUBSCRIPTION PRICE OF HK\$6.84
PER RIGHTS SHARE STAPLED UNIT
ON THE BASIS OF 18 RIGHTS SHARE STAPLED UNITS
FOR EVERY 100 EXISTING SHARE STAPLED UNITS HELD
ON THE RECORD DATE**

LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE HKT BOARD

INTRODUCTION

The HKT Trust and HKT announced on 13 June 2014 that they propose to raise approximately HK\$7,900 million (approximately US\$1,013 million) before expenses by way of the Rights Issue on the basis of 18 Rights Share Stapled Units for every 100 Existing Share Stapled Units held by Qualifying Holders of Shared Stapled Units at 5:00 p.m. on the Record Date.

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

The Underwritten Rights Share Stapled Units are underwritten in full on the terms and subject to the conditions set out in the Underwriting Agreement.

RIGHTS ISSUE OVERVIEW

What is the Rights Issue?

A means for the HKT Trust and HKT to raise additional capital by offering to the existing Holders of Share Stapled Units who are Qualifying Holders of Share Stapled Units the right to subscribe for further Share Stapled Units in proportion to their existing holdings of the Share Stapled Units.

Basis of the Rights Issue:

Qualifying Holders of Share Stapled Units are being offered the opportunity to subscribe for 18 Rights Share Stapled Units for every 100 Existing Share Stapled Units held at 5:00 p.m. on the Record Date. Any holdings (or balance of holdings) of less than 100 Existing Share Stapled Units will entitle their holders to be provisionally allotted a *pro rata* proportion of 18 Rights Share Stapled Units, rounded down to the nearest Rights Share Stapled Unit. For more information in relation to Qualifying Holders of Share Stapled Units, see the sections headed “Qualifying Holders of Share Stapled Units”, “Distribution of this Prospectus and the PAL”, “Non-Qualifying Holders of Share Stapled Units” and “Limited categories of persons in the Excluded Jurisdictions who may be able to take up their rights under the Rights Issue,” below.

Number of Share Stapled Units in issue:

6,416,730,792 Share Stapled Units as at the Latest Practicable Date.

Number of Rights Share Stapled Units to be issued:

1,155,011,542 Rights Share Stapled Units.

LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE HKT BOARD

Rights Subscription Price:	HK\$6.84 per Rights Share Stapled Unit payable in full on acceptance.
Latest Acceptance Date:	Expected to be Tuesday, 15 July 2014.
Amount to be raised by the Rights Issue:	Expected to be approximately HK\$7,900 million (approximately US\$1,013 million) before expenses.
Enlarged total issued Share Stapled Units upon completion of the Rights Issue:	7,571,742,334 Share Stapled Units (assuming no new Share Stapled Units (other than the Rights Share Stapled Units) are allotted and issued on or before completion of the Rights Issue).
No excess applications:	Rights Share Stapled Units which are not taken up by Qualifying Holders of Share Stapled Units or renouncees or transferees of nil-paid Rights Share Stapled Units will not be made available for excess applications.
Status:	The Rights Share Stapled Units, when allotted, issued and fully-paid, will rank <i>pari passu</i> in all respects with the Share Stapled Units then in issue. After the Rights Share Stapled Units have been issued and fully-paid, holders of the fully-paid Rights Share Stapled Units will be entitled to receive all future distributions, the record dates of which are on or after the date of issue of the fully-paid Rights Share Stapled Units.
Joint Underwriters (in alphabetical order):	Citigroup, Deutsche Bank, Goldman Sachs, HSBC, Morgan Stanley and Standard Chartered.
Number of Underwritten Rights Share Stapled Units:	394,321,062 Rights Share Stapled Units.

Assuming no new Share Stapled Units (other than the Rights Share Stapled Units) are allotted and issued on or before the completion of the Rights Issue, the 1,155,011,542 Rights Share Stapled Units in nil-paid form proposed to be provisionally allotted represent approximately 18.0% of the issued Share Stapled Units of the HKT Trust and HKT as at the Latest Practicable Date and approximately 15.3% of the issued Share Stapled Units of the HKT Trust and HKT as enlarged by the allotment and issue of the Rights Share Stapled Units.

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

LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE HKT BOARD

THE RIGHTS SUBSCRIPTION PRICE

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

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

- (i) a discount of approximately 18.08% to the theoretical ex-rights price of approximately HK\$8.35 per Share Stapled Unit which is calculated based on the closing price of the Share Stapled Units on the Last Trading Day;
- (ii) a discount of approximately 20.65% to the closing price of HK\$8.62 per Share Stapled Unit as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 19.91% to the average of the closing prices of the Share Stapled Units for the 5 consecutive Trading Days ended on the Last Trading Day of approximately HK\$8.54 per Share Stapled Unit;
- (iv) a discount of approximately 19.91% to the average of the closing prices of the Share Stapled Units for the 10 consecutive Trading Days ended on the Last Trading Day of approximately HK\$8.54 per Share Stapled Unit;
- (v) a discount of approximately 19.43% to the average of the closing prices of the Share Stapled Units for the 30 consecutive Trading Days ended on the Last Trading Day of approximately HK\$8.49 per Share Stapled Unit; and
- (vi) a discount of approximately 23.58% to the closing price of HK\$8.95 per Share Stapled Unit, the dealings of which are on an ex-rights basis, as quoted on the Stock Exchange on the Latest Practicable Date.

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

Each Qualifying Holder of Share Stapled Units will be entitled to subscribe for the Rights Share Stapled Units at the same Rights Subscription Price. After taking into consideration the reasons for the Rights Issue as stated in the section headed “Reasons for the Rights Issue and Use of Proceeds”, the HKT Directors (including the independent non-executive Directors) consider that the terms of the Rights Issue (including the Rights Subscription Price) are fair and reasonable and in the interests of the HKT Trust and HKT and the Holders of Share Stapled Units as a whole.

LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE HKT BOARD

QUALIFYING HOLDERS OF SHARE STAPLED UNITS

To qualify for the Rights Issue, a Holder of Share Stapled Units must have had his/her/its name registered in the Share Stapled Units Register on or before 5:00 p.m. on the Record Date and not be a Non-Qualifying Holder of Share Stapled Units (see the section headed “Non-Qualifying Holders of Share Stapled Units” below).

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

BASIS OF PROVISIONAL ALLOTMENT OF RIGHTS SHARE STAPLED UNITS

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

Application for all of the provisional allotment of Rights Share Stapled Units of a Qualifying Holder of Share Stapled Units should be made by completing the PAL and lodging the same with a remittance for the Rights Share Stapled Units being applied for. If a Qualifying Holder of Share Stapled Units wishes to accept part only of, or renounce or transfer a part of, his/her/its Rights Share Stapled Units provisionally allotted to him/her/it under the PAL, such Qualifying Holder of Share Stapled Units will need to split his/her/its PAL into the denominations required. For further details, see the section headed “Procedures for Acceptance or Transfer” below.

DISTRIBUTION OF THIS PROSPECTUS AND THE PAL

The HKT Trust and HKT will only send this Prospectus accompanied by the PAL to the Qualifying Holders of Share Stapled Units. However, the HKT Trust and HKT will, to the extent practicable, send this Prospectus (without the PAL) to Non-Qualifying Holders of Share Stapled Units in the UK, Australia, Jersey and New Zealand, for information only; and will, to the extent practicable, send the Canadian Offering Memorandum to be issued by the HKT Trust and HKT in connection with the Rights Issue and dated on or around the date of this Prospectus to the Non-Qualifying Holders of Share Stapled Units in Canada for information only, also without the PAL. This Prospectus will not be sent to any Holders of Share Stapled Units or Beneficial Owners in the US, except to those Holders of Share Stapled Units or Beneficial Owners whom the HKT Trust and HKT believe reasonably are QIBs and in respect of whom the provisions applicable to QIBs under the heading “Limited categories of persons in the Excluded Jurisdictions who may be able to take up their rights under the Rights Issue” have been complied with. This Prospectus will not be sent to any Holders of Share Stapled Units or Beneficial Owners in Japan or Saudi Arabia.

LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE HKT BOARD

Distribution of this Prospectus and the PAL into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession the Rights Issue Documents come (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction. Any Holder of Share Stapled Units or Beneficial Owner who is in any doubt as to his/her position should consult an appropriate professional adviser without delay. In particular, subject to certain exceptions as determined by the HKT Trust and HKT, this Prospectus should not be distributed, forwarded to or transmitted in, into or from any of the Excluded Jurisdictions with or without the PAL.

The Rights Issue Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

NON-QUALIFYING HOLDERS OF SHARE STAPLED UNITS

Non-Qualifying Holders of Share Stapled Units are:

- (i) those Overseas Holders of Share Stapled Units with registered addresses in; or
- (ii) those Overseas Holders of Share Stapled Units or Beneficial Owners who are otherwise known by the HKT Trust and HKT to be residents of,

places outside Hong Kong and in respect of whom the HKT Directors, based on enquiries made by the HKT Directors, consider it necessary or expedient not to offer the Rights Issue to such Holders of Share Stapled Units on account either of the legal restrictions under the laws of the relevant place in which the Holder of Share Stapled Unit or Beneficial Owner is located or the requirements of the relevant regulatory body or stock exchange in that place.

Having obtained advice from legal advisers in respect of each of the Excluded Jurisdictions and having considered the circumstances, the HKT Directors have formed the view that, other than certain limited exceptions as described below, it is necessary or expedient to restrict the ability of Holders of Share Stapled Units in the Excluded Jurisdictions to take up their rights under the Rights Issue due to the time and costs involved in the registration of the Prospectus and/or compliance with the relevant local legal or regulatory requirements in the Excluded Jurisdictions and/or additional steps the HKT Trust and HKT and/or Holders of Share Stapled Units or Beneficial Owners need to take to comply with the local legal or regulatory requirements in those territories.

The advice obtained by the HKT Trust and HKT from legal advisers in respect of each of the Excluded Jurisdictions indicated that either (i) the Rights Issue Documents would be required to be registered or filed with, or subject to approval by, the relevant authorities in those territories; or (ii) the HKT Trust and HKT or Holders of Share Stapled Units and/or Beneficial Owners would need to take additional steps to comply with the local legal requirements if the Rights Issue were extended to the Holders of Share Stapled Units or Beneficial Owners in those territories.

LETTER FROM THE TRUSTEE-MANAGER BOARD AND THE HKT BOARD

Accordingly, for the purposes of the Rights Issue, the Non-Qualifying Holders of Share Stapled Units are:

- (a) Holders of Share Stapled Units whose name(s) appeared in the register of Share Stapled Units at 5:00 p.m. on the Record Date and whose address(es) as shown in such register is/are in the Excluded Jurisdictions, except for those Holders of Share Stapled Units with addresses in the Excluded Jurisdictions who fulfil, to the satisfaction of the HKT Trust and HKT, the relevant requirements specified in the section headed “Limited categories of persons in the Excluded Jurisdictions who may be able to take up their rights under the Rights Issue”, below; and
- (b) any Holders of Share Stapled Units or Beneficial Owners at that time who are otherwise known by the HKT Trust and HKT to be resident in any of the Excluded Jurisdictions, except for those Holders of Share Stapled Units or Beneficial Owners who are otherwise known by the HKT Trust and HKT to be resident in the Excluded Jurisdictions who fulfil, to the satisfaction of the HKT Trust and HKT, the relevant requirements specified in the section headed “Limited categories of persons in the Excluded Jurisdictions who may be able to take up their rights under the Rights Issue”, below.

As at the Latest Practicable Date, the HKT Trust and HKT had approximately 218 Holders of Share Stapled Units whose names appeared in the Share Stapled Units Register and whose addresses as shown in such register are in the Excluded Jurisdictions.

Notwithstanding any other provision in this Prospectus or the PAL, the HKT Trust and HKT reserve the right to permit any Holder of Share Stapled Units to take up his/her/its rights if the HKT Trust and HKT, in their absolute discretion, are satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. If the HKT Trust and HKT are so satisfied, the HKT Trust and HKT will, if requested, arrange for the relevant Holder of Share Stapled Units to be sent a PAL.

Rights Share Stapled Units have been provisionally allotted to all Holders of Share Stapled Units whom the HKT Trust and HKT consider are Qualifying Holders of Share Stapled Units. In respect of those Holders of Share Stapled Units whose name(s) appeared in the register of Share Stapled Units at 5:00 p.m. on the Record Date and whose address(es) as shown in such register is/are in any of the Excluded Jurisdictions, the Rights Share Stapled Units which would otherwise have been provisionally allotted to them have instead been provisionally allotted to a nominee and will be sold in the market in their nil-paid form in accordance with the procedures described in the section headed “Arrangements for Rights Share Stapled Units which would otherwise have been available to Non-Qualifying Holders of Share Stapled Units” below; unless the relevant Holder of Share Stapled Units complies, by no later than 1:00 p.m. on Monday, 7 July 2014 with the Relevant Requirements in section below headed “Limited categories of persons in the Excluded Jurisdictions who may be able to take up their rights under the Rights Issue”. PALs have not been, and will not be, sent to Holders of Share Stapled Units with address(es) in, or who are otherwise known to the HKT Trust and HKT to be resident in, any of the Excluded Jurisdiction, except where the HKT Trust and HKT are satisfied that such action would not result in a contravention of any registration or other legal or regulatory requirement in any such jurisdictions.

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Receipt of this Prospectus and/or a PAL or the crediting of nil-paid Rights Share Stapled Units to a stock account in CCASS does not and will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus and/or a PAL must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this Prospectus and/or a PAL or whose stock account in CCASS is credited with nil-paid Rights Share Stapled Units should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer nil-paid Rights Share Stapled Units to any person in, into or from, any of the Excluded Jurisdictions. If a PAL or a credit of nil-paid Rights Share Stapled Units in CCASS is received by any person in any such territory, or by his/her agent or nominee, he/she should not seek to take up the rights referred to in the PAL or transfer the PAL or transfer the nil-paid Rights Share Stapled Units in CCASS unless the HKT Trust and HKT determine that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, agents, custodians, nominees and trustees) who does forward this Prospectus or a PAL in, into or from any Excluded Jurisdiction (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

ARRANGEMENTS FOR RIGHTS SHARE STAPLED UNITS WHICH WOULD OTHERWISE HAVE BEEN AVAILABLE TO NON-QUALIFYING HOLDERS OF SHARE STAPLED UNITS

Arrangements will be made for the Rights Share Stapled Units which would otherwise have been available to be taken up by the Non-Qualifying Holders of Share Stapled Units whose addresses as shown in the Share Stapled Units Register at 5:00 p.m. on the Record Date were in an Excluded Jurisdiction to be provisionally allotted to a nominee appointed by the HKT Trust and HKT and sold by the nominee on behalf of such Non-Qualifying Holders of Share Stapled Units in the market in their nil-paid form as soon as practicable after dealings in the Rights Share Stapled Units in their nil-paid form commence and before dealings in the Rights Share Stapled Units in their nil-paid form end (the last day of such period is Thursday, 10 July 2014), if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid to such Non-Qualifying Holders of Share Stapled Units *pro rata* to their holdings of Share Stapled Units held at 5:00 p.m. on the Record Date provided that the HKT Trust and HKT will retain individual proceeds amounts of less than HK\$100 for their own benefit. Such amounts will be paid in HK\$.

These arrangements will apply in respect of those Holders of Share Stapled Units whose names appeared in the register of Share Stapled Units at 5:00 p.m. on the Record Date and whose addresses as shown in the Share Stapled Units Register at that time were in any of the Excluded Jurisdictions (that is, in the US, the UK, Canada, Australia, Japan, Saudi Arabia, Jersey, or New Zealand), unless the relevant Holder of Share Stapled Units fulfils, to the satisfaction of the HKT Trust and HKT, the Relevant Requirements. These arrangements will also apply in respect of a Beneficial Owner who holds a beneficial interest in Share Stapled Units which are registered in the name of a Registered Owner where the address of the Registered Owner shown in the Share Stapled Units Register at 5:00 p.m. on the Record Date was in any of the Excluded Jurisdictions, unless the Registered Owner fulfils the Relevant Requirements to the satisfaction of the HKT Trust and HKT.

NON-QUALIFYING BENEFICIAL OWNERS

The arrangements under the section above headed “Arrangements for Rights Share Stapled Units which would otherwise have been available to Non-Qualifying Holders of Share Stapled Units” will not however apply to a Beneficial Owner who is resident in an Excluded Jurisdiction and does not fulfil the Relevant Requirements to the satisfaction of the HKT Trust and HKT, and who holds his/her/its interest in Share Stapled Units through a Registered Owner having an address shown in the register of Share Stapled Units at 5:00 p.m. on the Record Date which is not in one of the Excluded Jurisdictions. Such arrangements will also not apply to a Holder of Share Stapled Units whose address shown in the register of Share Stapled Units at 5:00 p.m. on the Record Date was not in one of the Excluded Jurisdictions but who is known by the HKT Trust and HKT to be resident in an Excluded Jurisdiction, unless that Holder of Share Stapled Units can fulfill the Relevant Requirements. Such Beneficial Owners and Holders of Share Stapled Units are referred to herein as “**Non-Qualifying Beneficial Owners**” and may include such Beneficial Owners holding interests in Share Stapled Units through CCASS (which Share Stapled Units are registered in the Share Stapled Units Register in the name of HKSCC Nominees Limited, a company incorporated in Hong Kong). The HKT Trust and HKT are unable to extend those arrangements to such Non-Qualifying Beneficial Owners because the HKT Trust and HKT do not have the necessary information in relation to such Non-Qualifying Beneficial Owners to make a unilateral determination as to whether those Beneficial Owners are Qualifying Holders of Share Stapled Units or Non-Qualifying Holders of Share Stapled Units for the purposes of the Rights Issue.

Accordingly, the nil-paid Rights Share Stapled Units which would otherwise have been available to be taken up by those Non-Qualifying Beneficial Owners will not be sold in the market and the relevant Non-Qualifying Beneficial Owners will not receive the proceeds of any such sale. All Non-Qualifying Beneficial Owners are advised to seek their own legal advice as to whether or not they may be permitted, having regard to their own particular circumstances (including the laws and regulations of the relevant jurisdiction in which they are resident), to sell their nil-paid Rights Share Stapled Units in the market.

With respect to Non-Qualifying Holders of Share Stapled Units who hold interests in Share Stapled Units through CCASS, their nominees, custodians or other Intermediaries may sell, on behalf of such Non-Qualifying Holders of Share Stapled Units, their entitlements to the nil-paid Rights Share Stapled Units in compliance with the “General Rules of CCASS” and the “CCASS Operational Procedures” in effect from time to time and any applicable securities laws and distribute the proceeds thereof as appropriate.

The HKT Trust and HKT reserve the right to treat as invalid any acceptance of or application for the nil-paid Rights Share Stapled Units where they believe that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Holders of Share Stapled Units and Beneficial Owners who are residing outside Hong Kong should exercise caution when dealing in the Share Stapled Units and/or the nil-paid Rights Share Stapled Units.

LIMITED CATEGORIES OF PERSONS IN THE EXCLUDED JURISDICTIONS WHO MAY BE ABLE TO TAKE UP THEIR RIGHTS UNDER THE RIGHTS ISSUE

Notwithstanding what is said in the section headed “Non-Qualifying Holders of Share Stapled Units” above, the following limited categories of persons in the Excluded Jurisdictions may be able to take up their rights under the Rights Issue:

- (1) (i) Holders of Share Stapled Units with a registered address in the US and (ii) Holders of Share Stapled Units or Beneficial Owners who are otherwise known by the HKT Trust and HKT to be resident in the US whom, in each case, the HKT Trust and HKT believe reasonably are QIBs may be able to take up their nil-paid Rights Share Stapled Units and subscribe for fully-paid Rights Share Stapled Units being offered in the Rights Issue (pursuant to the exercise of rights granted under the Rights Issue) by way of a private placement exempt from registration under the US Securities Act, provided that they fulfil relevant requirements to the satisfaction of the HKT Trust and HKT.

A Holder of Share Stapled Units or Beneficial Owner who considers that he/she/it is a QIB and is, therefore, eligible to accept his/her/its Rights Share Stapled Units provisionally allotted under the Rights Issue should contact the HKT Trust and HKT by sending a notification that he/she/it is eligible to participate in the Rights Issue **by no later than 1:00 p.m. on Monday, 7 July 2014 (Hong Kong time)**; failing which the nil-paid Rights Share Stapled Units provisionally allotted to that Holder of Share Stapled Units or in respect of that Beneficial Owner may be sold in the market in their nil-paid form pursuant to the arrangements applicable to the Rights Share Stapled Units which would otherwise have been available to be taken up by the Non-Qualifying Holders of Share Stapled Units, as described in the section above headed “Arrangements for Rights Share Stapled Units which would otherwise have been available to Non-Qualifying Holders of Share Stapled Units”. The contact details of the HKT Trust and HKT for this purpose are set out below.

- (2) (i) Holders of Share Stapled Units in the UK and (ii) Holders of Share Stapled Units or Beneficial Owners who are otherwise known by the HKT Trust and HKT to be resident in the UK who, in each case, are (a) “qualified investors” for the purposes of sections 86(1) and 86(7) of the UK Financial Services and Markets Act 2000 (“FSMA”) (including pursuant to Article 2(1) of the European Union’s Directive 2003/71/EC (and any amendments thereto, including those made by Directive 2010/73/EU) (the “Prospectus Directive”)), (b) persons to whom the Rights Issue may be made available pursuant to another exemption under Article 3(2) of the Prospectus Directive from the requirement to produce a prospectus regulated by the Prospectus Directive and/or (c) persons to whom this Prospectus may otherwise be lawfully distributed.

A Holder of Share Stapled Units or Beneficial Owner who considers that he/she/it fulfils one of those requirements and is, therefore, eligible to accept his/her/its Rights Share Stapled Units provisionally allotted under the Rights Issue should contact the HKT Trust and HKT by sending a notification that he/she/it is eligible to participate in the Rights Issue **by no later than 1:00 p.m. on Monday, 7 July 2014 (Hong Kong time)**; failing which the nil-paid Rights Share Stapled Units provisionally allotted to

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that Holder of Share Stapled Units or in respect of that Beneficial Owner may be sold in the market in their nil-paid form pursuant to the arrangements applicable to the Rights Share Stapled Units which would otherwise have been available to be taken up by the Non-Qualifying Holders of Share Stapled Units, as described in the section headed “Arrangements for Rights Share Stapled Units which would otherwise have been available to Non-Qualifying Holders of Share Stapled Units” above. The contact details of the HKT Trust and HKT for this purpose are set out below.

- (3) (i) Holders of Share Stapled Units located in Canada and (ii) Holders of Share Stapled Units or Beneficial Owners who are otherwise known by the HKT Trust and HKT to be resident in Canada who, in each case, are “accredited investors” as defined in National Instrument 45-106 Prospectus and Registration Exemptions (“**NI 45-106**”).

A Holder of Share Stapled Units or Beneficial Owner who considers that he/she/it is an “accredited investor” under NI 45-106 and is, therefore, eligible to accept his/her/its Rights Share Stapled Units provisionally allotted under the Rights Issue should contact the HKT Trust and HKT by sending a notification that he/she/it is eligible to participate in the Rights Issue **by no later than 1:00 p.m. on Monday, 7 July 2014 (Hong Kong time)**; failing which the nil-paid Rights Share Stapled Units provisionally allotted to that Holder of Share Stapled Unit or in respect of that Beneficial Owner may be sold in the market in their nil-paid form pursuant to the arrangements applicable to the Rights Share Stapled Units which would otherwise have been available to be taken up by the Non-Qualifying Holders of Share Stapled Units, as described in the section above headed “Arrangements for Rights Share Stapled Units which would otherwise have been available to Non-Qualifying Holders of Share Stapled Units”. The contact details of the HKT Trust and HKT for this purpose are set out below.

- (4) (i) Holders of Share Stapled Units resident in Australia and (ii) Holders of Share Stapled Units or Beneficial Owners who are otherwise known by the HKT Trust and HKT to be resident in Australia who, in each case, are “professional investors” for the purposes of section 9 of the Corporations Act 2001 (Cth).

A Holder of Share Stapled Units or Beneficial Owner who considers that he/she/it is a “professional investor” for the purposes of section 9 of the Corporations Act 2001 (Cth) and is, therefore, eligible to accept his/her/its Rights Share Stapled Units provisionally allotted under the Rights Issue should contact the HKT Trust and HKT by sending a notification that he/she/it is eligible to participate in the Rights Issue **by no later than 1:00 p.m. on Monday, 7 July 2014 (Hong Kong time)**; failing which the nil-paid Rights Share Stapled Units provisionally allotted to that Holder of Share Stapled Unit or in respect of that Beneficial Owner may be sold in the market in their nil-paid form pursuant to the arrangements applicable to the Rights Share Stapled Units which would otherwise have been available to be taken up by the Non-Qualifying Holders of Share Stapled Units, as described in the section above headed “Arrangements for Rights Share Stapled Units which would otherwise have been available to Non-Qualifying Holders of Share Stapled Units”. The contact details of the HKT Trust and HKT for this purpose are set out below.

In each case, the HKT Trust and HKT reserve the right to determine, in their absolute discretion, whether to allow such participation as well as the identity of any person(s) who may be allowed to do so.

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A Holder of Share Stapled Units or Beneficial Owner who fulfils, to the satisfaction of the HKT Trust and HKT, the requirements referred to in (1), (2), (3) or (4) above may obtain a PAL by contacting the HKT Trust and HKT and must do so **by no later than 1:00 p.m. on Monday, 7 July 2014 (Hong Kong time)**. The HKT Trust and HKT's contact details for these purposes and for the purposes of paragraphs (1), (2), (3) and (4) above are as follows:

Telephone from within/outside Hong Kong:

(852) 2862 8648

Email:

hktqib@computershare.com.hk

If Holders of Share Stapled Units or Beneficial Owners in the US, UK, Canada or Australia do not contact the HKT Trust and HKT by sending a notification that they are eligible to participate in the Rights Issue, in each case by 1:00 p.m. on Monday, 7 July 2014:

- (i) in the case of a registered Holder of Share Stapled Units whose name appeared in the register of Share Stapled Units at 5:00 p.m. on the Record Date and whose address as shown in the register of Share Stapled Units at that time was in the US, the UK, Canada or Australia, the nil-paid Rights Share Stapled Units provisionally allotted to such registered Holder of Share Stapled Units may be sold in the market in their nil-paid form pursuant to the arrangements in the section headed "Arrangements for Rights Share Stapled Units which would otherwise have been available to Non-Qualifying Holders of Share Stapled Units" above; and
- (ii) in the case of Holders of Share Stapled Units or Beneficial Owners who are otherwise known by the HKT Trust and HKT to be resident in the US, UK, Canada or Australia, the Rights Share Stapled Units provisionally allotted in respect of their interests in Share Stapled Units will be dealt with as described in the section headed "Non-Qualifying Beneficial Owners" above.

PROCEDURES FOR ACCEPTANCE OR TRANSFER

General

Any person (including, without limitation, agents, nominees and trustees) wishing to take up his/her/its rights under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The attention of Holders of Share Stapled Units with registered addresses in any of the Excluded Jurisdictions or persons holding Share Stapled Units on behalf of persons with such addresses is drawn to the sections above headed "Non-Qualifying Holders of Share Stapled Units" and "Limited categories of persons in the Excluded Jurisdictions who may be able to take up their rights under the Rights Issue".

Each purchaser of nil-paid Rights Share Stapled Units or subscriber of fully-paid Rights Share Stapled Units being offered and sold outside the US will be deemed (by accepting delivery of this Prospectus) to have given each of the following representations and warranties to the HKT Trust, HKT and the Joint Underwriters and to any person acting on their behalf, unless in their sole discretion the Trustee-Manager, HKT and the Joint Underwriters waive such requirement:

- he/she/it was a Holder of Share Stapled Units as at 5:00 p.m. the Record Date, or he/she/it lawfully acquired or may lawfully acquire the nil-paid Rights Share Stapled Units, directly or indirectly, from such a person;

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- he/she/it may lawfully be offered, take up, exercise, obtain, subscribe for and receive the nil-paid Rights Share Stapled Units and/or the fully-paid Rights Share Stapled Units in the jurisdiction in which he/she/it resides or is currently located;
- subject to certain exceptions, he/she/it is not resident or located in the US or otherwise a “US person” (as defined in Regulation S);
- subject to certain exceptions, he/she/it is not accepting an offer to acquire, take up or exercise rights to acquire nil-paid Rights Share Stapled Units or Rights Share Stapled Units on a non-discretionary basis for a person who is resident or located in the US or otherwise a “US person” (as defined in Regulation S), at the time the instruction to accept was given;
- subject to certain exceptions, he/she/it is not taking up rights for the account of any person who is located in the US, unless:
 - (a) the instruction to purchase or take up the rights to acquire nil-paid Rights Share Stapled Units or to subscribe for or accept Rights Share Stapled Units was received from a person outside the US; and
 - (b) the person giving such instruction has confirmed that it (i) has the authority to give such instruction and (ii) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the rights and/or the Rights Share Stapled Units in an “offshore transaction” within the meaning of Regulation S;
- he/she/it is acquiring the nil-paid Rights Share Stapled Units and/or the fully-paid Rights Share Stapled Units in an “offshore transaction” as defined in Regulation S;
- he/she/it has not been offered the Rights Share Stapled Units by means of any “directed selling efforts” (as defined in Regulation S);
- he/she/it is not acquiring rights or Rights Share Stapled Units with a view to the offer, sale, transfer, delivery or distribution, directly or indirectly, of such rights or Rights Share Stapled Units into the US; and
- he/she/it understands that neither the rights nor the Rights Share Stapled Units have been or will be registered under the US Securities Act or with any securities regulatory authority of any state, territory, or possession of the US and the rights or Rights Share Stapled Units are being distributed and offered outside the US in reliance on Regulation S. Consequently he/she/it understands the rights or Rights Share Stapled Units may not be offered, sold, pledged, taken up, exercised, resold, renounced, delivered or otherwise transferred in or into the US, except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act.

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Notwithstanding the above, the HKT Trust and HKT may offer the nil-paid Rights Share Stapled Unit and the fully-paid Rights Share Stapled Units in the US to a limited number of persons whom the HKT Trust and HKT reasonably believe to be QIBs in reliance on the exemption from the registration requirements of the US Securities Act under Section 4(a)(2) thereof and who have fulfilled relevant requirements to the satisfaction of the HKT Trust and HKT.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give or be subject to any of the above representations or warranties.

Action to be taken by Qualifying Holders of Share Stapled Units

Subscription for all Rights Share Stapled Units provisionally allotted

For each Qualifying Holder of Share Stapled Units, a PAL is enclosed with this Prospectus which entitles the Qualifying Holder(s) of Share Stapled Units to whom it is addressed to subscribe for the number of Rights Share Stapled Units shown thereon. If the Qualifying Holder(s) of Share Stapled Units wish(es) to exercise his/her/their right to subscribe for all the Rights Share Stapled Units provisionally allotted to him/her/them as specified in the PAL, he/she/they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, at:

(i) one of the following designated branches of Standard Chartered Bank (Hong Kong) Limited:

Area	Branch Name	Address
Hong Kong Island	88 Des Voeux Road Branch	88 Des Voeux Road Central, Central
	Quarry Bay Branch	G/F, Westlands Gardens, 1027 King's Road, Quarry Bay
Kowloon	Tsimshatsui Branch	G/F, 8A–10 Granville Road, Tsimshatsui
	Cheung Sha Wan Branch	828 Cheung Sha Wan Road, Cheung Sha Wan
	San Po Kong Branch	Shop A, G/F, Perfect Industrial Building, 31 Tai Yau Street, San Po Kong
New Territories	Tsuen Wan Branch	Shop C, G/F & 1/F, Jade Plaza, 298 Sha Tsui Road, Tsuen Wan
	Metroplaza Branch	Shop No. 175–176, Level 1, Metroplaza, 223 Hing Fong Road, Kwai Chung
	Maritime Square Branch	Shop 308E, Level 3, Maritime Square, Tsing Yi

Opening hours from 2 July 2014 to 15 July 2014 (both days inclusive) Monday to Friday:
9:00 a.m. to 5:00 p.m.
Saturday:
9:00 a.m. to 1:00 p.m.

Latest time for acceptance of and payment for Rights Share Stapled Units

(15 July 2014): 4:00 p.m.

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(ii) the office of Computershare Hong Kong Investor Services Limited:

Area	Address
Hong Kong Island	Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai
Kowloon	3rd Floor, Futura Plaza, 111–113 How Ming Street, Kwun Tong, Kowloon

Opening hours from 2 July 2014 to 15 July 2014 (both days inclusive) Monday to Friday:
9:00 a.m. to 4:30 p.m.

Latest time for acceptance of and payment for Rights Share Stapled Units

(15 July 2014): 4:00 p.m.

by no later than 4:00 p.m. on the Latest Acceptance Date. All remittances must be made in Hong Kong dollars and must be made either by cheques drawn on or cashier’s orders issued by a bank account in Hong Kong and made payable to “**HKT - Rights Issue Account**” and crossed “**Account Payee Only**”. Qualifying Holders of Share Stapled Units should note that they may apply for a number of Rights Share Stapled Units equal to or less than the number set out in the PAL by following the instructions in the section below headed “Transfers and “Splitting” of nil-paid Rights Share Stapled Units”.

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with one of the designated branches of Standard Chartered Bank (Hong Kong) Limited or with the Share Stapled Units Registrar, Computershare Hong Kong Investor Services Limited, at the addresses set out above by 4:00 p.m. on the Latest Acceptance Date, whether by the original allottee or any person in whose favour the rights have been validly renounced or transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The HKT Trust and HKT may, at their sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

The PAL contains further information regarding the procedure to be followed by Qualifying Holders of Share Stapled Units for acceptance of the whole or part of their provisional allotments of Rights Share Stapled Units.

All cheques and cashier’s orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the HKT Trust and HKT. Completion and lodgment of a PAL together with a cheque or cashier’s order in payment for the Rights Share Stapled Units applied for will constitute a warranty by the applicant that the cheque or cashier’s order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the HKT Trust and HKT reserve the right to reject any PAL in respect of which the cheque or cashier’s order is dishonoured on first presentation, and in that event the provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

If the conditions of the Rights Issue (as set out in the section below headed “Conditions of the Rights Issue and the Underwriting Agreement” in this “Letter from the Trustee-Manager Board and the HKT Board”) are not

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duly fulfilled and/or waived (where applicable) or if the Joint Underwriters exercise their right to terminate the Underwriting Agreement, the monies received in respect of acceptances of the Rights Share Stapled Units will be refunded to the Qualifying Holders of Share Stapled Units (or such other persons to whom the nil-paid Rights Share Stapled Units have been validly transferred) without interest by means of cheques to be despatched by ordinary mail to their registered addresses, and in the case of joint applicants, to the registered address of the first-mentioned person who appears on the Share Stapled Units Register or the transfer form, at their own risk on or around Thursday, 24 July 2014.

Holders of Share Stapled Units may contact the Share Stapled Units Registrar at (852) 2862 8648 for details in respect of the above procedures.

Transfers and “splitting” of nil-paid Rights Share Stapled Units

The nil-paid Rights Share Stapled Units can be traded on the Stock Exchange. A Qualifying Holder of Share Stapled Units can accept all of his/her/its provisional allotment of Rights Share Stapled Units, sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and sell the remaining part on the Stock Exchange.

If a Qualifying Holder of Share Stapled Units wishes to accept only part of his/her/its provisional allotment, renounce or transfer a part of his/her/its rights to subscribe for the Rights Share Stapled Units provisionally allotted to him/her/it under the PAL or transfer his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation together with a cover letter stating clearly the number of split PALs required and the number of nil-paid Rights Share Stapled Units to be comprised in each split PAL (which, in aggregate, should be equal to the number of Rights Share Stapled Units provisionally allotted to such holder as stated in Box B of the original PAL) by no later than 4:30 p.m. on Monday, 7 July 2014 to the Share Stapled Units Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, who will cancel the original PAL and issue new PALs in the denominations required. This process is commonly known as “splitting” the nil-paid Rights Share Stapled Units.

Having “split” the nil-paid Rights Share Stapled Units, a Qualifying Holder of Share Stapled Units who wishes to accept the provisional allotment of Rights Share Stapled Units represented by a new PAL should do so in accordance with the instructions given above in relation to the subscription for all the Rights Share Stapled Units provisionally allotted.

If a Qualifying Holder of Share Stapled Units wishes to transfer all of his/her/its nil-paid Rights Share Stapled Units under a PAL (or a split PAL, as the case may be) to another person, he/she/it should complete and sign Form B in the PAL and hand the PAL to the person to or through whom he/she/it is transferring his/her/its nil-paid Rights Share Stapled Units. The transferee must then complete and sign Form C in the PAL and lodge the PAL intact, together with a remittance for the full amount payable on acceptance, with one of the designated branches of Standard Chartered Bank (Hong Kong) Limited or with the Share Stapled Units Registrar,

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Computershare Hong Kong Investor Services Limited, at the addresses set out above by no later than 4:00 p.m. on the Latest Acceptance Date to effect the transfer.

The PAL contains further information regarding the procedures to be followed for transfer of the whole or part of the provisional allotment of the Rights Share Stapled Units by the Qualifying Holders of Share Stapled Units.

The HKT Trust and HKT reserve the right to refuse to register any transfer in favour of any person if the HKT Trust and HKT believe such transfer may violate applicable legal or regulatory requirements.

Holders of Share Stapled Units may contact the Share Stapled Units Registrar at (852) 2862 8648 for details in respect of the above procedures.

Important notice and representations and warranties relating to registered Holders of Share Stapled Units in the Excluded Jurisdictions

As described above, Holders of Share Stapled Units (or any transferees of nil-paid Rights Share Stapled Units) with registered addresses in the Excluded Jurisdictions are only permitted to take up their rights under the Rights Issue if they fulfil, to the satisfaction of the HKT Trust and HKT, the requirements specified in the section above headed “Limited categories of persons in the Excluded Jurisdictions who may be able to take up their rights under the Rights Issue”.

Any registered Holder of Share Stapled Units (or any transferees of nil-paid Rights Share Stapled Units) accepting and/or transferring a PAL or requesting registration of the Rights Share Stapled Units comprised therein represents and warrants to the HKT Trust and HKT that, except where proof has been provided to the satisfaction of the HKT Trust and HKT that such person’s use of the PAL will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not in any of the Excluded Jurisdictions or in any territory in which it is otherwise unlawful to make or accept an offer to acquire the nil-paid Rights Share Stapled Units and/or the fully-paid Rights Share Stapled Units or to use the PAL in any manner in which such person has used or will use it; (ii) such person is not accepting and/or transferring the PAL, or requesting registration of the relevant nil-paid Rights Share Stapled Units or the fully-paid Rights Share Stapled Units from within any of the Excluded Jurisdictions; (iii) such person is not acting on a non-discretionary basis for a person resident in any of the Excluded Jurisdictions at the time the instruction to accept or transfer was given; and (iv) such person is not acquiring the nil-paid Rights Share Stapled Units and/or the fully-paid Rights Share Stapled Units with a view to the offer, sale, pledge, take up, exercise, renunciation, resale, transfer, delivery or distribution, directly or indirectly, of any of the Rights Share Stapled Units into any of the Excluded Jurisdictions.

The HKT Trust and HKT may treat as invalid any acceptance or purported acceptance of the allotment of Rights Share Stapled Units comprised in, or transfer or purported transfer of, a PAL if it: (a) appears to the HKT Trust and HKT to have been executed in, or despatched from, any of the Excluded Jurisdictions and the acceptance may involve a breach of the laws of the relevant Excluded Jurisdiction or the acceptance is otherwise

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in a manner which may involve a breach of the laws of any jurisdiction or if it or its agents believe the same may violate any applicable legal or regulatory requirement; (b) provides an address in any of the Excluded Jurisdictions for delivery of definitive Share Stapled Unit certificates for Rights Share Stapled Units and such delivery would be unlawful or provides an address for delivery of definitive Share Stapled Unit certificates in any other jurisdiction outside Hong Kong in which it would be unlawful to deliver such certificates; or (c) purports to exclude the representation and/or warranty required by the paragraph immediately above.

Action to be taken by Beneficial Owners whose Share Stapled Units are held by a Registered Owner (other than Share Stapled Units deposited in CCASS)

Subscription for Rights Share Stapled Units provisionally allotted and transfers and “splitting” of nil-paid Rights Share Stapled Units

If you are a Beneficial Owner whose Share Stapled Units are registered in the name of a Registered Owner and you wish to subscribe for the Rights Share Stapled Units provisionally allotted to you, or sell your nil-paid Rights Share Stapled Units or “split” your nil-paid Rights Share Stapled Units and accept part of your provisional allotment and sell the remaining part, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Share Stapled Units which have been provisionally allotted in respect of the Share Stapled Units in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” and otherwise in accordance with the requirements of the Registered Owner in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

Holders of Share Stapled Units may contact the Share Stapled Units Registrar at (852) 2862 8648 for details in respect of the above procedures.

Important notice and representations and warranties relating to Beneficial Owners whose Share Stapled Units are held by a Registered Owner (other than through CCASS) in relation to the Excluded Jurisdictions

As described above, Beneficial Owners who are residing in any of the Excluded Jurisdictions are only permitted to take up their rights under the Rights Issue if they fulfil, to the satisfaction of the HKT Trust and HKT, the requirements specified in the section above headed “Limited categories of persons in the Excluded Jurisdictions who may be able to take up their rights under the Rights Issue”.

Any Beneficial Owner instructing a Registered Owner to accept and/or transfer a PAL or request registration of the Rights Share Stapled Units comprised therein, and the Registered Owner so accepting and/or transferring or requesting registration, represent and warrant to the HKT Trust and HKT that, except where proof has been provided to the satisfaction of the HKT Trust and HKT that such person’s use of the PAL will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not accepting and/

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or transferring the PAL, or requesting registration of the relevant nil-paid Rights Share Stapled Units or the fully-paid Rights Share Stapled Units from within any of the Excluded Jurisdictions; (ii) such person is not in any of the Excluded Jurisdictions or in any territory in which it is otherwise unlawful to make or accept an offer to acquire the nil-paid Rights Share Stapled Units and/or the fully-paid Rights Share Stapled Units or to use the PAL in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person resident in any of the Excluded Jurisdictions at the time the instruction to accept or transfer was given; and (iv) such person is not acquiring the nil-paid Rights Share Stapled Units and/or the fully-paid Rights Share Stapled Units with a view to the offer, sale, pledge, take up, exercise, resale, renunciation, transfer, delivery or distribution, directly or indirectly, of any of the Rights Share Stapled Units into any of the Excluded Jurisdictions.

The HKT Trust and HKT may treat as invalid any acceptance or purported acceptance of the allotment of Rights Share Stapled Units comprised in, or transfer or purported transfer of, a PAL if it: (a) appears to the HKT Trust and HKT to have been executed in, or despatched from, any of the Excluded Jurisdictions and the acceptance may involve a breach of the laws of the relevant Excluded Jurisdiction or the acceptance is otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it or its agents believe the same may violate any applicable legal or regulatory requirement; (b) provides an address in any of the Excluded Jurisdictions for delivery of definitive Share Stapled Unit certificates for Rights Share Stapled Units and such delivery would be unlawful or provides an address for delivery of definitive Share Stapled Unit certificates in any other jurisdiction outside Hong Kong in which it would be unlawful to deliver such certificates; or (c) purports to exclude the representation and/or warranty required by the paragraph immediately above.

Action to be taken by Beneficial Owners holding interests in Share Stapled Units through CCASS

Subscription for Rights Share Stapled Units provisionally allotted and transfers and “splitting” of nil-paid Rights Share Stapled Units

If you are a Beneficial Owner whose Share Stapled Units are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Share Stapled Units provisionally allotted to HKSCC Nominees Limited in respect of your Share Stapled Units, or sell the relevant nil-paid Rights Share Stapled Units or “split” the relevant nil-paid Rights Share Stapled Units and accept part of the provisional allotment and sell the remaining part, you should (unless you are a person admitted to participate in CCASS as an Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Share Stapled Units which have been provisionally allotted in respect of the Share Stapled Units in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” and otherwise in accordance with the requirements of your Intermediary in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS Participants of the Rights Share Stapled Units provisionally allotted to CCASS stock accounts in respect of the Share Stapled Units registered in the name of HKSCC

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Nominees Limited shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

The procedures for acceptance, transfer and/or “splitting” of Rights Share Stapled Units provisionally allotted to Beneficial Owners who have been admitted to participate in CCASS as Investor Participants shall be in accordance with the CCASS “Operating Guide for Investor Participants” and any other requirements of CCASS. Beneficial Owners who have been admitted to participate in CCASS as Investor Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in Rights Share Stapled Units should be dealt with.

Holders of Share Stapled Units may contact the Share Stapled Units Registrar at (852) 2862 8648 for details in respect of the above procedures.

Important notice and representations and warranties relating to Beneficial Owners holding interests in Share Stapled Units through CCASS in relation to the Excluded Jurisdictions

As described above, Beneficial Owners who are residing in any of the Excluded Jurisdictions are only permitted to take up their rights under the Rights Issue if they fulfil, to the satisfaction of the HKT Trust and HKT, the requirements specified in the section above headed “Limited categories of persons in the Excluded Jurisdictions who may be able to take up their rights under the Rights Issue”.

Any Beneficial Owner holding interests in Share Stapled Units through CCASS who instructs its Intermediary to make, and any CCASS Participant who makes, an acceptance and/or transfer in accordance with the procedures set out above represents and warrants to the HKT Trust and HKT that, except where proof has been provided to the satisfaction of the HKT Trust and HKT that such person’s acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not in any of the Excluded Jurisdictions or in any territory in which it is otherwise unlawful to make or accept an offer to acquire nil-paid Rights Share Stapled Units and/or the fully-paid Rights Share Stapled Units; (ii) such person is not accepting or requesting registration of the relevant nil-paid Rights Share Stapled Units and/or the fully-paid Rights Share Stapled Units from within any of the Excluded Jurisdictions; (iii) such person is not acting on a non-discretionary basis for a person located within any of the Excluded Jurisdictions at the time the instruction to accept was given; and (iv) such person is not acquiring nil-paid Rights Share Stapled Units and/or the fully-paid Rights Share Stapled Units with a view to the offer, sale, pledge, take up, exercise, resale, renunciation, transfer, delivery or distribution, directly or indirectly, of any such Rights Share Stapled Units into any of the Excluded Jurisdictions. For the avoidance of doubt, HKSCC Nominees Limited, who will subscribe for the Rights Share Stapled Units on behalf of CCASS Participants, will not give, or be subject to, the above representations and warranties.

The HKT Trust and HKT may treat as invalid any instruction (a) which appears to the HKT Trust and HKT to have been despatched from any of the Excluded Jurisdictions and which may involve a breach of the laws of the relevant Excluded Jurisdiction or any instruction which otherwise appears to the HKT Trust and HKT to involve, or possibly involve, a breach of the laws of any jurisdiction; or (b) if the HKT Trust and HKT or its

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agents believes the same may violate any applicable legal or regulatory requirement; or (c) which purports to exclude the representation and/or warranty required by the paragraph immediately above.

NO EXCESS APPLICATION

Reference is made to the announcement of the HKT Trust and HKT dated 2 May 2014 regarding the public float of the HKT Trust and HKT. In order to ensure there is no adverse impact on the public float of the HKT Trust and HKT, Rights Share Stapled Units which are not taken up by Qualifying Holders of Share Stapled Units or renounees or transferees of nil-paid Rights Share Stapled Units will not be made available for excess applications. The Rights Issue is a transaction with significant effects on the issued capital structure of the HKT Trust and HKT. The relative holdings between Holders of Share Stapled Units may change substantially as a result of the structure and features of the Rights Issue, including in particular the ability for Qualifying Holders of Share Stapled Units to dispose of or acquire additional nil-paid Rights Share Stapled Units prior to the completion of the Rights Issue. Accordingly, on completion of the Rights Issue, the public float of the HKT Trust and HKT may be restored as a result of the changes to the relative holdings between Holders of Share Stapled Unit resulting inherently from the market transactions involving Rights Share Stapled Units under the Rights Issue. If the public float of the HKT Trust and HKT is not restored on completion of the Rights Issue, the Trustee-Manager and HKT will make further announcement shortly following the completion of the Rights Issue outlining further steps they may take to restore the public float of the HKT Trust and HKT.

If the Joint Underwriters are able to obtain, within three Business Days of the Latest Acceptance Date, a price for the Rights Share Stapled Units which are not taken up by Qualifying Holders of Share Stapled Units which exceeds the Rights Subscription Price and expenses of sale of those Rights Share Stapled Units, those Rights Share Stapled Units will be sold to subscribers and any amount exceeding the Rights Subscription Price and expenses of sale of those Rights Share Stapled Units will be paid to such Qualifying Holders of Share Stapled Units *pro rata* to their lapsed provisional entitlements; provided that individual amounts of less than HK\$100 will be retained by the HKT Trust and HKT for their own benefit. Any remaining Rights Share Stapled Units which are not taken up by Qualifying Holders of Share Stapled Units or renounees or transferees of nil-paid Rights Share Stapled Units will be subscribed by the Joint Underwriters or by subscribers procured by the Joint Underwriters in accordance with the provisions of the Underwriting Agreement.

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

SHARE STAPLED UNIT CERTIFICATES AND CHEQUES FOR THE RIGHTS ISSUE

Subject to the fulfilment of the conditions of the Rights Issue and the Underwriting Agreement as set out in the section below headed “Conditions of the Rights Issue and the Underwriting Agreement”, Share Stapled Unit certificates for all fully-paid Rights Share Stapled Units are expected to be posted to those entitled thereto by ordinary mail at their own risk on or before Thursday, 24 July 2014.

Cheques for Non-Qualifying Holders of Share Stapled Units in respect of the premium (if any) from the sale of their nil-paid Rights Share Stapled Units are expected to be posted on or around Thursday, 24 July 2014 by ordinary mail to the applicants at their own risk.

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STATUS OF THE RIGHTS SHARE STAPLED UNITS

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

FRACTIONAL ENTITLEMENTS

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

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

ODD LOT MATCHING SERVICES

To alleviate difficulties in odd lots trading in the Share Stapled Units which may arise as a result of the Rights Issue, the HKT Trust and HKT have appointed HSBC to provide matching services to Holders of Share Stapled Units who wish to top up or sell their odd lots of Share Stapled Units during the period from 9:00 a.m. on Friday, 25 July 2014 to 4:00 p.m. on Friday, 15 August 2014 (both days inclusive). Holders of odd lots of Share Stapled Units who wish to take advantage of this facility to either dispose of or top up their odd lots to board lots of Share Stapled Units may contact, directly or through their broker, Mr. Hon Wah Chan of HSBC at Level 18, 1 Queen's Road Central, Central, Hong Kong (telephone: (852) 2822 1952 and facsimile: (852) 3409 1810) during such period.

Holders of odd lots of Share Stapled Units should note that successful matching of the sale and purchase of odd lots of Share Stapled Units is not guaranteed and that the odd lot of Share Stapled Units matching is only done on a best effort basis by HSBC. Holders of Share Stapled Units are recommended to consult their professional advisers if they are in doubt about the above facility.

APPLICATION FOR LISTING AND DEALING ARRANGEMENTS

An application has been made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Rights Share Stapled Units, in both their nil-paid and fully-paid forms. It is expected that dealings in the Rights Share Stapled Units in their nil-paid form will take place from Thursday, 3 July 2014 to Thursday, 10 July 2014 (both days inclusive) and that dealings in the Rights Share Stapled Units in their fully-paid form will commence on Friday, 25 July 2014. No part of the Share Stapled Units in issue or for which listing or permission to deal is being sought is listed or dealt in on any other stock exchange.

Dealings in the Rights Share Stapled Units (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.

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Subject to the granting of the listing of, and permission to deal in, the Rights Share Stapled Units in both their nil-paid and fully-paid forms on the Stock Exchanges as well as compliance with the stock admission requirements of HKSCC, the Rights Share Stapled Units in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Share Stapled Units on the Stock Exchange in both their nil-paid and fully-paid forms or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any Trading Day is required to take place in CCASS on the second Trading Day thereafter. All activities under CCASS are subject to the “General Rules of CCASS” and “CCASS Operational Procedures” in effect from time to time. Holders of Share Stapled Units and investors should seek advice from a licensed securities dealer or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Dealings in the Rights Share Stapled Units in both their nil-paid and fully-paid forms, both in board lots of 1,000, will be subject to the payment of stamp duty (see the section headed “Hong Kong Taxation” below) and other applicable fees in Hong Kong. Holders of Share Stapled Units and Beneficial Owners should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Other than the Notes due 2015, Notes due 2016 and Notes due 2023 (all of which are debt securities listed on the Singapore Stock Exchange Securities Trading Limited), none of the equity or debt securities of the HKT Trust and HKT are listed or dealt in, or which listing or permission to deal is being or is proposed to be sought, on any stock exchanges other than the Stock Exchange.

HONG KONG TAXATION

(a) General

This section addresses the taxation of income and capital gains of holders of nil-paid Rights Share Stapled Units and fully-paid Rights Share Stapled Units under the laws and practices of Hong Kong. The following summary of the tax position in Hong Kong is based on current law and practice, is subject to changes therein and does not constitute legal or tax advice. This summary provides a general outline of the material tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Rights Share Stapled Units and does not deal with all possible Hong Kong tax consequence applicable to all categories of investors. **Holders of Share Stapled Units and investors are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in the nil-paid Rights Share Stapled Units or the fully-paid Rights Share Stapled Units and, regarding the Non-Qualifying Holders of Share Stapled Units, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Share Stapled Units on their behalf.**

(b) Taxation on gains of sale

No tax is imposed in Hong Kong in respect of capital gains. However, trading gains from the sale of securities listed on the Stock Exchange by persons carrying on a trade, profession or business in Hong Kong

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where the trading gains are derived from or arise in Hong Kong will be chargeable to Hong Kong profits tax. Hong Kong profits tax is currently charged at the rate of 16.5% on corporations and 15% on individuals. Taxpayers whose trade, profession or business consists of the regular buying and selling of securities are likely to be regarded as deriving trading gains rather than capital gains unless they can prove that the investment securities are held as capital assets.

Gains from the sale of the nil-paid Rights Share Stapled Units or fully-paid Rights Share Stapled Units effected on the Stock Exchange will be considered to be derived from or arise in Hong Kong. A liability for Hong Kong profits tax would thus arise in respect of trading gains from the sale of nil-paid Rights Share Stapled Units and fully-paid Rights Share Stapled Units effected on the Stock Exchange, where such gains arise from a trade, profession or business carried on in Hong Kong and are otherwise not of a capital nature.

(c) Stamp Duty

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the market value of the nil-paid Rights Share Stapled Units or the fully-paid Rights Share Stapled Units, will be payable by the purchaser on every purchase and by the seller on every sale of nil-paid Rights Share Stapled Units or fully-paid Rights Share Stapled Units (that is, a total of 0.2% is currently payable on a typical sale and purchase transaction involving Share Stapled Units). In addition, a fixed duty of HK\$5.00 is currently payable on any instrument of transfer of Share Stapled Units.

UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE

(1) PCCW's Undertaking

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

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

- (i) to subscribe for, or procure CAS to subscribe for, by no later than the Latest Acceptance Date, an aggregate of 728,498,849 Rights Share Stapled Units to be provisionally allotted to CAS pursuant to the terms of the Rights Issue in respect of the 4,047,215,832 Share Stapled Units in which PCCW is indirectly interested;
- (ii) to remain indirectly interested in, and to procure CAS to remain the registered and beneficial holder of, the 4,047,215,832 Share Stapled Units referred to in paragraph (i) above at 5:00 p.m. on the Record Date; and
- (iii) if any additional Rights Share Stapled Units are provisionally allotted to PCCW or its subsidiaries (including, but not limited to, CAS) pursuant to the terms of the Rights Issue in respect of any further

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

(2) Eisner's Undertaking

As at the Latest Practicable Date, Eisner was interested in a total of 39,000,000 Share Stapled Units. The total number of Share Stapled Units in issue is currently 6,416,730,792. Accordingly, Eisner is interested in approximately 0.61% of the Share Stapled Units currently in issue.

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

- (i) to subscribe for, by no later than the Latest Acceptance Date, an aggregate of 7,020,000 Rights Share Stapled Units to be provisionally allotted to Eisner pursuant to the terms of the Rights Issue in respect of the 39,000,000 Share Stapled Units in which Eisner is interested;
- (ii) to remain the beneficial holder of the 39,000,000 Share Stapled Units referred to in paragraph (i) above at 5:00 p.m. on the Record Date; and
- (iii) if any additional Rights Share Stapled Units are provisionally allotted to Eisner or its subsidiaries pursuant to the terms of the Rights Issue in respect of any further Share Stapled Units acquired by Eisner or its subsidiaries on or before 5:00 p.m. on the Record Date in excess of the aggregate of 7,020,000 Rights Share Stapled Units referred to in paragraph (i) above, to subscribe for (or procure subscription for), by no later than the Latest Acceptance Date, those additional Rights Share Stapled Units.

(3) PCD's Undertaking

As at the Latest Practicable Date, PCD was interested in a total of 17,142,046 Share Stapled Units. The total number of Share Stapled Units in issue is currently 6,416,730,792. Accordingly, PCD is interested in approximately 0.27% of the Share Stapled Units currently in issue.

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

- (i) to subscribe for, by no later than the Latest Acceptance Date, an aggregate of 3,085,568 Rights Share Stapled Units to be provisionally allotted to PCD pursuant to the terms of the Rights Issue in respect of the 17,142,046 Share Stapled Units in which PCD is interested;
- (ii) to remain the beneficial holder of the 17,142,046 Share Stapled Units referred to in paragraph (i) above at 5:00 p.m. on the Record Date; and
- (iii) if any additional Rights Share Stapled Units are provisionally allotted to PCD or its subsidiaries pursuant to the terms of the Rights Issue in respect of any further Share Stapled Units acquired by PCD or its

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subsidiaries on or before 5:00 p.m. on the Record Date in excess of the aggregate of 3,085,568 Rights Share Stapled Units referred to in paragraph (i) above, to subscribe for (or procure subscription for), by no later than the Latest Acceptance Date, those additional Rights Share Stapled Units.

(4) PCGH's Undertaking

As at the Latest Practicable Date, PCGH was interested in a total of 11,152,220 Share Stapled Units. The total number of Share Stapled Units in issue is currently 6,416,730,792. Accordingly, PCGH is interested in approximately 0.17% of the Share Stapled Units currently in issue.

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

- (i) to subscribe for, by no later than the Latest Acceptance Date, an aggregate of 2,007,399 Rights Share Stapled Units to be provisionally allotted to PCGH pursuant to the terms of the Rights Issue in respect of the 11,152,220 Share Stapled Units in which PCGH is interested;
- (ii) to remain the beneficial holder of the 11,152,220 Share Stapled Units referred to in paragraph (i) above at 5:00 p.m. on the Record Date; and
- (iii) if any additional Rights Share Stapled Units are provisionally allotted to PCGH or its subsidiaries pursuant to the terms of the Rights Issue in respect of any further Share Stapled Units acquired by PCGH or its subsidiaries on or before 5:00 p.m. on the Record Date in excess of the aggregate of 2,007,399 Rights Share Stapled Units referred to in paragraph (i) above, to subscribe for (or procure subscription for), by no later than the Latest Acceptance Date, those additional Rights Share Stapled Units.

(5) PCRD's Undertaking

As at the Latest Practicable Date, PCRD was interested in a total of 111,548,140 Share Stapled Units. The total number of Share Stapled Units in issue is currently 6,416,730,792. Accordingly, PCRD is interested in approximately 1.74% of the Share Stapled Units currently in issue.

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

- (i) to subscribe for, by no later than the Latest Acceptance Date, an aggregate of 20,078,664 Rights Share Stapled Units to be provisionally allotted to PCRD pursuant to the terms of the Rights Issue in respect of the 111,548,140 Share Stapled Units in which PCRD is interested;
- (ii) to remain the beneficial holder of the 111,548,140 Share Stapled Units referred to in paragraph (i) above at 5:00 p.m. on the Record Date; and
- (iii) if any additional Rights Share Stapled Units are provisionally allotted to PCRD or its subsidiaries pursuant to the terms of the Rights Issue in respect of any further Share Stapled Units acquired by PCRD

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or its subsidiaries on or before 5:00 p.m. on the Record Date in excess of the aggregate of 20,078,664 Rights Share Stapled Units referred to in paragraph (i) above, to subscribe for (or procure subscription for), by no later than the Latest Acceptance Date, those additional Rights Share Stapled Units.

Underwriting Agreement

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

Terms of the Underwriting Agreement

Date: 13 June 2014

Parties: The Trustee-Manager, HKT and the Joint Underwriters

Number of Rights Share Stapled Units underwritten: All of the Rights Share Stapled Units (other than the aggregate of (1) 728,498,849 Rights Share Stapled Units to be subscribed (or procured to be subscribed) by CAS pursuant to PCCW's Undertaking; (2) 7,020,000 Rights Share Stapled Units to be subscribed by Eisner pursuant to Eisner's Undertaking; (3) 3,085,568 Rights Share Stapled Units to be subscribed by PCD pursuant to PCD's Undertaking; (4) 2,007,399 Rights Share Stapled Units to be subscribed by PCGH pursuant to PCGH's Undertaking; and (5) 20,078,664 Rights Share Stapled Units to be subscribed by PCRD pursuant to PCRD's Undertaking) being 394,321,062 Rights Share Stapled Units. The Underwritten Rights Share Stapled Units will be underwritten by the Joint Underwriters in the proportions as shown below (by size of underwriting commitment and in reverse alphabetical order):

Standard Chartered	:	20%
HSBC	:	20%
Goldman Sachs	:	20%
Citigroup	:	20%
Morgan Stanley	:	10%
Deutsche Bank	:	<u>10%</u>
		<u>100%</u>

Underwriting commission: 2.20% of the amount determined by multiplying the number of Underwritten Rights Share Stapled Units by the Rights Subscription Price, which amounts to approximately HK\$59 million (approximately US\$8 million).

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To the best of the HKT Directors' knowledge, information and belief, and having made all reasonable enquiries, the Joint Underwriters and their respective ultimate holding companies are Independent Third Parties.

CONDITIONS OF THE RIGHTS ISSUE AND THE UNDERWRITING AGREEMENT

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

- (a) permission to deal in, and listing of, all the Rights Share Stapled Units to be issued (in their nil-paid and fully-paid forms) being granted (subject only to allotment and despatch of the appropriate documents of title) by the Stock Exchange by no later than the Business Day prior to the commencement of trading of Rights Share Stapled Units (in their nil-paid and fully-paid forms, respectively) and such permission not being withdrawn or revoked prior to the Latest Time for Termination;
- (b) the Trustee-Manager and HKT's compliance with the obligations of the Trustee-Manager and HKT under the Underwriting Agreement in relation to making the Rights Issue and allotment and offer of Rights Share Stapled Units by the times specified therein;
- (c) compliance by (i) PCCW with its obligations under PCCW's Undertaking and (ii) any other Holder(s) of Share Stapled Units who give(s) an irrevocable undertaking(s) to subscribe for or procure the subscription of its/their full entitlement of Rights Share Stapled Units pursuant to the Rights Issue on or after the date of the Announcement and prior to the Record Date with its/their obligations under such additional irrevocable undertaking(s), in each case by the times specified;
- (d) receipt by the Joint Underwriters (in a form and substance satisfactory to them) of the documents listed in the Underwriting Agreement by the times specified therein; and
- (e) no breach of any of the warranties or undertakings given by the Trustee-Manager and HKT pursuant to the Underwriting Agreement having come to the knowledge of any of the Joint Underwriters and a matter not having arisen which would reasonably be expected to give rise to a breach or a claim by the Latest Time for Termination.

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

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

TERMINATION OF THE UNDERWRITING AGREEMENT

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

- (a) any breach of any of the warranties or the undertakings given by the Trustee-Manager and HKT in the Underwriting Agreement comes to the knowledge of any of the Joint Underwriters, or there has been a breach on the part of the Trustee-Manager or HKT of any other provision of the Underwriting Agreement or there has come to the knowledge of any of the Joint Underwriters any matter has arisen which would reasonably be expected to give rise to such a breach or a claim in respect of such warranties or undertakings; or
- (b) any statement contained in the Prospectus has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect, or matters have arisen or have been discovered which would, if the Prospectus was to be issued at the time, constitute a material omission therefrom; or
- (c) the Trustee-Manager and HKT are required to produce a supplementary Prospectus; or
- (d) there is any change or prospective change in the condition, results of operations, prospects, management, business, shareholders' equity or in the financial or trading position of any member of the HKT Group which, in the sole opinion of the Joint Underwriters, is or may be materially adverse in the context of the Rights Issue; or
- (e) permission to deal in and listing of all the Rights Share Stapled Units (in their nil-paid and fully-paid forms) has been withdrawn by the Stock Exchange; or
- (f) there has occurred, happened or come into effect any event, series of events or circumstances concerning or relating to (whether or not foreseeable):
 - (i) any change in, or any event or series of events likely to result in any change (whether or not permanent) in local, national or international financial, political, military, industrial, economic, legal, fiscal, regulatory or securities market matters or conditions or currency exchange rates or exchange controls in or affecting the PRC, Hong Kong, the United States or the European Union (or any member thereof); or
 - (ii) any event or circumstance in the nature of force majeure (including, without limitation, any act of government, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis, in or affecting the PRC, Hong Kong, the United States or the European Union (or any member thereof); or

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- (iii) the declaration of a banking moratorium by authorities in the PRC, Hong Kong, the United States or the European Union (or any member thereof) occurring due to exceptional financial circumstances or otherwise; or
- (iv) any moratorium, suspension or restriction on trading in shares or securities generally, or the establishment of minimum prices, on the Stock Exchange, the London Stock Exchange plc, the New York Stock Exchange, Inc. or NASDAQ, or any major disruption of any securities settlement or clearing services in Hong Kong; or
- (v) any suspension of dealings in the Share Stapled Units (other than pending publication of announcements in respect of the Rights Issue); or
- (vi) any new law or regulation or any change, or any development involving a prospective change, in existing laws or regulations in Hong Kong or any other place in which any member of the HKT Group conducts or carries on business,

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

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

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

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

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

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If the conditions of the Rights Issue are not duly fulfilled and/or waived (where applicable), the Rights Issue will not proceed. Any persons dealing in Share Stapled Units or Rights Share Stapled Units in their nil-paid form, or in any other securities of the HKT Trust or

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HKT, up to the date on which all the conditions to which the Rights Issue is subject have been fulfilled and/or waived (where applicable) and the Joint Underwriters' right to terminate the Underwriting Agreement has ceased, will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Holders of Share Stapled Units or other persons contemplating any dealings in the Share Stapled Units or Rights Share Stapled Units in their nil-paid form, or in any other securities of the HKT Trust or HKT, are advised to exercise caution and to consult their professional advisers.

LOCK-UP UNDERTAKINGS

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

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

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

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

- (i) sell, offer to sell, contract or agree to sell, lend, grant any option, warrant, contract or right to purchase, purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, directly or

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indirectly, conditionally or unconditionally, any Share Stapled Units held by or any Rights Share Stapled Units provisionally allotted to it or its relevant subsidiaries (as the case maybe) or any interest therein (including, without limitation, any securities which are convertible into or exchangeable or exercisable for, or represent the right to receive, or any warrants or other rights to purchase, any such Share Stapled Units); or

- (ii) enter into any swap or other transaction that transfers, in whole or in part, the economic consequences of ownership of any such Share Stapled Units; or
- (iii) enter into any transaction with the same economic effect as any transaction described in paragraph (i) or (ii) above; or
- (iv) offer to or agree to or announce any intention to enter into or effect any transaction described in paragraph (i), (ii) or (iii) above,

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

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

NO REQUIREMENT FOR APPROVAL OF HOLDERS OF SHARE STAPLED UNITS OR USE OF THE GENERAL MANDATE

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

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Units in general meeting. On the basis that the Rights Share Stapled Units are being offered to Holders of Share Stapled Units (excluding, for these purposes, Non-Qualifying Holders of Share Stapled Units) *pro rata* to their existing holdings of Share Stapled Units (apart from fractional entitlements to Rights Share Stapled Units and the exclusion of Non-Qualifying Holders of Share Stapled Units on the basis described above), in accordance with Rule 13.36(2)(a) of the Listing Rules, there is no requirement for the Rights Issue to be approved by Holders of Share Stapled Units in general meeting, nor for the HKT Directors to issue the Rights Share Stapled Units pursuant to the current general mandate granted to the HKT Directors at the 2014 combined annual general meetings of the HKT Trust and HKT.

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

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

Upon completion of the Rights Issue, assuming no issue of any other Share Stapled Units (other than the Rights Share Stapled Units) on or before completion of the Rights Issue

Holders of Share Stapled Units	As at the Latest Practicable Date ⁽¹⁾		Immediately after completion of the Rights Issue (assuming all Rights Share Stapled Units are taken up by the Holders of Share Stapled Units) ⁽¹⁾		Immediately after completion of the Rights Issue (assuming no Rights Share Stapled Units are taken up by the Holders of Share Stapled Units other than Eisner, PCD, PCGH, PCRD, and PCCW and its subsidiaries) ⁽¹⁾	
	No. of Share Stapled Units	% (approx.)	No. of Share Stapled Units	% (approx.)	No. of Share Stapled Units	% (approx.)
CAS	4,047,215,832	63.07%	4,775,714,681	63.07%	4,775,714,681	63.07%
HKT Directors						
Li Tzar Kai, Richard						
<i>Eisner</i>	39,000,000	0.61%	46,020,000	0.61%	46,020,000	0.61%
<i>PCD</i>	17,142,046	0.27%	20,227,614	0.27%	20,227,614	0.27%
<i>PCGH</i>	11,152,220	0.17%	13,159,619	0.17%	13,159,619	0.17%
<i>PCRD</i>	111,548,140	1.74%	131,626,804	1.74%	131,626,804	1.74%
<i>Others</i>	124,056,286	1.93%	146,386,417	1.93%	124,056,286	1.64%
	302,898,692	4.72%	357,420,454	4.72%	335,090,323	4.43%
Other HKT Directors	1,707,081	0.03%	2,014,355	0.03%	1,707,081	0.02%
Sub-total of HKT Directors ...	304,605,773	4.75%	359,434,809	4.75%	336,797,404	4.45%
The Capital Group						
Companies, Inc. ⁽²⁾	641,744,278⁽³⁾	10.00%⁽³⁾	757,258,248⁽³⁾	10.00%⁽³⁾	n/a⁽⁴⁾	n/a⁽⁴⁾
Public Holders of Share Stapled Units						
The Capital Group						
Companies, Inc. ⁽²⁾	n/a ⁽³⁾	n/a ⁽³⁾	n/a ⁽³⁾	n/a ⁽³⁾	641,744,278 ⁽⁴⁾	8.47% ⁽⁴⁾
Joint Underwriters ⁽⁵⁾	—	—	—	—	394,321,062	5.21%
Other Holders of Share						
Stapled Units	1,423,164,909	22.18%	1,679,334,596	22.18%	1,423,164,909	18.80%
Sub-total of public Holders of Share Stapled Units	1,423,164,909	22.18%	1,679,334,596	22.18%	2,459,230,249	32.48%
TOTAL	6,416,730,792	100.00%	7,571,742,334	100.00%	7,571,742,334	100.00%

Notes:

(1) Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals or sub-totals may not be an arithmetic aggregation of the figures preceding them.

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- (2) The Capital Group Companies, Inc. indirectly held these interests through its direct/indirect wholly-owned subsidiaries, based on the information that was publicly available to the HKT Trust and HKT.
- (3) The interests of The Capital Group Companies, Inc. would not be regarded as being held by the public in this scenario.
- (4) The interests of The Capital Group Companies, Inc. would be regarded as being held by the public in this scenario.
- (5) Pursuant solely to the aggregate underwriting obligations of the Joint Underwriters under the Underwriting Agreement and excluding any other interests.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

HKT stated its intention in the Acquisition Circular to refinance the bank loans incurred for the purposes of funding the purchase price for the acquisition of CSLNW. As at the Latest Practicable Date, the HKT Group has drawn down approximately HK\$13,300 million (equivalent to approximately US\$1,705 million) in longer term banking facilities to repay the commercial banking facilities arranged in relation to the acquisition of the CSLNW Group. Accordingly, the principal amount outstanding under the commercial banking facilities has been reduced from US\$2,425 million to US\$720 million. The HKT Group intends to use the net proceeds from the Rights Issue to fully repay the remaining principal amount outstanding under the commercial banking facilities as well as other existing indebtedness. As disclosed in the section headed “Indebtedness and Borrowings” in Appendix I to this Prospectus, as at the close of business on 30 April 2014, the HKT Group had outstanding borrowings of approximately HK\$24,137 million. These borrowings consisted of amounts outstanding under the Notes due 2015, the Notes due 2016 and the Notes due 2023 and other bank borrowings in aggregate of approximately HK\$12,926 million which will mature between 2016 and 2018. For the year ended 31 December 2013, the blended interest rate for the indebtedness of the HKT Group was approximately 3%.

The Rights Issue would enable the HKT Trust and HKT to carry out a fund raising exercise while the Qualifying Holders of Share Stapled Units are given the opportunity to maintain their respective *pro rata* interests in the HKT Trust and HKT by participating in the Rights Issue (subject to fractional entitlements to Rights Share Stapled Units). However, those Qualifying Holders of Share Stapled Units who do not take up in full the Rights Share Stapled Units to which they are entitled and Non-Qualifying Holders of Share Stapled Units should note that their proportionate holdings of Share Stapled Units in the HKT Trust and HKT will be diluted.

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

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

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

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TAXATION

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

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The HKT Trust and HKT did not conduct any equity fund raising activities (including any rights issue exercise) during the 12 months immediately preceding the Latest Practicable Date.

GENERAL

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

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

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully,
By order of the boards of
HKT Management Limited
and
HKT Limited
Alexander Anthony Arena
Group Managing Director

1. SUMMARY OF FINANCIAL RESULTS AND CONDITIONS OF THE HKT GROUP

The following financial information has been derived from the audited consolidated financial statements of the HKT Group as published in the HKT Trust and HKT's annual reports for the years ended 31 December 2011, 2012 and 2013.

Results

	Year ended 31 December		
	2011 HK\$ million (Audited)	2012 HK\$ million (Audited)	2013 HK\$ million (Audited)
Turnover	19,825	21,081	22,832
Profit before income tax	1,615	2,115	2,515
Income tax	(344)	(455)	(16)
Profit for the year	<u>1,271</u>	<u>1,660</u>	<u>2,499</u>
Attributable to:			
Holders of Share Stapled Units/shares of HKT	1,221	1,610	2,460
Non-controlling interests	<u>50</u>	<u>50</u>	<u>39</u>
	<u>1,271</u>	<u>1,660</u>	<u>2,499</u>
Distributions			
Interim distribution in respect of the current financial year—2013: 21 HK cents per Share Stapled Unit (2012: 20.06 HK cents)	—	1,287	1,347
Final distribution in respect of the previous financial year—2013: 21.58 HK cents per Share Stapled Unit (2012: 3.36 HK cents)	<u>—</u>	<u>216</u>	<u>1,384</u>
Total	<u>—</u>	<u>1,503</u>	<u>2,731</u>
Earnings per Share Stapled Unit/share of HKT			
—Basic (HK cents)	26.84	25.09	38.35
—Diluted (HK cents)	<u>26.84</u>	<u>25.09</u>	<u>38.34</u>

Assets and liabilities of the HKT Group

	As at 31 December		
	2011 HK\$ million (Audited)	2012 HK\$ million (Audited)	2013 HK\$ million (Audited)
Total assets	65,038	66,373	65,819
Total liabilities	<u>34,105</u>	<u>35,256</u>	<u>35,014</u>
Net assets	<u>30,933</u>	<u>31,117</u>	<u>30,805</u>

2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE HKT GROUP

Financial information of the HKT Group for each of the three years ended 31 December 2011, 2012 and 2013 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the HKT Trust and HKT (www.hkt.com/ir):

- annual report of the HKT Trust and HKT for the year ended 31 December 2011 published on 26 March 2012 (pages 56 to 135):

[www.hkt.com/staticfiles/HKTCorpsite/About%20HKT/Investor%20Relations/Financial%20Results/2011/e-2012.03.26%20\(2011%20Annual%20Report\).pdf](http://www.hkt.com/staticfiles/HKTCorpsite/About%20HKT/Investor%20Relations/Financial%20Results/2011/e-2012.03.26%20(2011%20Annual%20Report).pdf)

- annual report of the HKT Trust and HKT for the year ended 31 December 2012 published on 26 March 2013 (pages 63 to 148):

[www.hkt.com/staticfiles/HKTCorpsite/About%20HKT/Investor%20Relations/Announcements%20&%20Notices/2013/Mar/e01-2013.02.26\(Annual%20Report%202012\).pdf](http://www.hkt.com/staticfiles/HKTCorpsite/About%20HKT/Investor%20Relations/Announcements%20&%20Notices/2013/Mar/e01-2013.02.26(Annual%20Report%202012).pdf)

- annual report of the HKT Trust and HKT for the year ended 31 December 2013 published on 27 March 2014 (pages 64 to 152):

www.hkt.com/staticfiles/HKTCorpsite/About%20HKT/Investor%20Relations/Announcements%20&%20Notices/2014/Mar/e1-Annual%20Report.pdf

As announced by HKT, the Completion took place on 14 May 2014. The audited consolidated financial information of CSLNW and its subsidiaries for each of the three years ended 30 June 2011, 2012 and 2013 has been disclosed in the HKT Trust and HKT's circular dated 31 December 2013 (pages 48 to 109) which has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the HKT Trust and HKT (www.hkt.com/ir) and can be located at [www.hkt.com/staticfiles/HKTCorpsite/About%20HKT/Investor%20Relations/Announcements%20&%20Notices/2013/Dec/e1-2013.12.31%20\(Major%20Tx%20Circular\).pdf](http://www.hkt.com/staticfiles/HKTCorpsite/About%20HKT/Investor%20Relations/Announcements%20&%20Notices/2013/Dec/e1-2013.12.31%20(Major%20Tx%20Circular).pdf).

3. INDEBTEDNESS AND BORROWINGS

THE HKT GROUP (EXCLUDING THE CSLNW GROUP)

As at the close of business on 30 April 2014, being the most recent practicable date for the purpose of this indebtedness statement, which is prior to completion of the acquisition of the CSLNW Group, the HKT Group had outstanding borrowings of approximately HK\$24,137 million, which comprised amounts outstanding under the Notes due 2015, the Notes due 2016 and the Notes due 2023 and other bank borrowings. For the year ended 31 December 2013, the blended interest rate for the indebtedness of the HKT Group was approximately 3%. As at the close of business on 30 April 2014, the HKT Group had contingent liabilities of approximately HK\$167

million in respect of performance guarantees for its subsidiaries in the normal course of business and other guarantees of approximately HK\$67 million.

Save as disclosed above, or as otherwise disclosed in this Prospectus, and apart from intra-group liabilities, the HKT Group did not, at the close of business on 30 April 2014, have any mortgages, charges, debentures, bank overdrafts or loan capital, issued or outstanding, or authorised or otherwise created but unissued, or other similar indebtedness, finance lease commitments, hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits or guarantees or other contingent liabilities.

THE CSLNW GROUP

At the most recent practicable date for the purpose of this indebtedness statement, the CSLNW Group did not form part of the HKT Group. However, the HKT Directors consider it meaningful and relevant to disclose the indebtedness of the CSLNW Group as at 30 April 2014, in addition to disclosing the indebtedness of the HKT Group, as the HKT Group acquired the indebtedness of the CSLNW Group on 14 May 2014.

As at the close of business on 30 April 2014, being the most recent practicable date for the purpose of this indebtedness statement, the CSLNW Group had no outstanding borrowings. As at the close of business on 30 April 2014, the CSLNW Group had contingent liabilities of approximately HK\$12 million in respect of bank performance bonds and bank guarantees.

Save as disclosed above or as otherwise disclosed in this Prospectus, and apart from intra-group liabilities, the CSLNW Group did not, at the close of business on 30 April 2014, have any mortgages, charges, debentures, bank overdrafts or loan capital, issued or outstanding, or authorised or otherwise created but unissued, or other similar indebtedness, finance lease commitments, hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits or guarantees or other contingent liabilities.

4. WORKING CAPITAL

The HKT Directors are of the opinion that, after taking into account the estimated net proceeds from the proposed Rights Issue, the internal resources and the available banking facilities of the HKT Group and in the absence of unforeseen circumstances, the HKT Group will have sufficient working capital for its present requirements for at least the next 12 months from the date of this Prospectus.

5. GENERAL BUSINESS TRENDS AND FINANCIAL AND TRADING PROSPECTS OF THE HKT GROUP AND THE CSLNW GROUP

The HKT Group's principal investments have had the following developments since 31 December 2013.

Acquisition of the entire issued share capital of CSLNW

As announced by HKT, the Completion took place on 14 May 2014. Information regarding CSLNW and its acquisition by HKT is disclosed in the circular of the HKT Trust and HKT dated 31 December 2013.

Following Completion, HKT has commenced the process of reorganising the business of the CSLNW Group by combining and integrating it with HKT's existing mobile telecommunications business in order to unlock and make optimal use of available operational synergies and efficiencies.

Impact of the acquisition of the CSLNW Group on the HKT Group's adjusted funds flow and EBITDA

In HK\$ million	HKT Group		CSLNW Group	
	For the year ended 31 December 2012 (Audited)	For the year ended 31 December 2013 (Audited)	For the 12 months ended 31 December 2012 (Unaudited)	For the 12 months ended 31 December 2013 (Unaudited)
Revenue	21,081	22,832	6,881	8,556
EBITDA ¹	7,669	7,901	2,984	3,521
Adjusted Funds Flow ² / Normalised				
Adjusted Funds Flow ³	2,672	2,901	348	822

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

The HKT Group's EBITDA achieved during the years ended 31 December 2012 and 2013 were HK\$7,669 million and HK\$7,901 million, respectively, of which the mobile business achieved HK\$736 million and HK\$851 million, respectively. The HKT Group's Adjusted Funds Flow for the periods were HK\$2,672 million and HK\$2,901 million, respectively. The total mobile subscriber base has increased from 1,645,000 as at the end of December 2012 to 1,654,000 by the end of December 2013, while ARPU has increased by 2% to HK\$210 from HK\$206 a year ago. The HKT Group's cash outflows in respect of capital expenditures, customer acquisition costs and licence fees for the years ended 31 December 2012 and 2013 were HK\$3,625 million and HK\$3,583 million, respectively.

For the 12 months ended 31 December 2012 and 2013, the EBITDA of the CSLNW Group amounted to HK\$2,984 million and HK\$3,521 million, respectively, while the normalised Adjusted Funds Flow reached HK\$348 million and HK\$822 million, respectively, for the 12 months ended 31 December 2012 and 2013. Total cash outflows in respect of capital expenditures, customer acquisition costs and licence fees of the CSLNW Group for the purpose of deriving the normalised Adjusted Funds Flow for the 12 months ended 31 December 2012 and 2013 were HK\$2,535 million and HK\$2,418 million, respectively.

The aggregated revenue and EBITDA of the HKT Group for the year ended 31 December 2013 and CSLNW Group for the 12 months ended 31 December 2013 were HK\$31,388 million and HK\$11,422 million, respectively.

The aggregate of the Adjusted Funds Flow of the HKT Group for the year ended 31 December 2013 and the normalised Adjusted Funds Flow of the CSLNW Group for the 12 months ended 31 December 2013 was HK\$3,723 million, before considering certain factors including any synergistic benefits to be realised upon

operational restructuring following Completion and financing expenses to be incurred in connection with the funding of the acquisition. On Completion, a gross consideration (which is subject to certain post-completion adjustments) of approximately US\$2,572 million (approximately HK\$20,063 million) was paid by the HKT Group. After considering the cash held by the CSLNW Group of approximately HK\$1,186 million on 30 April 2014, the net consideration paid was approximately US\$2,420 million (approximately HK\$18,877 million). Based on loan facilities with principal of approximately US\$2,572 million (approximately HK\$20,063 million) and an assumed interest rate of 4% per annum, the annual incremental interest expenses would be approximately HK\$803 million. Assuming net proceeds of US\$998 million (approximately HK\$7,784 million) from the Rights Issue were applied to repay the corresponding portion of these loan facilities drawn for the Acquisition, the estimated incremental interest expense would be reduced by approximately HK\$311 million on an annual basis.

The aggregate of the cash outflows in respect of capital expenditures, customer acquisition costs and licence fees of the HKT Group for the year ended 31 December 2013 and the cash outflows in respect of capital expenditures, customer acquisition costs and licence fees for the purpose of deriving the normalised Adjusted Funds Flow of the CSLNW Group for the 12 months ended 31 December 2013 was HK\$6,001 million.

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

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

Note 3: The normalised Adjusted Funds Flow represents the Adjusted Funds Flow of the CSLNW Group adjusted for (i) one-off payment of HK\$310 million in respect of 4G spectrum rights acquired during the twelve months ended 31 December 2013, which is not expected to be incurred on a recurring basis; and (ii) capital expenditures of HK\$106 million and HK\$89 million for the 12 months ended 31 December 2012 and

2013, respectively, in relation to projects that are not required by the HKT Group and are to be pre-funded by the vendors of CSLNW, which will not affect the Adjusted Funds Flow of the HKT Group after Completion. This normalised Adjusted Funds Flow is considered to be an appropriate measure for the purpose of assessing the CSLNW Group's recurring contribution to the Adjusted Funds Flow of the HKT Group after Completion. The computation of the normalised Adjusted Funds Flow for the purposes of this Prospectus may not be comparable to similarly titled measures of other companies.

Management discussion and analysis of the CSLNW Group

Revenues

Revenues of the CSLNW Group for the 12 months ended 31 December 2012 and 2013 were HK\$6,881 million and HK\$8,556 million, respectively. The revenue of the CSLNW Group represents revenue from the provision of mobile telecommunications services and sale of mobile telecommunications products to customers in Hong Kong under the CSLNW Group's three mobile brands: "1010", "one2free", and "New World Mobility". The increase in revenues was driven by continuous expansion in customer base and popularity of the wide selection of handset subscription offerings and smart devices, and competitive tariff packages.

EBITDA

The CSLNW Group's EBITDA for the 12 months ended 31 December 2012 and 2013, were HK\$2,984 million and HK\$3,521 million, respectively. Overall increase in EBITDA was mainly attributable to the year-on-year revenue increase during the period under review.

Normalised Adjusted Funds Flow

The normalised Adjusted Funds Flow represents the Adjusted Funds Flow of the CSLNW Group adjusted to exclude certain material one-off payments, such as the 4G spectrum rights acquisition costs, and capital expenditures in relation to projects pre-funded by the vendors of CSLNW. Normalised Adjusted Funds Flow for the 12 months ended 31 December 2012 and 2013 were HK\$348 million and HK\$822 million, respectively. The increase in normalised Adjusted Funds Flow for the 12 months ended 31 December 2013 as compared with 2012 was mainly contributed by the improvement in EBITDA over the periods, the effect of which was partly offset with the increase in tax payment in 2013 due to the utilisation of tax losses in 2012.

Business outlook

In 2014, the HKT Group will continue to capitalize on its fiber-to-the-home network advantages locally and on its global network coverage with additional capacity and resilience internationally to drive profitability and cashflow growth. The HKT Group believes that the stable cash flow profile of CSLNW will strengthen the HKT Group's mobile services platform and enhance the long-term distribution potential of the HKT Group.

The HKT Directors are cautiously optimistic regarding the HKT Group's prospects in 2014, especially in view of the early signs of global economic recovery. The HKT Group will endeavor to grow its business in the interest of Holders of the Share Stapled Units and remain vigilant in monitoring the economic conditions both at home and abroad.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE HKT GROUP

The following is an illustrative unaudited pro forma consolidated balance sheet, unaudited pro forma consolidated net tangible assets per Share Stapled Unit and consolidated net assets per Share Stapled Unit and unaudited pro forma consolidated income statement of the HKT Group (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the HKT Directors in accordance with Paragraph 4.29 of the Listing Rules and on the basis of the notes set out below, for the purpose of illustrating the effect of the Rights Issue as if it had taken place on 31 December 2013 for the purposes of the unaudited pro forma consolidated balance sheet and unaudited pro forma consolidated net tangible assets per Share Stapled Unit and consolidated net assets per Share Stapled Unit or 1 January 2013 for the unaudited pro forma consolidated income statement. Although reasonable care has been exercised in preparing the Unaudited Pro Forma Financial Information, Holders of Share Stapled Units who read the information should bear in mind that this Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its hypothetical nature, may not give a true picture of the consolidated financial position, consolidated net tangible assets per Share Stapled Unit, consolidated net assets per Share Stapled Unit or consolidated results of operations of the HKT Group had the Rights Issue been completed as at 31 December 2013 or 1 January 2013 or at any future date.

1. UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET OF THE HKT GROUP

	Audited consolidated balance sheet of the HKT Group as at 31 December 2013 HK\$ million Note 1	Pro forma adjustments HK\$ million Note 2	Unaudited pro forma consolidated balance sheet of the HKT Group as at 31 December 2013 HK\$ million
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	14,108	—	14,108
Interests in leasehold land	291	—	291
Goodwill	36,044	—	36,044
Intangible assets	3,892	—	3,892
Interest in an associate	207	—	207
Interests in joint ventures	645	—	645
Available-for-sale financial assets	171	—	171
Financial assets at fair value through profit or loss	8	—	8
Derivative financial instruments	67	—	67
Deferred income tax assets	359	—	359
Other non-current assets	556	—	556
	56,348	—	56,348
Current assets			
Prepayments, deposits and other current assets	3,259	—	3,259
Inventories	1,018	—	1,018
Trade receivables, net	3,000	—	3,000
Amount due from related companies	49	—	49
Financial assets at fair value through profit or loss	11	—	11
Cash and cash equivalents	2,134	—	2,134
	9,471	—	9,471

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE HKT GROUP

	Audited consolidated balance sheet of the HKT Group as at 31 December 2013 HK\$ million Note 1	Pro forma adjustments HK\$ million Note 2	Unaudited pro forma consolidated balance sheet of the HKT Group as at 31 December 2013 HK\$ million
Current liabilities			
Trade payables	(1,803)	—	(1,803)
Accruals and other payables	(2,403)	—	(2,403)
Carrier licence fee liabilities	(209)	—	(209)
Amounts due to related companies	(136)	—	(136)
Amounts due to fellow subsidiaries	(441)	—	(441)
Advances from customers	(1,738)	—	(1,738)
Current income tax liabilities	(427)	—	(427)
	<u>(7,157)</u>	<u>—</u>	<u>(7,157)</u>
Net current assets	<u>2,314</u>	<u>—</u>	<u>2,314</u>
Total assets less current liabilities	<u>58,662</u>	<u>—</u>	<u>58,662</u>
Non-current liabilities			
Long-term borrowings	(24,022)	7,784	(16,238)
Derivative financial instruments	(405)	—	(405)
Deferred income tax liabilities	(1,811)	—	(1,811)
Deferred income	(951)	—	(951)
Carrier licence fee liabilities	(616)	—	(616)
Other long-term liabilities	(52)	—	(52)
	<u>(27,857)</u>	<u>7,784</u>	<u>(20,073)</u>
NET ASSETS	<u>30,805</u>	<u>7,784</u>	<u>38,589</u>
CAPITAL AND RESERVES			
Share capital	6	2	8
Reserves	<u>30,617</u>	<u>7,782</u>	<u>38,399</u>
Equity attributable to holders of Share Stapled Units/shares of			
HKT	30,623	7,784	38,407
Non-controlling interests	<u>182</u>	<u>—</u>	<u>182</u>
Total equity	<u>30,805</u>	<u>7,784</u>	<u>38,589</u>

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE HKT GROUP

2. UNAUDITED PRO FORMA CONSOLIDATED NET TANGIBLE ASSETS AND CONSOLIDATED NET ASSETS OF THE HKT GROUP

	Audited consolidated amounts of the HKT Group attributable to holders of Share Stapled Units as at 31 December 2013 HK\$ million Note 4	Estimated net proceeds from the Rights Issue (based on 1,155,011,542 Rights Share Stapled Units to be issued at a subscription price of HK\$6.84 per Rights Share Stapled Unit) HK\$ million Note 2	Unaudited pro forma consolidated amounts of the HKT Group attributable to holders of Share Stapled Units after completion of the Rights Issue HK\$ million	Unaudited pro forma consolidated amounts per Share Stapled Unit attributable to holders of Share Stapled Units after completion of the Rights Issue HK\$ million Note 5
Net tangible assets	<u>(9,313)</u>	<u>7,784</u>	<u>(1,529)</u>	<u>(0.20)</u>
Net assets	<u>30,623</u>	<u>7,784</u>	<u>38,407</u>	<u>5.07</u>

3. UNAUDITED PRO FORMA CONSOLIDATED INCOME STATEMENT OF THE HKT GROUP

	Audited consolidated income statement of the HKT Group for the year ended 31 December 2013 HK\$ million Note 1	Pro forma adjustments HK\$ million Note 3	Unaudited pro forma consolidated income statement of the HKT Group for the year ended 31 December 2013 HK\$ million
Turnover	22,832	—	22,832
Cost of sales	(10,117)	—	(10,117)
General and administrative expenses	(9,501)	—	(9,501)
Other gains, net	84	—	84
Finance costs, net	(833)	311	(522)
Share of results of an associate	(24)	—	(24)
Share of results of joint ventures	74	—	74
Profit before income tax	2,515	311	2,826
Income tax	(16)	—	(16)
Profit for the year	<u>2,499</u>	<u>311</u>	<u>2,810</u>
Attributable to:			
Holders of Share Stapled Units/shares of HKT	2,460	311	2,771
Non-controlling interests	39	—	39
Profit for the year	<u>2,499</u>	<u>311</u>	<u>2,810</u>

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE HKT GROUP

Notes:

- (1) The audited consolidated balance sheet of the HKT Group as at 31 December 2013 and the consolidated income statement of the HKT Group for the year ended 31 December 2013 were extracted from the published annual report of the HKT Group for the year ended 31 December 2013.
- (2) The estimated net proceeds from the Rights Issue which are based on 1,155,011,542 Rights Share Stapled Units to be issued (in the proportion of 18 Rights Share Stapled Units for every 100 Share Stapled Units held as at the Latest Practicable Date) at the subscription price of HK\$6.84 per Rights Share Stapled Unit and after deduction of the estimated related expenses of approximately HK\$116 million. The directly attributable costs of the Rights Issue will be deducted from equity. For the purposes of the pro forma consolidated balance sheet, the HKT Directors have assumed that the Rights Issue proceeds were used to reduce bank debt existing at 31 December 2013.
- (3) For the purposes of the pro forma consolidated income statement, the HKT Directors have assumed that the net proceeds from the Rights Issue were used to reduce bank debt existing as at 1 January 2013. The impact of this adjustment is a reduction in interest expense of HK\$311 million computed based on the assumed interest rate of 4% per annum. The adjustment has continuous effect on the consolidated income statement of the HKT Group.
- (4) The consolidated net tangible assets of the HKT Group attributable to holders of Share Stapled Units as at 31 December 2013 is based on the audited consolidated net assets of the HKT Group attributable to the holders of Share Stapled Units as at 31 December 2013 of approximately HK\$30,623 million, with an adjustment for the goodwill of approximately HK\$36,044 million and intangible assets of approximately HK\$3,892 million, as extracted from the published annual report of the HKT Group for the year ended 31 December 2013.
- (5) The unaudited pro forma consolidated net tangible assets per Share Stapled Unit arrived at after the adjustments referred to in Note 2 above and the unaudited pro forma consolidated net assets per Share Stapled Unit are presented on the basis that 7,571,742,334 Share Stapled Units were in issue assuming the Rights Issue had been completed on the Latest Practicable Date.
- (6) Other than those mentioned above, no adjustments have been made to the Unaudited Pro Forma Financial Information of the HKT Group to reflect any trading results or other transactions of the HKT Group entered into subsequent to 31 December 2013.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE HKT GROUP

- (7) On 14 May 2014, the HKT Group completed the acquisition of the CSLNW Group. The effects on the HKT Group as a result of the acquisition are illustrated below given their significance to the financial position and results of the HKT Group as if the acquisition had taken place on 31 December 2013 and 1 January 2013, respectively:

	Audited consolidated balance sheet of the HKT Group as at 31 December 2013	Adjustments to illustrate the impact of the acquisition of the CSLNW Group and the Rights Issue			Adjusted unaudited pro forma consolidated balance sheet of the HKT Group as at 31 December 2013
	HK\$ million Note 1	HK\$ million Note 7(a)	HK\$ million Note 7(b)	HK\$ million Note 2	HK\$ million
ASSETS AND LIABILITIES					
Non-current assets					
Property, plant and equipment	14,108	2,737	537	—	17,382
Interests in leasehold land	291	—	—	—	291
Goodwill	36,044	2,694	10,753	—	49,491
Intangible assets	3,892	2,572	2,729	—	9,193
Interest in an associate	207	—	—	—	207
Interests in joint ventures	645	14	—	—	659
Available-for-sale financial assets	171	—	—	—	171
Financial assets at fair value through profit or loss	8	—	—	—	8
Derivative financial instruments	67	—	—	—	67
Deferred income tax assets	359	25	—	—	384
Other non-current assets	556	80	—	—	636
Defined benefit assets	—	54	—	—	54
	56,348	8,176	14,019	—	78,543
Current assets					
Prepayments, deposits and other current assets	3,259	1,393	—	—	4,652
Inventories	1,018	311	—	—	1,329
Trade receivables, net	3,000	364	—	—	3,364
Amount due from related companies	49	1	—	—	50
Financial assets at fair value through profit or loss	11	—	—	—	11
Cash and cash equivalents	2,134	611	—	—	2,745
	9,471	2,680	—	—	12,151

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE HKT GROUP

	Audited consolidated balance sheet of the HKT Group as at 31 December 2013	Adjustments to illustrate the impact of the acquisition of the CSLNW Group and the Rights Issue			Adjusted unaudited pro forma consolidated balance sheet of the HKT Group as at 31 December 2013
	HK\$ million Note 1	HK\$ million Note 7(a)	HK\$ million Note 7(b)	HK\$ million Note 2	HK\$ million
Current liabilities					
Trade payables	(1,803)	(1,022)	—	—	(2,825)
Accruals and other payables	(2,403)	(1,268)	—	—	(3,671)
Carrier licence fee liabilities	(209)	—	—	—	(209)
Amounts due to related companies	(136)	(6)	—	—	(142)
Amounts due to fellow subsidiaries	(441)	—	—	—	(441)
Amount due to a non-controlling shareholder of a subsidiary	—	(15)	—	—	(15)
Advances from customers	(1,738)	(648)	—	—	(2,386)
Current income tax liabilities	(427)	(233)	—	—	(660)
	<u>(7,157)</u>	<u>(3,192)</u>	<u>—</u>	<u>—</u>	<u>(10,349)</u>
Net current assets/(liabilities)	2,314	(512)	—	—	1,802
Total assets less current liabilities	58,662	7,664	14,019	—	80,345
Non-current liabilities					
Long-term borrowings	(24,022)	—	(20,063)	7,784	(36,301)
Derivative financial instruments	(405)	—	—	—	(405)
Deferred income tax liabilities	(1,811)	(283)	(539)	—	(2,633)
Deferred income	(951)	(123)	—	—	(1,074)
Carrier licence fee liabilities	(616)	(602)	—	—	(1,218)
Other long-term liabilities	(52)	(44)	—	—	(96)
	<u>(27,857)</u>	<u>(1,052)</u>	<u>(20,602)</u>	<u>7,784</u>	<u>(41,727)</u>
NET ASSETS	30,805	6,612	(6,583)	7,784	38,618
CAPITAL AND RESERVES					
Share capital	6	1,618	(1,618)	2	8
Reserves	<u>30,617</u>	<u>4,965</u>	<u>(4,965)</u>	<u>7,782</u>	<u>38,399</u>
Equity attributable to holders of Share					
Stapled Units/shares of HKT	30,623	6,583	(6,583)	7,784	38,407
Non-controlling interests	<u>182</u>	<u>29</u>	<u>—</u>	<u>—</u>	<u>211</u>
Total equity	30,805	6,612	(6,583)	7,784	38,618

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE HKT GROUP

	Audited consolidated amounts of the HKT Group attributable to holders of Share Stapled Units as at 31 December 2013	Adjustment to illustrate the impact of the acquisition of the CSLNW Group	Estimated net proceeds from the Rights Issue (based on 1,155,011,542 Rights Share Stapled Units to be issued at a subscription price of HK\$6.84 per Rights Share Stapled Unit)	Adjusted unaudited pro forma consolidated amounts of the HKT Group attributable to holders of Share Stapled Units after completion of the Rights Issue	Adjusted unaudited pro forma consolidated amounts per Share Stapled Unit attributable to holders of Share Stapled Units after completion of the Rights Issue
	HK\$ million Note 4	HK\$ million Note 7(d)	HK\$ million Note 2	HK\$ million	HK\$ million
Net tangible assets	(9,313)	(18,748)	7,784	(20,277)	(2.68)
Net assets	30,623	—	7,784	38,407	5.07

	Audited consolidated income statement of the HKT Group for the year ended 31 December 2013	Adjustments to illustrate the impact of the acquisition of the CSLNW Group and the Rights Issue			Adjusted unaudited pro forma consolidated income statement of the HKT Group for the year ended 31 December 2013
	HK\$ million Note 1	HK\$ million Note 7(a)	HK\$ million Notes 7(b), 7(c)	HK\$ million Note 3	HK\$ million
Turnover	22,832	8,556	—	—	31,388
Cost of sales	(10,117)	(2,647)	—	—	(12,764)
General and administrative expenses	(9,501)	(4,563)	(195)	—	(14,259)
Other gains, net	84	—	—	—	84
Finance costs, net	(833)	(104)	(803)	311	(1,429)
Share of results of an associate	(24)	—	—	—	(24)
Share of results of joint ventures	74	1	—	—	75
Profit before income tax	2,515	1,243	(998)	311	3,071
Income tax	(16)	(200)	32	—	(184)
Profit for the year	2,499	1,043	(966)	311	2,887
Attributable to:					
Holders of Share Stapled Units/shares of HKT	2,460	1,021	(966)	311	2,826
Non-controlling interests	39	22	—	—	61
Profit for the year	2,499	1,043	(966)	311	2,887

Notes:

7(a) Amounts are extracted from the unaudited consolidated financial information of the CSLNW Group as at, and for the 12 months ended, 31 December 2013.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE HKT GROUP

7(b) The aggregate consideration for the acquisition of CSLNW of approximately HK\$20,063 million comprised the purchase price of US\$2,425 million (equivalent to approximately HK\$18,915 million) and certain post-completion price adjustments. For the purpose of the Unaudited Pro Forma Financial Information, the price adjustment is estimated to be approximately US\$147 million (equivalent to approximately HK\$1,148 million) based on the unaudited consolidated management accounts of CSLNW as at 31 March 2014. The base purchase price shall be payable by HKT on Completion and is for the purpose of the Unaudited Pro Forma Financial Information assumed to be funded by commercial banking facilities of US\$2,572 million (equivalent to approximately HK\$20,063 million) in aggregate, arranged for the purpose of the acquisition of CSLNW and in respect of which a commitment has already been obtained. After considering the cash held by the CSLNW Group of approximately HK\$1,186 million on 30 April 2014, the net consideration paid was approximately US\$2,420 million (approximately HK\$18,877 million).

Upon the Completion, the net identifiable assets of the CSLNW Group will be accounted for in the consolidated financial statements of the HKT Group at their fair values as required by the acquisition method in accordance with HKFRS 3 “Business Combinations”. For the purposes of the Unaudited Pro Forma Financial Information and for illustrative purpose only, the HKT Group has carried out an illustrative consideration allocation exercise following the guidance of HKFRS 3. This allocation of the consideration to the acquired assets and liabilities is provisional and will be adjusted in the HKT Group’s consolidated financial statements when the consideration allocation is finalised. Details of the net identifiable assets of the CSLNW Group to be accounted for in the consolidated financial statements of the HKT Group and the calculation of goodwill are as follows:

	<u>Carrying Amount</u>	<u>Fair value</u>
	<u>HK\$ million</u>	<u>HK\$ million</u>
Property, plant and equipment	2,737	3,274
Intangible assets* (excluding goodwill recognised at CSLNW Group)	2,572	5,301
Interest in a joint venture	14	14
Prepayments, deposits and other current and non-current assets	1,473	1,473
Amounts due from related companies	1	1
Deferred income tax assets	25	25
Defined benefit assets	54	54
Inventories	311	311
Trade receivables, net	364	364
Cash and cash equivalents	611	611
Trade payables	(1,022)	(1,022)
Amounts due to related companies	(21)	(21)
Accruals and other payables (current and non-current)	(1,914)	(1,914)
Advances from customers	(648)	(648)
Deferred income	(123)	(123)
Current income tax liabilities	(233)	(233)
Deferred income tax liabilities	(283)	(822)
Net identifiable assets	<u>3,918</u>	<u>6,645</u>
		HK\$ million
Aggregate consideration		20,063
Add: Non-controlling interests		29
Less: Fair value of net identifiable assets		<u>(6,645)</u>
Goodwill		13,447
Less: Goodwill recognised at CSLNW Group		<u>(2,694)</u>
Pro forma adjustment on goodwill		<u>10,753</u>

* Intangible assets represent carrier licenses of approximately HK\$1,423 million, customer base of approximately HK\$2,568 million and trademarks of approximately HK\$1,310 million. The increase in fair value arose mainly from the upward valuation of the customer base and carrier licenses and recognition of the trademarks of CSLNW Group to be acquired as part of the acquisition of CSLNW.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE HKT GROUP

The estimated price adjustment (including the Estimated Net Cash Amount) of approximately US\$147 million (equivalent to approximately HK\$1,148 million) represents the estimated price adjustment to the consideration in respect of the following items in relation to the CSLNW Group based on the unaudited consolidated management accounts of CSLNW as at 31 March 2014:

- *working capital surplus or deficit;*
- *any surplus or deficit under the CSLNW Group's defined benefits pension scheme;*
- *outstanding tax liabilities;*
- *outstanding commitments for certain specified capital expenditure amounts;*
- *liabilities in connection with the transfer of certain employees;*
- *outstanding indebtedness; and*
- *surplus or deficit of cash and cash equivalents.*

Following the Completion and at the end of each reporting period, HKT will perform a review for impairment on the HKT Group's goodwill annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with the HKT Group's accounting policies and principal assumptions as disclosed in the annual report of the HKT Trust and HKT for the financial year ended 31 December 2013. The HKT Directors confirm that consistent policies and assumptions have been applied for the purpose of assessing impairment of goodwill and other intangible assets under HKAS 36 "Impairment of Assets", and the HKT Directors are not aware of any indications that an impairment of the HKT Group's goodwill is required after considering the nature, prospects, financial condition and business risks of the HKT Group.

Since the fair values and the carrying amounts of the net identifiable assets of the CSLNW Group as at the completion date may be materially different from the values used in the preparation of the Unaudited Pro Forma Financial Information, the actual amounts of the assets, liabilities and goodwill to be recorded in the consolidated financial statements of the HKT Group may be materially different from the estimated amounts shown in this Appendix.

For the purpose of the unaudited pro forma consolidated income statement, the adjustment represents illustrative depreciation on property, plant and equipment and illustrative amortisation on intangible assets. The adjustment is computed based on management's preliminary estimated remaining useful lives of 50 years for property, 5 years for plant & equipment, 3 to 15 years for carrier licenses, 1 to 6 years for customer base and 10 to 20 years for trademarks.

- 7(c) The adjustment represents the estimated net finance costs on the long term bank loan borrowed for financing the acquisition of the CSLNW Group. The interest was computed based on the assumed interest rate of 4% per annum, based on management's estimate. For the purpose of preparing the unaudited pro forma consolidated income statement, it is assumed that the long term bank loan had been fully utilised on 1 January 2013. The adjustment has continuous effect on the consolidated income statement of the HKT Group.*
- 7(d) This adjustment represents the addition of the adjusted net tangible assets of the CSLNW Group after fair value adjustments arising on acquisition had the acquisition been completed on 31 December 2013 and the additional borrowings used to finance the acquisition. The pro forma adjusted net tangible assets of the CSLNW Group is based on the fair value of net identifiable assets acquired as at 31 December 2013 of HK\$6,645 million (see note 7(b)) and additional borrowings of HK\$20,063 million.*

4. ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



羅兵咸永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS

TO THE DIRECTORS OF HKT MANAGEMENT LIMITED (IN ITS CAPACITY AS TRUSTEE-MANAGER OF THE HKT TRUST) AND HKT LIMITED

We have completed our assurance engagement to report on the compilation by the directors of HKT Management Limited (in its capacity as the trustee-manager of the HKT Trust) (the "Trustee-Manager") and HKT Limited ("HKT") (collectively, the "HKT Directors") of the unaudited pro forma financial information of the HKT Trust, HKT and its subsidiaries (collectively the "HKT Group") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated balance sheet as at 31 December 2013, the unaudited pro forma consolidated net tangible assets per Share Stapled Unit and consolidated net assets per Share Stapled Unit as at 31 December 2013, and the unaudited pro forma consolidated income statement for the year ended 31 December 2013 and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages II-1 to II-9 of the HKT Trust and HKT's prospectus dated 30 June 2014, in connection with the proposed rights issue of Share Stapled Units by the HKT Trust and HKT on the Main Board of the Stock Exchange of Hong Kong Limited (the "Rights Issue"). The applicable criteria on the basis of which the HKT Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-9.

The Unaudited Pro Forma Financial Information has been compiled by the HKT Directors to illustrate the impact of the Rights Issue on the HKT Group's financial position as at 31 December 2013 and the HKT Group's financial performance for the year ended 31 December 2013. As part of this process, information about the HKT Group's financial position and financial performance has been extracted by the HKT Directors from the HKT Group's financial statements for the year ended 31 December 2013, on which an audit report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The HKT Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

*PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com*

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the HKICPA. This standard requires that the reporting accountant complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the directors of the Trustee-Manager and HKT have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 31 December 2013 or 1 January 2013 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the HKT Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting

Oversight Board (United States) and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the HKT Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the HKT Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 30 June 2014

1. RESPONSIBILITY STATEMENT

This Prospectus includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the HKT Trust and HKT. The HKT Directors collectively and individually accept full responsibility for this Prospectus and having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus 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 Prospectus misleading.

2. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

Directors of the Trustee-Manager and HKT

Executive Directors

Mr. Li Tzar Kai, Richard

Executive Chairman

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

Mr. Li, aged 47, was appointed the Executive Chairman and an Executive Director of HKT and the Trustee-Manager in November 2011. He is the Chairman of HKT's Executive Committee and a member of the Nomination Committee of the HKT Board. Mr. Li has also been an Executive Director and the Chairman of PCCW since August 1999, the Chairman of PCCW's Executive Committee and a member of the Nomination Committee of the board of directors of PCCW. He is also the Chairman and Chief Executive of the Pacific Century Group, an Executive Director and the Chairman of Pacific Century Premium Developments Limited ("PCPD"), the Chairman of PCPD's Executive Committee, a member of PCPD's Remuneration Committee and Nomination Committee, the Chairman and an Executive Director of Singapore-based PCRD, and the Chairman of PCRD's Executive Committee.

Mr. Li is a Non-Executive Director of The Bank of East Asia, Limited. He is also a representative of Hong Kong, China to the APEC Business Advisory Council, a member of the Center for Strategic and International Studies' International Councillors' Group in Washington, D.C., and a member of the Global Information Infrastructure Commission. Mr. Li was awarded the Lifetime Achievement Award by the Cable & Satellite Broadcasting Association of Asia in November 2011.

Mr. Alexander Anthony Arena

Group Managing Director

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

Mr. Arena, aged 63, has been the Group Managing Director of HKT and the Trustee-Manager since November 2011. He is also a member of HKT's Executive Committee and holds directorships in various HKT Group companies. Mr. Arena is primarily responsible for the overall corporate management, planning, operation and development of the HKT Group. Mr. Arena is also a Non-Executive Director of PCRD. Prior to the spin-off and separate listing of HKT, Mr. Arena was an Executive Director of PCCW from August 1999 to November 2011 and the Group Managing Director of PCCW from April 2007 to November 2011. He was also the Group Chief Financial Officer of PCCW from June 2002 to April 2007. Mr. Arena was also the Deputy Chairman of PCCW's Executive Committee, a member of PCCW's Regulatory Compliance Committee, an Executive Director and Deputy Chairman of PCPD and a member of PCPD's Executive Committee prior to November 2011.

Prior to joining the Pacific Century Group in 1998, Mr. Arena was a Special Policy Adviser to the Hong Kong Government from 1997 to 1998. From 1993 to 1997, he was the Director-General of Telecommunications at the Office of the Telecommunications Authority ("OFTA") of Hong Kong, as well as a member of the Broadcasting Authority of Hong Kong.

Before taking up his post at OFTA, Mr. Arena was appointed by the Hong Kong Government to plan a reform program for the liberalization of Hong Kong's telecommunications sector. Prior to his appointment to the Hong Kong Government, he served as an inaugural member of the Australian Telecommunications Authority for four years. Mr. Arena has led an extensive career in public administration, specializing in high technology and infrastructure industries. From a practicing radio/communications engineer to a public policy maker, his experience spans such diverse areas as commercialization of government-owned business enterprises and deregulation in the aviation, transport, telecommunications and postal industries.

Mr. Arena completed a bachelor's degree in electrical engineering from the University of New South Wales, Australia in 1972 and graduated in 1973. He completed an MBA at the University of Melbourne, Australia in 1977 and graduated in 1978. He has been a Fellow of the Hong Kong Institution of Engineers since 2001.

Ms. Hui Hon Hing, Susanna

Group Chief Financial Officer

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

Ms. Hui, aged 49, has been the Group Chief Financial Officer of HKT and an Executive Director of HKT and the Trustee-Manager since November 2011. She is also a member of HKT's Executive Committee and holds directorships in various HKT Group companies. Ms. Hui is primarily responsible for overseeing the financial matters of the HKT Group. Ms. Hui is and has been the Group Chief Financial Officer of PCCW since April 2007 and an Executive Director of PCCW since May 2010. She is also a member of PCCW's Executive Committee. Prior to her appointment as the Group Chief Financial Officer of PCCW, she was the 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 (which was subsequently acquired by PCCW) in September 1999, 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.

Non-Executive Directors

Mr. Peter Anthony Allen

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

Mr. Allen, aged 59, was appointed a Non-Executive Director of HKT and the Trustee-Manager in November 2011. He is an Executive Director and the Group Managing Director of PCRD, an Executive Director and the Chief Financial Officer of the Pacific Century Group and Senior Advisor to PCCW. Mr. Allen was an Executive Director of PCCW from August 1999 to November 2011.

Prior to joining the Pacific Century Group, Mr. Allen joined KPMG in 1976 before taking up an appointment at Occidental International Oil Incorporated in 1980. In 1983, he joined Schlumberger Limited and worked in various countries holding key management positions. In 1989, he moved to Singapore as Regional Financial Director of the Vestey Group.

Mr. Allen joined Boustead Singapore Limited as the Group Operations Controller in 1992 before taking up an appointment with Morgan Grenfell Investment Management (Asia) Limited as a Director and Chief Operating Officer in 1995. He joined the Pacific Century Group in 1997.

Mr. Allen was educated in England and graduated from the University of Sussex with a degree in economics. He is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow Member of CPA Australia and a Fellow of the Institute of Singapore Chartered Accountants.

Mr. Chung Cho Yee, Mico

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

Mr. Chung, aged 53, was appointed a Non-Executive Director of HKT and the Trustee-Manager in November 2011. Mr. Chung was a Non-Executive Director of PCCW from May 2010 to November 2011. He was an

Executive Director of PCCW from November 1996 who was responsible for merger and acquisition activities and was re-designated to a Non-Executive Director of PCCW in May 2010. He joined the Pacific Century Group in March 1999.

Mr. Chung graduated from University College, University of London in the United Kingdom, with a law degree in 1983.

Mr. Chung is currently the Chairman and an Executive Director of CSI Properties Limited which he joined in 2004. He is also an Independent Non-Executive Director of HKC (Holdings) Limited. He was an Independent Non-Executive Director of CIAM Group Limited between 9 March 2001 and 31 May 2008.

Mr. Lu Yimin

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

Mr. Lu, aged 50, was appointed a Non-Executive Director of HKT and the Trustee-Manager in November 2011. He is a member of HKT's Remuneration Committee, Nomination Committee and Executive Committee of the Board. Mr. Lu became a Non-Executive Director of PCCW in May 2008 and the Deputy Chairman of the board of directors of PCCW in November 2011. He is a member of PCCW's Executive Committee.

Mr. Lu is an Executive Director and President of China Unicom (Hong Kong) Limited ("**Unicom HK**"). He is Vice Chairman and President of 中國聯合網絡通信集團有限公司 (China United Network Communications Group Company Limited[#]). He is also a Director and President of China United Network Communications Limited and a Director and President of China United Network Communications Corporation Limited.

Mr. Lu joined China Network Communications Group Corporation ("**CNC**") in December 2007, serving as senior management. Prior to joining CNC, Mr. Lu was a member of the Secretary Bureau of the General Office of the Chinese Communist Party Central Committee, serving as the Deputy Director and the Director of the Information Processing Office since 1992, Secretary at deputy director general level since 2001 and Secretary at director general level since 2005.

Mr. Lu is a researcher level senior engineer and has extensive experience in government administration and business management. He graduated from Shanghai Jiao Tong University in 1985 with a bachelor's degree in computer science and then was awarded a master's degree in public administration by the John F. Kennedy School of Government at Harvard University in the United States.

[#] For identification only

Mr. Li Fushen

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

Mr. Li, aged 51, was appointed a Non-Executive Director of HKT and the Trustee-Manager in November 2011. He is a member of HKT's Regulatory Compliance Committee. Mr. Li became a Non-Executive Director of PCCW in July 2007. He is a member of the Nomination Committee of the board of directors of PCCW.

Mr. Li is an Executive Director and Chief Financial Officer of Unicom HK. He is a Director, Vice President and Chief Accountant of 中國聯合網絡通信集團有限公司 (China United Network Communications Group Company Limited[#]). He is also a Director of China United Network Communications Limited and a Director and Senior Vice President of China United Network Communications Corporation Limited.

He served as a Senior Vice President of Unicom HK from February 2009 to March 2011. He served as an Executive Director of China Netcom Group Corporation (Hong Kong) Limited ("CNC HK") since January 2007 and as Chief Financial Officer of CNC HK since September 2005. He served as Joint Company Secretary of CNC HK from December 2006 to March 2008. Since October 2005, he has served as Chief Accountant of CNC. From October 2003 to August 2005, he served as General Manager of the Finance Department of CNC. From November 2001 to October 2003, he served as Deputy General Manager of the former Jilin Provincial Telecommunications Company and Jilin Communications Company.

Mr. Li graduated from the Australian National University with a master's degree in management in 2004, and from the Jilin Engineering Institute with a degree in engineering management in 1988. Mr. Li has worked in the telecommunications industry for a long period of time and has extensive management experience.

[#] For identification only

Independent Non-Executive Directors

Professor Chang Hsin Kang, FREng, GBS, JP

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

Professor Chang, aged 73, 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 Tsinghua University in September 2007, and (Honorary Professor and) Yeh-Lu Xun Chair Professor at Peking University in February 2008. 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 Hon Kwok Land Investment Company, Limited, Brightoil Petroleum (Holdings) Limited and Nanyang Commercial Bank, Limited.

The Hon Raymond George Hardenbergh Seitz

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

Mr. Seitz, aged 73, was appointed an Independent Non-Executive Director of HKT and the Trustee-Manager in November 2011. He is the Chairman of HKT's Remuneration Committee and a member of HKT's Audit Committee and the Trustee-Manager's Audit Committee. Mr. Seitz was an Independent Non-Executive Director of PCCW from February 2005 to November 2011. He was a Non-Executive Director of PCCW from October 2000 and was re-designated as an Independent Non-Executive Director in February 2005.

Mr. Seitz was Vice-Chairman of Lehman Brothers International from April 1995 to April 2003 and was United States Ambassador to Great Britain from 1991 to 1994. Prior to that, Mr. Seitz acted as the United States Assistant Secretary of State for Europe from 1989 to 1991 and Minister at the United States Embassy in London from 1984 to 1989. He was Non-Executive Chairman and a member of the Special Committee of Sun-Times Media Group, Inc. from July 2003 to January 2009.

Mr. Sunil Varma

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

Mr. Varma, aged 70, 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 also a Director and the Chairman of Audit Committee of various companies in India including International Asset Reconstruction Company Pvt. Ltd. and Shriram City Union Finance Ltd. Mr. Varma was a Director and a member of the Audit Committee of Shriram EPC Ltd. and a Director and the Chairman of the Audit Committee of Vistaar Livelihood Finance Pvt. Ltd. in India.

Mr. Varma obtained his Bachelor of Arts degree in mathematics and economics from Punjab 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.

Mr. Aman Mehta

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

Mr. Mehta, aged 67, was appointed an Independent Non-Executive Director of HKT and the Trustee-Manager in May 2014. He is the Chairman of HKT's Nomination Committee. Mr. Mehta has been an Independent Non-Executive Director of PCCW since February 2004. He is also Chairman of the Audit Committee, the Nomination Committee and the Remuneration Committee of the board of directors of PCCW.

Mr. Mehta joined the board of directors of PCCW following a distinguished career in the international banking community. Mr. Mehta held the position of Chief Executive Officer of The Hongkong and Shanghai Banking Corporation Limited ("HSBC") until December 2003, when he retired.

Born in India in 1946, Mr. Mehta joined HSBC group in Bombay in 1967. After a number of assignments throughout HSBC group, he was appointed Manager - Corporate Planning at HSBC's headquarters in Hong Kong in 1985. After a three-year posting to Riyadh in Saudi Arabia, he was appointed Group General Manager

in 1991, and General Manager - International the following year, with responsibility for overseas subsidiaries. He subsequently held senior positions in the United States, overseeing HSBC group companies in the Americas and later becoming responsible for HSBC's operations in the Middle East.

In 1998, Mr. Mehta was reappointed General Manager - International, after which he became Executive Director International. In 1999, he was appointed Chief Executive Officer, a position he held until retirement.

Following his retirement in December 2003, Mr. Mehta took up residence in New Delhi. He is an Independent Director on the board of several public companies and institutions in India and internationally. He is an Independent Non-Executive Director of Vedanta Resources plc in the United Kingdom, Tata Consultancy Services Limited, Godrej Consumer Products Limited, Jet Airways (India) Limited and Wockhardt Limited in Mumbai, India; and Max India Limited and Cairn India Limited in New Delhi, India. He was an Independent Non-Executive Director of Emaar MGF Land Limited and an Independent Director on the Supervisory Board of ING Groep N.V., a Netherlands company.

Mr. Mehta is also a member of the Governing Board of Indian School of Business, Hyderabad, and a member of the Advisory Panel of Prudential Financial Inc. in the United States.

Senior Management of HKT

Mr. Chan Kee Sun, Tom

Managing Director, Commercial Group

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

Mr. Chan, aged 56, is the Managing Director, Commercial Group, with responsibility for the telecommunications business for the enterprise and wholesale sectors. He also oversees the teleservices business of HKT and the management of the Company's property portfolio. Before his present appointment, Mr. Chan had held various management and executive positions within PCCW in the areas of finance, regulatory affairs, operations, as well as sales and marketing. He was Managing Director of the Consumer Group from 2006 to January 2012. As a professional accountant, Mr. Chan was engaged in audit and financial analyst positions prior to joining Hong Kong Telecommunications Limited in 1988. Mr. Chan graduated from Cardiff University, United Kingdom with a Bachelor of Economics and Social Studies degree in July 1982. He is a fellow member of the Association of Chartered Certified Accountants since October 1990 and the Chartered Institute of Marketing in the United Kingdom since February 2001.

Mr. C Marc Halbfinger

Chief Executive Officer, PCCW Global

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

Mr. Halbfinger, aged 51, is the Chief Executive Officer, PCCW Global, a position which he has held since July 2007. He is primarily responsible for the integrated global communication solutions business. He has spent the past 26 years in media and telecommunications services with experience in cable TV, directories, cellular, and international voice, video, data and Internet. Mr. Halbfinger joined PCCW in May 2000 as the Senior Vice President, Business Development of Pacific Convergence Corporation, Ltd. covering the Europe and North America markets where he was involved in early commercial development of “now TV”. In 2001, he helped found Beyond-The-Network, which later became part of PCCW Global, and was initially appointed as the President for Europe, Middle East, and Africa. Prior to joining PCCW, Mr. Halbfinger was a Vice President at Teleglobe serving the Mediterranean and South Europe. Previously, he was a senior manager at Global One, Sprint International, and a subsidiary of Southwestern Bell Corporation. Among other academic achievements, Mr. Halbfinger earned a Master of Science (Econ.) in international relations from the London School of Economics and Political Science in the United Kingdom in August 1988.

Mr. Lam Kwok Shing, Bruce

Chief Marketing Officer, Wireless Businesses

Address: 39th Floor, PCCW Tower
TaiKoo Place, 979 King’s Road
Quarry Bay, Hong Kong

Mr. Lam, aged 48, is the Chief Marketing Officer, Wireless Businesses. He is responsible for marketing strategies, service plans, and sales and market communications for the wireless businesses. Prior to joining HKT in 2012, Mr. Lam had worked for Nokia Hong Kong Limited for 18 years and had held several important positions in procurement and sales; his last role was General Manager for its Hong Kong and Macau markets where he had responsibility for sales and marketing, business development, communication, customer care, relationship management as well as retail strategies. Mr. Lam is a member of Certified Management Accountants, Australia and has a Bachelor degree in Arts with a major in Economics from the University of Windsor, Canada.

Mr. Lam Wing Chap, Peter

Managing Director, Engineering

Address: 39th Floor, PCCW Tower
TaiKoo Place, 979 King’s Road
Quarry Bay, Hong Kong

Mr. Lam, aged 60, is Managing Director, Engineering. He is primarily responsible for the planning and operation of the fixed and wireless networks which support a wide range of quadruple-play telecommunications services including voice, data, broadband, interactive multimedia service, mobile and corporate customer projects in Hong Kong and overseas. Mr. Lam joined the Hong Kong Telephone Company in 1973. Over his four decades of service with the group, he has held senior positions in various functions including engineering, sales, product, marketing and wholesale business. Before his present appointment, Mr. Lam was Senior Vice President of Field Services, Engineering and Senior Vice President of Wholesale Business. Mr. Lam graduated with a Higher

Diploma in Electronic Engineering in 1982 from the Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University), and earned a Diploma in Management For Executive Development in 1991 from the Chinese University of Hong Kong. He attended the C&W International Executive Development program at INSEAD, France in 1997. He is currently the Chairman of the Joint Utilities Policy Group (JUPG), President of Fixed Network & Value Added Services Group of the Communications Association of Hong Kong (CAHK) and a member of the Telecommunications Regulatory Affairs Advisory Committee (TRAAC).

Mr. Richard Wayne Midgett II

Managing Director, Wireless Business

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

Mr. Midgett, aged 59, is the Managing Director, Wireless Business. He is primarily responsible for the application and development of the wireless business. He has over 35 years of experience in the telecommunications industry. Mr. Midgett began his career with Cable & Wireless USA, where he served in a range of technical roles in nationwide field service operations and exchange engineering. After joining Hong Kong Telecom CSL in 1989, he took up roles spanning the areas of business development, product development, government policy and regulation, and lastly overseeing the commercial line-of-business for roaming, international, carrier and wholesale services before joining PCCW in 2007. Mr. Midgett's most notable industry activities include serving as chairman and a member of the governing committee of the GSM Association and GSM Asia Pacific and as a member of the board of governors of the Universal Wireless Communications Consortium.

Mr. Ng Wing Ho, Ringo

Managing Director, Consumer Group

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

Mr. Ng, aged 45, is the Managing Director, Consumer Group. He joined HKT in 2012 and is responsible for marketing and promotion, customer sales network, customer service, product development and back office technical support. Mr. Ng has over 20 years of management experience in different industries. Before his present appointment, he was the General Manager of Hilti China Limited. In his past career, he has managed several well-known brands including Colgate, Swatch, Avery Dennison and Hilti. In addition, he has multiple-market management experience throughout the Asia Pacific and has a proven track record in expediting business performance particularly in Hong Kong and mainland China. Mr. Ng graduated with a Master Degree in Business Administration from York University, Toronto in Canada in 1992.

Mr. Lindsay Scott Servian*Head of HKT Premier*

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

Mr. Servian, aged 51, is the Head of HKT Premier. In this role, Mr. Servian is responsible for providing the Group's high value residential customers with an exclusive first class customer experience through a team of Relationship Account Managers who provide tailor made quad-play solutions, and Customer Support and Service teams who target excellence in personalised customer care and communications. Prior to this, Mr. Servian was the Head of Customer Experience and Advocacy, and the Acting Head of PCCW's Group Human Resources and Customer Experience, before which he was the Managing Director, Advertising and Interactive Services responsible for the sale of advertising and transaction-based services to third party clients in Hong Kong and China. Prior to joining PCCW in 2001, Mr. Servian worked in i-Onyx (HK) Limited, a listed company, as Chief Operating Officer and Executive Director, and before that in Cable & Wireless plc where, between 1997 and 2000, he was Managing Director of Cable & Wireless Teleservices HK, and Managing Director, Chairman and General Manager of Cable & Wireless Teleservices, Taiwan. Mr. Servian has worked in the telecommunications industry since 1986, and has spent over 20 years in Asia. During this time he has held management and executive positions in business development, strategy, human resources, customer service, sales, advertising and interactive services, pay TV, call-centres, satellite and submarine cable systems, and in mobile and fixed network systems. Mr. Servian earned an M.A. Honours in Economic Science from the University of Aberdeen, Scotland in July 1984, and studied corporate finance in a London Business School programme.

Ms. Philana Wai Yin Poon*Group General Counsel and Company Secretary*

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

Ms. Poon, aged 46, is the Group General Counsel and Company Secretary of HKT and the HKT Trust and the Group Company Secretary of PCCW. She was the Group General Counsel of PCCW from 2004 to November 2011 and the Company Secretary of PCCW from 2007 to November 2011. Ms. Poon holds directorships in various PCCW/HKT Group companies. She is primarily responsible for legal and secretarial matters of the PCCW and HKT Groups. She has about 20 years of post qualification experience both in private practice and in-house. Ms. Poon has held various senior positions since she joined Hong Kong Telecommunications Limited in 1998 as Group Legal Advisor. Prior to joining PCCW/HKT, Ms. Poon was in private practice from 1992 to 1998. Ms. Poon earned a Bachelor of Commerce degree from the University of Toronto, Canada in November 1989 and a Doctor of Law degree from Cornell University, the United States in May 1992. Ms. Poon is an independent non-executive director of Forgame Holdings Limited, a company listed on the Stock Exchange and was an independent non-executive director of AZ Electronic Materials S.A., a company listed on the London Stock Exchange from June 2012 to May 2014.

Mr. Paul Berriman*Group Chief Technology Officer*

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

Mr. Berriman, aged 57, is the Group Chief Technology Officer of HKT, having joined PCCW in 2002. Mr. Berriman is primarily responsible for leading the Group's product and technology roadmap and strategic development. Prior to his present appointment, he had held positions as Head of Strategic Market Development and SVP, Strategy and Marketing. Mr. Berriman has over 25 years of experience in telecommunications, media and convergence. In 2009, he was recognised by the IPTV World Forum with their Special Merit Award for Outstanding Industry Contribution. In 2008, he was listed as one of the Global Telecoms Business Magazine's top 100 "most influential persons in telecoms". Prior to joining PCCW in 2002, Mr. Berriman was the Managing Director of Arthur D. Little in Hong Kong, a management consultancy firm, and was involved in telecommunications consultancy projects globally. Previously he also held executive, technical, engineering and operations management roles in several major Hong Kong service providers including the Hong Kong Telephone Company and Hong Kong Telecom CSL. Mr. Berriman graduated with a Bachelor of Science degree in Electro-acoustics from the University of Salford in the United Kingdom in July 1979, and a Master of Business Administration degree from the University of Hong Kong in November 1985. He became a Chartered Engineer in June 1986 and is a full member of The Institution of Engineering and Technology. He is Chairman of a Global TD-LTE Initiative (GTI) Working Group and an independent non-executive director of Telecom Corporation of New Zealand Limited having joined the Board in December 2011. He was also a member of OFTA's Telecommunications Standards Advisory Committee for many years.

Mr. Stuart Chiron*Head of Group Regulatory Affairs*

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

Mr. Chiron, aged 65, joined PCCW as Director of Regulatory Affairs in 2000 and is currently the Head of Group Regulatory Affairs of HKT. He has been engaged in the telecommunications industry for over 20 years. Prior to joining PCCW, Mr. Chiron was the Assistant Vice President, Regulatory Affairs for Global One, a joint venture among Sprint, France Telecom and Deutsche Telekom. Mr. Chiron earned a BA from Cornell University, the United States and a Doctor of Law from Case Western Reserve University, the United States.

Mr. Leung Tak Sing, Dominic*Managing Director, Business Processes*

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

Mr. Leung, aged 58, is the Managing Director, Business Processes, which was formed in November 2009. He is responsible for reviewing and overhauling HKT's business processes and related systems. Mr. Leung has more than 25 years of experience in information and communications technologies, including 10 years in broadband TV planning and operations. Prior to his present appointment, he had been the Managing Director of TV & New Media since 2006, where he was responsible for "now TV", MOOV, and now.com.hk, as well as business development of IPTV opportunities internationally. Mr. Leung joined Cable & Wireless HKT's multimedia business unit in 1994. His previous appointments included the Executive Vice President of Consumer Marketing & Business, responsible for marketing, product development and management of PCCW's consumer telephone and broadband services. Mr. Leung graduated from the University of Toronto, Canada with a Bachelor of Arts degree in June 1979, and from Canada's University of Windsor with a Bachelor of Commerce degree in May 1980.

Ms. Chow Lai Sim, Florence*Head of Group Human Resources*

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

Ms. Chow, aged 56, is the Head of Group Human Resources. She is responsible for all the people agendas including HR strategy, talent acquisition, employee engagement, compensation and benefits, as well as organization and talent development of all the Group's businesses in Hong Kong and overseas markets.

Ms. Chow has over 30 years of experience in human resources in multiple industries including financial services, automobile and telecommunications. Ms. Chow re-joined the Group in June 2011. Prior to that, she had worked for Hong Kong Telecom CSL Limited in its build-up phase. She had also worked for American Express and Standard Chartered Bank in their Hong Kong and regional offices for over 16 years. Ms. Chow graduated with a Bachelor Degree in Social Sciences from the University of Hong Kong. She is a member of the Personnel Management Committee of the Hong Kong Management Association. In addition, she also serves on the Membership Committee and the Workplace Wellness Committee of the Employers' Federation of Hong Kong.

Mr. Chan Chi-keung*Head of Group Communications*

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

Mr. Chan, aged 50, is the Head of Group Communications of HKT. He is responsible for HKT's corporate communications, media relations, branding, community services, and publicity and sponsorship on a group level. Mr. Chan has many years of experience in journalism, community relations and corporate communications. Before joining PCCW in 2008 as Vice President, Corporate Communications, he was Head of Corporate Communications at the Hong Kong Securities and Futures Commission. Prior to that, he had worked as a journalist at the South China Morning Post. Mr. Chan is a holder of Bachelor of Social Sciences degree from the University of Hong Kong.

3. SHARE CAPITAL AND SHARE STAPLED UNITS

The share capital of HKT consists of Ordinary Shares and Preference Shares. The authorised share capital of HKT as at the Latest Practicable Date was HK\$20,000,000 divided into 20,000,000,000 Ordinary Shares of HK\$0.0005 each and 20,000,000,000 Preference Shares of HK\$0.0005 each. The HKT Trust does not have share capital.

The number of issued Share Stapled Units of the HKT Trust and HKT as at the Latest Practicable Date was and following completion of the Rights Issue are expected to be as follows:

Share Stapled Units issued and to be issued pursuant to the Rights Issue

	Share Stapled Units	Units in the HKT Trust (as a component of Share Stapled Unit)	Ordinary Shares of HKT (as a component of Share Stapled Unit)	Preference Shares of HKT (as a component of Share Stapled Unit)
In issue as at the Latest Practicable Date	6,416,730,792	6,416,730,792	6,416,730,792	6,416,730,792
To be allotted and issued pursuant to the Rights Issue	1,155,011,542	1,155,011,542	1,155,011,542	1,155,011,542
Total	<u>7,571,742,334</u>	<u>7,571,742,334</u>	<u>7,571,742,334</u>	<u>7,571,742,334</u>

Shares of HKT issued and to be issued pursuant to the Rights Issue

	Ordinary Shares			Preference Shares		
	Number	Par Value (HK\$)	Total nominal value (HK\$)	Number	Par Value (HK\$)	Total nominal value (HK\$)
In issue as at the Latest Practicable Date	6,416,730,792	0.0005	3,208,365.396	6,416,730,792	0.0005	3,208,365.396
To be allotted and issued pursuant to the Rights Issue	1,155,011,542	0.0005	577,505.771	1,155,011,542	0.0005	577,505.771
Total	<u>7,571,742,334</u>	<u>0.0005</u>	<u>3,785,871.167</u>	<u>7,571,742,334</u>	<u>0.0005</u>	<u>3,785,871.167</u>

After the fully-paid Rights Share Stapled Units have been issued, all of the Share Stapled Units in issue then and to be issued will rank *pari passu* in all respects with each other, including, in particular, as to distribution, voting rights and return of capital. The Share Stapled Units in issue and the Rights Share Stapled Units to be issued are or will (as the case may be) be listed on the Stock Exchange.

4. DISCLOSURE OF INTERESTS

(i) Directors' and Chief Executives' interests and short positions in Share Stapled Units and underlying Share Stapled Units of the HKT Trust and HKT, and shares, underlying shares and debentures of HKT and its associated corporations

As at the Latest Practicable Date, the HKT Directors, the chief executives of the Trustee-Manager and HKT (collectively referred to as the “**Chief Executives**”) and their respective associates had the following interests and short positions in the Share Stapled Units and underlying Share Stapled Units, and the shares, underlying shares and debentures of HKT and its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Trustee-Manager, HKT and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO to be entered in the register(s) maintained by the Trustee-Manager and HKT referred to therein; or (c) were otherwise required to be notified to the Trustee-Manager, HKT and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules:

(A) *Interests in the HKT Trust and HKT*

The table below sets out the aggregate long positions in the Share Stapled Units held by the HKT Directors and the Chief Executives:

Name of HKT Director/ Chief Executive	Number of Share Stapled Units held				Number of underlying Share Stapled Units held under equity derivatives	Total	Approximate percentage of issued Share Stapled Units
	Personal interests	Family interests	Corporate interests	Other interests			
Li Tzar Kai, Richard	—	—	187,657,614 (Note 1(a))	147,432,709 (Note 1(b))	—	335,090,323	4.43%*
Alexander Anthony Arena	1,435,957	—	—	381,200 (Note 2)	—	1,817,157	0.03%
Hui Hon Hing, Susanna	165,187	—	—	374,810 (Note 2)	—	539,997	0.01%
Peter Anthony Allen	18,245	—	—	—	—	18,245	0.0003%
Chung Cho Yee, Mico	84,100 (Note 3)	802	—	—	—	84,902	0.001%
Professor Chang Hsin Kang	2,790	—	—	—	—	2,790	0.00004%

* Based on the total issued Share Stapled Units as enlarged by the Rights Issue, pursuant to a notification under the SFO due to the Eisner's Undertaking, the PCD's Undertaking, the PCGH's Undertaking and the PCRD's Undertaking

Each Share Stapled Unit confers an interest in:

- (a) one voting ordinary share of HK\$0.0005 in HKT; and
- (b) one voting preference share of HK\$0.0005 in HKT,

for the purposes of Part XV of the SFO, in addition to an interest in one unit in the HKT Trust.

Under the Trust Deed and the HKT Articles, the number of Ordinary Shares and Preference Shares of HKT 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.

Notes:

1. (a) Of these Share Stapled Units, PCD, a wholly-owned subsidiary of Chiltonlink Limited (“**Chiltonlink**”), held 17,142,046 Share Stapled Units and 3,085,568 Rights Share Stapled Units under the PCD’s Undertaking, Eisner held 39,000,000 Share Stapled Units and 7,020,000 Rights Share Stapled Units under the Eisner’s Undertaking, and FWD Life Insurance Company (Bermuda) Limited (“**FWD**”) held 121,410,000 Share Stapled Units. Li Tzar Kai, Richard owned 100% of the issued share capital of Chiltonlink and Eisner; and indirectly owned approximately 87.7% interests in FWD.
- (b) These interests represent:
 - (i) a deemed interest in 2,646,156 Share Stapled Units held by Yue Shun Limited (“**Yue Shun**”), a subsidiary of Hutchison Whampoa Limited (“**HWL**”). Cheung Kong (Holdings) Limited (“**Cheung Kong**”) through certain subsidiaries held more than one-third of the issued share capital of HWL. Li Tzar Kai, Richard was a discretionary beneficiary of certain discretionary trusts which held units in unit trusts which in turn held interests in certain shares of Cheung Kong and HWL. Accordingly, Li Tzar Kai, Richard was deemed, under the SFO, to have an interest in the 2,646,156 Share Stapled Units held by Yue Shun;
 - (ii) deemed interests in 11,152,220 Share Stapled Units held by PCGH and 2,007,399 Rights Share Stapled Units under the PCGH’s Undertaking. Li Tzar Kai, Richard was the founder of certain trusts which held 100% interests in PCGH. Accordingly, Li Tzar Kai, Richard was deemed, under the SFO, to have interests in the 11,152,220 Share Stapled Units and 2,007,399 Rights Share Stapled Units held by PCGH;
 - (iii) deemed interests in 111,548,140 Share Stapled Units held by PCRD, a company in which PCGH has, through itself and certain wholly-owned subsidiaries being Anglang Investments Limited, Pacific Century Group (Cayman Islands) Limited, Pacific Century International Limited and Borsington Limited, an aggregate of 77.12% interest and 20,078,664 Rights Share Stapled Units under the PCRD’s Undertaking. Li Tzar Kai, Richard was the founder of certain trusts which held 100% interests in PCGH. Accordingly, Li Tzar Kai, Richard was deemed, under the SFO, to have interests in the 111,548,140 Share Stapled Units and 20,078,664 Rights Share Stapled Units held by PCRD. Li Tzar Kai, Richard was also deemed to be interested in 0.93% of the issued share capital of PCRD through Hopestar Holdings Limited, a company wholly-owned by Li Tzar Kai, Richard; and
 - (iv) a deemed interest in 130 Share Stapled Units held by PineBridge Investments LLC (“**PBI LLC**”) in the capacity of investment manager. PBI LLC was an indirect subsidiary of Chiltonlink and Li Tzar Kai, Richard owned 100% of the issued share capital of Chiltonlink. Accordingly, Li Tzar Kai, Richard was deemed, under the SFO, to have an interest in the 130 Share Stapled Units held by PBI LLC in the capacity of investment manager.
2. These interests represented awards made to these HKT Directors which were subject to certain vesting conditions pursuant to an award scheme of HKT, namely the HKT Share Stapled Units Purchase Scheme.
3. These Share Stapled Units were held by the spouse of Chung Cho Yee, Mico.

(B) Interests in the Associated Corporations of HKT***PCCW***

The table below sets out the aggregate long positions in the shares and underlying shares of PCCW held by the HKT Directors and the Chief Executives:

Name of HKT Director/ Chief Executive	Number of ordinary shares of PCCW held				Number of underlying shares of PCCW held under equity derivatives	Total	Approximate percentage of issued share capital of PCCW
	Personal interests	Family interests	Corporate interests	Other interests			
Li Tzar Kai, Richard	—	—	280,737,665 (Note 1(a))	1,796,588,679 (Note 1(b))	—	2,077,326,344	28.09%
Alexander Anthony Arena (Note 4)	1,591,630	—	—	780,204 (Note 3)	200 (Note 2)	2,372,034	0.03%
Hui Hon Hing, Susanna	672,311	—	—	2,301,906 (Note 3)	—	2,974,217	0.04%
Peter Anthony Allen	261,654	—	—	—	—	261,654	0.004%
Chung Cho Yee, Mico	1,176,260	18,455 (Note 5)	—	—	—	1,194,715	0.02%
Professor Chang Hsin Kang	64,180	—	—	—	—	64,180	0.001%

Notes:

- Of these PCCW shares, PCD held 245,863,867 shares and Eisner held 34,873,798 shares.
 - These interests represented:
 - a deemed interest in 36,726,857 shares of PCCW held by Yue Shun. Li Tzar Kai, Richard was deemed, under the SFO, to have an interest in the 36,726,857 shares of PCCW held by Yue Shun;
 - a deemed interest in 159,953,389 shares of PCCW held by PCGH. Li Tzar Kai, Richard was deemed, under the SFO, to have an interest in the 159,953,389 shares of PCCW held by PCGH;
 - a deemed interest in 1,599,905,433 shares of PCCW held by PCRD. Li Tzar Kai, Richard was deemed, under the SFO, to have an interest in the 1,599,905,433 shares of PCCW held by PCRD; and
 - a deemed interest in 3,000 shares of PCCW held by PBI LLC in the capacity of investment manager. Li Tzar Kai, Richard was deemed, under the SFO, to have an interest in the 3,000 shares of PCCW held by PBI LLC in the capacity of investment manager.
- These interests represented Alexander Anthony Arena's beneficial interest in 200 underlying shares of PCCW held in the form of 20 American Depositary Receipts which constituted listed equity derivatives.
- These interests represented awards made to these HKT Directors which were subject to certain vesting conditions pursuant to an award scheme of PCCW, namely the Purchase Scheme.
- As disclosed previously in the annual reports and interim reports of PCCW and the HKT Trust and HKT, in 2009 a private company owned by Li Tzar Kai, Richard has provided a seven year interest-free loan in the amount of US\$10,000,000 to Alexander Anthony

Arena at his request and for personal reasons. Alexander Anthony Arena has entered into a seven year consultancy agreement with another private company owned by Li Tzar Kai, Richard with an annual consultancy fee sufficient to repay the aforementioned loan over its seven year term. This private arrangement was reviewed by the remuneration committee of PCCW prior to its finalization. The committee noted that the consultancy services provided to the private company would be publicly disclosed, would not conflict with Alexander Anthony Arena's duties at PCCW and overall would be in the interests of PCCW. A subsequent amendment made in October 2013 permits part of the loan previously repaid to be re-drawn, as an interest bearing loan repayable in cash within the original seven year term.

5. These PCCW shares were held by the spouse of Chung Cho Yee, Mico.

PCPD

The table below sets out the long position in the shares and underlying shares of PCPD held by a HKT Director:

Name of HKT Director	Number of ordinary shares of PCPD held				Number of underlying shares of PCPD held under equity derivatives	Total	Approximate percentage of issued share capital of PCPD
	Personal interests	Family interests	Corporate interests	Other interests			
Chung Cho Yee, Mico	—	—	—	—	5,000,000	5,000,000	1.26%

The above interests represented the interests in underlying shares in respect of share options granted by PCPD to the HKT Director as beneficial owner pursuant to a share option scheme of PCPD adopted on 17 March 2003, the termination of which was approved by the shareholders of PCPD at its annual general meeting held on 13 May 2005 (the “**2003 PCPD Scheme**”). Details of PCPD's share options outstanding under the 2003 PCPD Scheme are as follows:

Name of HKT Director	Date of grant	Vesting period	Exercise period	Exercise price HK\$	Number of options outstanding
Chung Cho Yee, Mico	20 December 2004	Fully vested on 20 December 2004	20 December 2004 to 19 December 2014	2.375	5,000,000

PCCW-HKT Capital No.4 Limited

FWD held US\$9,000,000 of 4.25% guaranteed notes due 2016 issued by PCCW-HKT Capital No.4 Limited, an associated corporation of HKT. Li Tzar Kai, Richard indirectly owned an approximate 87.7% interest in FWD.

Save as disclosed above, as at the Latest Practicable Date, none of the HKT Directors or the Chief Executives or their respective associates had any interests or short positions in any Share Stapled Units or underlying Share Stapled Units or in the shares, underlying shares or debentures of HKT or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Trustee-Manager, HKT and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required to be recorded in the register(s) required to be kept under Section 352 of the SFO or which were

otherwise required to be notified to the Trustee-Manager, HKT and the Stock Exchange pursuant to the Model Code.

(ii) Interests and short positions of substantial Holders of Share Stapled Units

As at the Latest Practicable Date, so far as is known to the HKT Directors and Chief Executives, the following persons (other than any HKT Directors or Chief Executives) were substantial Holders of Share Stapled Units, and of Ordinary Shares and Preference Shares in HKT, and had interests or short positions in the Share Stapled Units and underlying Share Stapled Units, and shares and underlying shares of HKT which fall to be disclosed to the Trustee-Manager and HKT under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the equity interest or nominal value of or voting rights attached to any class of share capital or securities (including any options in respect of such capital or securities) carrying rights to vote in all circumstances at general meetings of any other member of the HKT Group:

(A) Interests of substantial holders

Name of holder	Capacity	Number of Share Stapled Units held	Approximate percentage of issued Share Stapled Units	Note(s)
PCCW	Interest in controlled entity	4,047,215,832	63.07%	1, 2
CAS	Beneficial interest	4,047,215,832	63.07%	2
The Capital Group Companies, Inc.	Interest in controlled entities	641,744,278	10.00%	3

Each Share Stapled Unit confers an interest in:

- (a) one voting ordinary share of HK\$0.0005 in HKT; and
- (b) one voting preference share of HK\$0.0005 in HKT,

for the purposes of Part XV of the SFO, in addition to an interest in one unit in the HKT Trust.

Under the Trust Deed and the HKT Articles, the number of Ordinary Shares and Preference Shares of HKT 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.

Notes:

The Trustee-Manager held all of the issued Ordinary Shares of HKT in its capacity as trustee and manager of the HKT Trust, upon and subject to the terms and conditions of the Trust Deed.

1. PCCW indirectly held these interests through its direct wholly-owned subsidiary, CAS.
2. As at the Latest Practicable Date, pursuant to the PCCW's Undertaking, PCCW had undertaken to subscribe for, or procure CAS to subscribe for an aggregate of 728,498,849 Rights Share Stapled Units to be provisionally allotted to CAS under the Rights Issue.
3. The Capital Group Companies, Inc. indirectly held these interests through its direct/indirect wholly-owned subsidiaries, based on the information that was publicly available to the HKT Trust and HKT.

(B) Interests in other members of the HKT Group

Name of members of the HKT Group	Name of registered substantial shareholder	Number of shares held by registered substantial shareholder	Holding percentage
New World Mobility Limited 新世界傳動網有限公司	Telecom Digital Mobile Limited 電訊數碼移動有限公司	400 ordinary shares	40%
PCCW (Macau), Limitada 電訊盈科(澳門)有限公司	Mappa - Macau Projects and Promotions Agency Limited 萬達策劃推廣有限公司	1 ordinary share (issued at MOP500,000)	25%
Unihub China Information Technology Company Limited 中盈優創資訊科技有限公司	中國華信郵電經濟開發中心 *China Huaxin Post and Telecommunications Economy Development Centre	N/A	50%
Unihub Global Network Technology (China) Limited	I-Strength Developments Limited	2,357 ordinary shares	23.57%

* *unofficial company name*

Save as disclosed above, the HKT Directors and Chief Executives are not aware that there is any other person (other than any HKT Directors or Chief Executives) who, as at the Latest Practicable Date, had an interest or a short position in the Share Stapled Units or underlying Share Stapled Units, or in the shares or underlying shares of HKT which would fall to be disclosed to the Trustee-Manager and HKT under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the equity interest or nominal value of or voting rights attached to any class of share capital or securities (including any options in respect of such capital or securities) carrying rights to vote in all circumstances at general meetings of any other member of the HKT Group.

5. DIRECTORS' INTERESTS

(a) Service Contracts

As at the Latest Practicable Date, none of the HKT Directors had any existing or proposed service contracts with the Trustee-Manager or any member of the HKT Group (excluding any contract expiring or determinable by the Trustee-Manager or any member of the HKT Group within one year without payment of compensation, other than statutory compensation).

(b) Assets of the HKT Group

As at the Latest Practicable Date, none of the HKT Directors had any interest, direct or indirect, in any assets which have, since 31 December 2013 (being the date to which the latest published audited consolidated financial statements of the HKT Trust and HKT were made up), been acquired or disposed of by, or leased to, the HKT Trust and HKT or any member of the HKT Group, or were proposed to be acquired or disposed of by, or leased to, the HKT Trust and HKT or any member of the HKT Group.

(c) Contracts of the HKT Group

As at the Latest Practicable Date, none of the HKT Directors were materially interested in any contract or arrangement entered into by the Trustee-Manager or any member of the HKT Group subsisting at such date and which is significant in relation to the business of the HKT Group.

6. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, the following are the interests of the HKT Directors in business apart from the HKT Group's business, which compete or are likely to compete, either directly or indirectly, with the HKT Group's business:

Li Tzar Kai, Richard

Li Tzar Kai, Richard was a director of HWL and certain of its subsidiaries until 16 August 2000, the day before the acquisition of Cable & Wireless HKT Limited (now known as PCCW-HKT Limited) became effective. HWL is a company listed on the main board of the Stock Exchange and has its own management team separate from HKT and its subsidiaries (the "**HKT Limited Group**"). HWL and its subsidiaries (the "**Hutchison Group**") are involved in the business of ports and related services, property and hotels, retail, infrastructure, energy, telecommunications, and finance & investments and others. Among others, the Hutchison Group operates GSM dual-band and 3G mobile telecommunications services in Hong Kong and the Macau Special Administrative Region of the PRC and provides fixed-line telecommunications services in Hong Kong. As such, certain businesses of the Hutchison Group compete with certain aspects of the business of the HKT Limited Group. Li Tzar Kai, Richard has a personal interest in 110,000 shares in HWL, and is one of the discretionary beneficiaries of certain discretionary trusts which hold units in unit trusts which in turn are interested in certain shares of HWL. In view of the above, the HKT Directors consider that Li Tzar Kai, Richard is not able to exert control or influence over the Hutchison Group.

Lu Yimin and Li Fushen

Lu Yimin is an executive director and President of China Unicom (Hong Kong) Limited. He is Vice Chairman and President of 中國聯合網絡通信集團有限公司 (China United Network Communications Group Company Limited[#]). He is also a director and President of China United Network Communications Limited and a director and President of China United Network Communications Corporation Limited.

Li Fushen is an executive director and Chief Financial Officer of China Unicom (Hong Kong) Limited. He is a director, Vice President and Chief Accountant of 中國聯合網絡通信集團有限公司 (China United Network Communications Group Company Limited[#]). He is also a director of China United Network Communications Limited and a director and Senior Vice President of China United Network Communications Corporation Limited.

China Unicom (Hong Kong) Limited is a company listed on the New York Stock Exchange and the main board of the Stock Exchange. 中國聯合網絡通信集團有限公司 (China United Network Communications Group Company Limited[#]) is the ultimate parent company of China Unicom (Hong Kong) Limited and China United

[#] For identification only

Network Communications Limited is a shareholder of China Unicom (Hong Kong) Limited. China United Network Communications Corporation Limited is a subsidiary of China Unicom (Hong Kong) Limited. China United Network Communications Limited is a company listed on the Shanghai Stock Exchange. Save for Lu Yimin and Li Fushen, each of these companies has its own management team separate from the HKT Limited Group. These companies are involved in the business of provision of wireless, fixed-line, broadband, data and related value-added services and compete with certain aspects of the business of the HKT Limited Group. As Lu Yimin and Li Fushen are non-executive directors of the Trustee-Manager and HKT who are not involved in the day-to-day management of the Trustee-Manager, HKT or any other member of the HKT Group, the HKT Directors consider that Lu Yimin and Li Fushen are not able to exert control or influence over the HKT Group.

Other than as disclosed above, as at the Latest Practicable Date, to the best knowledge of the HKT Directors, none of the HKT Directors is interested in any business, apart from the HKT Group's businesses, which competes or is likely to compete, either directly or indirectly, with the HKT Group's businesses.

7. LITIGATION

As at the Latest Practicable Date, neither the Trustee-Manager, HKT nor any of their subsidiaries is engaged as a defendant in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the HKT Directors to be pending or threatened against any member of the HKT Group.

8. MATERIAL CONTRACTS

The following contracts have been entered into by the HKT Group (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Prospectus and are or may be material:

- (a) the Underwriting Agreement;
- (b) the share purchase agreement dated 20 December 2013 between HKT, CSLNW, Telstra Holdings (Bermuda) No. 2 Limited, Telstra Corporation Limited, Upper Start Holdings Limited and New World Development Company Limited in respect of the sale and purchase of the entire issued share capital of CSLNW at an initial purchase price of US\$2,425,000,000 (before adjustments as described in the circular of the HKT Trust and HKT dated 31 December 2013);
- (c) the trust deed dated 8 March 2013 between PCCW-HKT Capital No.5 Limited as issuer, HKT Group Holdings Limited and Hong Kong Telecommunications (HKT) Limited as guarantors and The Hongkong and Shanghai Banking Corporation Limited as trustee in relation to the Notes due 2023;
- (d) the agency agreement dated 8 March 2013 between PCCW-HKT Capital No.5 Limited as issuer, HKT Group Holdings Limited and Hong Kong Telecommunications (HKT) Limited as guarantors and The

Hongkong and Shanghai Banking Corporation Limited as registrar, principal paying agent, transfer agent, paying agent and trustee in relation to the Notes due 2023;

- (e) the facility agreement dated 7 May 2014 between, among others, HKT as borrower, HKT Group Holdings Limited and Hong Kong Telecommunications (HKT) Limited as guarantors, Standard Chartered Bank (Hong Kong) Limited as facility agent and security agent and certain financial institutions as arrangers and original lenders named therein, in relation to a term loan facility of up to US\$2,425,000,000, which was fully repaid on 15 May 2014;
- (f) the deed of share mortgage dated 7 May 2014 entered into by HKT in favour of Standard Chartered Bank (Hong Kong) Limited as security agent over shares in CSLNW, acceded by CSLNW pursuant to the deed of accession dated 14 May 2014 entered into between CSLNW, HKT and Standard Chartered Bank (Hong Kong) Limited as security agent, and subsequently released pursuant to the deed of release dated 15 May 2014 entered into between HKT, Standard Chartered Bank (Hong Kong) Limited and CSLNW;
- (g) the facility agreement dated 7 May 2014 between, among others, Hong Kong Telecommunications (HKT) Limited as borrower, HKT Group Holdings Limited as guarantor, Standard Chartered Bank (Hong Kong) Limited as facility agent and security agent and certain financial institutions as arrangers and original lenders named therein, in relation to a term loan facility of up to US\$407,000,000;
- (h) the facility agreement dated 7 May 2014 between, among others, PCCW Mobile HK Limited (now known as CSL Mobile Limited) as borrower, HKT Group Holdings Limited and Hong Kong Telecommunications (HKT) Limited as guarantors, The Hongkong and Shanghai Banking Corporation Limited as arranger and Standard Chartered Bank (Hong Kong) Limited as arranger, facility agent and security agent in relation to a term loan facility of up to US\$2,018,000,000, as amended by the amendment agreement dated 13 May 2014 between PCCW Mobile HK Limited as borrower, HKT Group Holdings Limited and Hong Kong Telecommunications (HKT) Limited as guarantors and Standard Chartered Bank (Hong Kong) Limited as facility agent;
- (i) the termination agreement dated 20 December 2013 entered into between Telstra Corporation Limited, Telstra Holdings (Bermuda) No. 2 Limited, New World Development Company Limited, New World Mobile Holdings Limited, Upper Start Holdings Limited and CSLNW in respect of the termination of the shareholders' agreement between those parties dated 8 December 2005;
- (j) the asset purchase agreement dated 15 May 2014 entered into between CSL Limited and Hong Kong Telecommunications (HKT) Limited pursuant to which CSL Limited agreed to transfer certain of its business and assets relating to its network business to Hong Kong Telecommunications (HKT) Limited for an aggregate consideration of HK\$2,777,800,000;

- (k) the property purchase agreement dated 15 May 2014 entered into between CSL Limited and Hong Kong Telecommunications (HKT) Limited (as amended by an amendment agreement dated 11 June 2014) pursuant to which CSL Limited agreed to transfer its owned properties, leases and property licences to Hong Kong Telecommunications (HKT) Limited for an aggregate consideration of HK\$240,600,000;
- (l) the property purchase agreement dated 15 May 2014 entered into between Integrated Business Systems Limited and Hong Kong Telecommunications (HKT) Limited pursuant to which Integrated Business Systems Limited agreed to transfer its owned properties to Hong Kong Telecommunications (HKT) Limited for an aggregate consideration of HK\$148,100,000;
- (m) the asset purchase agreement dated 15 May 2014 entered into between CSL Limited and PCCW Mobile HK Limited (now known as CSL Mobile Limited) pursuant to which CSL Limited agreed to transfer certain of its business and assets relating to its mobile services business to PCCW Mobile HK Limited for an aggregate consideration of HK\$15,644,000,000;
- (n) the asset purchase agreement dated 25 June 2014 entered into between CSL Limited and CSL Mobile Limited (formerly known as PCCW Mobile HK Limited) pursuant to which CSL Limited agreed to transfer certain of its net working capital and other financial assets to CSL Mobile Limited for an aggregate consideration equal to the book value of such net assets as at 15 May 2014;
- (o) the asset purchase agreement dated 15 May 2014 entered into between Hong Kong CSL Limited and PCCW Mobile HK Limited (now known as CSL Mobile Limited) pursuant to which Hong Kong CSL Limited agreed to transfer its business intellectual property rights to PCCW Mobile HK Limited for an aggregate consideration of HK\$1;
- (p) the asset purchase agreement dated 15 May 2014 entered into between Integrated Business Systems Limited and PCCW Mobile HK Limited (now known as CSL Mobile Limited) pursuant to which Integrated Business Systems Limited agreed to transfer its business intellectual property rights to PCCW Mobile HK Limited for an aggregate consideration of HK\$1;
- (q) the asset purchase agreement dated 15 May 2014 entered into between One2Free PersonalCom Limited and PCCW Mobile HK Limited (now known as CSL Mobile Limited) pursuant to which One2Free PersonalCom Limited agreed to transfer its business intellectual property rights to PCCW Mobile HK Limited for an aggregate consideration of HK\$1;
- (r) the share purchase agreement dated 15 May 2014 entered into between CSL Limited and PCCW Mobile HK Limited (now known as CSL Mobile Limited) pursuant to which CSL Limited agreed to transfer its shares in Bridge Mobile Pte Limited, representing 10% of the issued share capital of Bridge Mobile Pte Limited, to PCCW Mobile HK Limited for an aggregate consideration of HK\$13,000,000;
- (s) the share purchase agreement dated 15 May 2014 entered into between CSL Limited and PCCW Mobile HK Limited (now known as CSL Mobile Limited) pursuant to which CSL Limited agreed to

transfer its shares in New World Mobility Limited, representing 60% of the issued share capital of New World Mobility Limited, to PCCW Mobile HK Limited for an aggregate consideration of HK\$43,000,000;

- (t) the loan agreement dated 15 May 2014 entered into between Integrated Business Systems Limited and CSL Limited pursuant to which Integrated Business Systems Limited agreed to lend and CSL Limited agreed to borrow an aggregate loan amount of HK\$148,100,000 on an interest-free basis, repayable within 3 days of written demand given by Integrated Business Systems Limited to CSL Limited;
- (u) the loan agreement dated 15 May 2014 entered into between CSL Limited and New World PCS Holdings Limited pursuant to which CSL Limited agreed to lend and New World PCS Holdings Limited agreed to borrow an aggregate loan amount of HK\$18,866,500,000 on an interest-free basis, repayable within 3 days of written demand given by CSL Limited to New World PCS Holdings Limited;
- (v) the loan agreement dated 15 May 2014 entered into between New World PCS Holdings Limited and CSLNW pursuant to which New World PCS Holdings Limited agreed to lend and CSLNW agreed to borrow an aggregate loan amount of HK\$18,866,500,000 on an interest-free basis, repayable within 3 days of written demand given by New World PCS Holdings Limited to CSLNW; and
- (w) the loan agreement dated 15 May 2014 entered into between CSLNW and HKT pursuant to which CSLNW agreed to lend and HKT agreed to borrow an aggregate loan amount of HK\$18,866,500,000 on an interest-free basis, repayable within 3 days of written demand given by CSLNW to HKT.

9. MISCELLANEOUS

- (a) The company secretary of the Trustee-Manager and HKT is Philana WY Poon. She has about 20 years of post-qualification legal experience both in private practice and in-house, and holds a Bachelor of Commerce degree from the University of Toronto and a Doctor of Law degree from Cornell University.
- (b) The Trustee-Manager is the trustee-manager of the HKT Trust pursuant to the Trust Deed. The registered office of the Trustee-Manager is situated at 39th Floor, PCCW Tower, TaiKoo Place, 979 King's Road, Quarry Bay, Hong Kong.
- (c) The head office and the registered office of HKT are situated at 39th Floor, PCCW Tower, TaiKoo Place, 979 King's Road, Quarry Bay, Hong Kong and PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, respectively.
- (d) The principal share registrar and transfer office of HKT is Maples Fund Services (Cayman) Limited at PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands. The Share

Stapled Units Registrar of the HKT Trust and HKT and the branch share registrar and transfer office in Hong Kong of HKT is Computershare Hong Kong Investor Services Limited with its office located at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

- (e) The auditors of the Trustee-Manager, the HKT Trust and HKT are PricewaterhouseCoopers, Certified Public Accountants, of 22nd Floor, Prince's Building, Central, Hong Kong.
- (f) The legal advisers of the Trustee-Manager, the HKT Trust and HKT in relation to the Rights Issue are (i) as to Hong Kong, US and UK laws, Gibson Dunn & Crutcher LLP of 32nd Floor Gloucester Tower, The Landmark, 15 Queen's Road Central, Central, Hong Kong and (ii) as to law of the Cayman Islands, Maples and Calder of 53rd Floor, The Center, 99 Queen's Road Central, Hong Kong.
- (g) The principal bankers of the Trustee-Manager, the HKT Trust and HKT are:

Bank of China (Hong Kong) Limited
1 Garden Road
Hong Kong

DBS Bank Ltd., Hong Kong Branch
18th Floor, The Center
99 Queen's Road Central
Hong Kong

Industrial and Commercial Bank of China (Asia) Limited
29/F ICBC Tower
3 Garden Road
Central
Hong Kong

Standard Chartered Bank (Hong Kong) Limited
13th Floor, Standard Chartered Bank Building
4-4A Des Voeux Road Central
Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

- (h) The authorised representatives (as defined in the Listing Rules) of the Trustee-Manager, the HKT Trust and HKT are Alexander Anthony Arena and Philana WY Poon, both of 39th Floor, PCCW Tower, TaiKoo Place, 979 King's Road, Quarry Bay, Hong Kong.
- (i) The Joint Underwriters' legal advisers in relation to the Rights Issue are, as to Hong Kong and US laws, Freshfields Bruckhaus Deringer of 11th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.

10. QUALIFICATION OF EXPERT

The following is the qualification of the expert who has given an opinion or advice which is contained in, or referred to in, this Prospectus (“**Expert**”):

<u>Name</u>	<u>Qualification</u>
PricewaterhouseCoopers	Certified Public Accountants

11. EXPERT’S INTERESTS IN ASSETS

The Expert has confirmed that as at the Latest Practicable Date, it did not have any interests in the securities of any member of the HKT Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the HKT Group.

The Expert has further confirmed that as at the Latest Practicable Date, it did not have any direct or indirect interests in any assets or any securities of the HKT Trust and HKT or any member of the HKT Group which have since 31 December 2013 (being the date to which the latest published audited consolidated financial statements of the HKT Trust and HKT were made up) been acquired or disposed of by, or leased to, the HKT Trust and HKT or any member of the HKT Group, or which were proposed to be acquired or disposed of by, or leased to, the HKT Trust and HKT or any member of the HKT Group.

12. CONSENT OF EXPERT

The Expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its report and/or references to its name in the form and context in which it appears.

13. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the HKT Directors were not aware of any material adverse change in the financial or trading position of the HKT Trust and HKT since 31 December 2013, being the date of the latest published audited consolidated financial statements of the HKT Trust and HKT.

14. EXPENSES

The expenses in connection with the Rights Issue, including the underwriting commission, printing, registration, translation, legal and accounting charges are estimated to be approximately HK\$116 million (approximately US\$15 million) and will be payable by the HKT Trust and HKT.

15. GENERAL

In case of discrepancy or differences in interpretation, the English text of this Prospectus prevails over the Chinese text.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at 39th Floor, PCCW Tower, TaiKoo Place, 979 King's Road, Quarry Bay, Hong Kong, on any weekday, except public holidays, for 14 days from the date of this Prospectus:

- (a) this Prospectus;
- (b) the trust deed dated 7 November 2011 constituting the HKT Trust (as amended);
- (c) the amended and restated memorandum and articles of association of HKT;
- (d) the annual reports of the HKT Trust and HKT (including audited financial statements of the HKT Trust and HKT) for the financial years ended 31 December 2012 and 2013;
- (e) the report from PricewaterhouseCoopers on the unaudited pro forma financial information of the HKT Group, the text of which is set out in Appendix II to this Prospectus;
- (f) the written consent from the Expert referred to in the section headed "Consent of Expert" in this Appendix III; and
- (g) the material contracts referred to in the section headed "Material Contracts" in this Appendix III.

17. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Rights Issue Documents and the written consent referred to in the paragraph headed "Consent of Expert" in this Appendix III have been delivered to the Registrar of Companies in Hong Kong for registration as required by Sections 38D and 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.