Pacific Century Premium Developments

PCPD Capital Limited
(incorporated with limited liability under the laws of Cayman Islands)
(the "Issuer")

U.S.$700,000,000 4.75 per cent. Guaranteed Notes due 2022
(the "Notes")
(ISIN: XS1572363858) (Common Code: 157236385)

guaranteed by

PACIFIC CENTURY PREMIUM DEVELOPMENTS LIMITED
(incorporated with limited liability under the laws of Bermuda)
(Stock Code: 00432)
(the "Guarantor")

MEETING OF NOTEHOLDERS AND CONSENT SOLICITATION

Background to the Consent Solicitation

The Issuer and the Guarantor have given holders of the Notes a notice of meeting dated 6 August 2020 in connection with the solicitation of consents by an Extraordinary Resolution for approval of certain modifications to the terms and conditions of the Notes. A consent solicitation memorandum (the "**Consent Solicitation Memorandum**") dated 6 August 2020 has been prepared by the Issuer and the Guarantor and has been made available via the Consent Website to Noteholders in connection with the Consent Solicitation. **Noteholders should refer to the Notice and the Consent Solicitation Memorandum for details of the Consent Solicitation**.

Unless the contrary is stated, or the context otherwise requires, terms and expressions defined in the Consent Solicitation Memorandum shall have the same meanings when used in this announcement.

Indicative Timetable of the Consent Solicitation

Set out below is an indicative timetable showing one possible outcome for the timing of the Consent Solicitation and the Proposal, which will depend, among other things, on timely receipt (and non-revocation) of instructions, the rights of the Issuer and the Guarantor to extend, re-open, amend and/or terminate the Consent Solicitation (other than the terms of the Extraordinary Resolution) as described in the Consent Solicitation Memorandum and the passing of the Extraordinary Resolution at the Meeting. Accordingly, the actual timetable may differ significantly from the timetable below and Noteholders should refer to the Consent Solicitation Memorandum for further details.

Date	**Event**
	Announcement of Consent Solicitation and Proposal
6 August 2020.	Announcement of Consent Solicitation and Proposal. Notice published: • via the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); • made available on the Consent Website; and • delivered to the Clearing Systems for communication to Direct Participants. Documents referred to under "*General*" in the Notice available on the Consent Website and from the Information and Tabulation Agent and for collection or inspection at the specified office of the Guarantor.
	Early Consent Deadline
4.00 p.m. (London time) on 17 August 2020	Deadline for receipt by the Information and Tabulation Agent of valid Voting Instructions from Noteholders for such Noteholders to be eligible to receive the Early Consent Fee. Such Voting Instructions must be in favour of the Extraordinary Resolution in order for the relevant Noteholders to be so eligible for the Early Consent Fee.
	Expiration Time
4.00 p.m. (Hong Kong time) on 26 August 2020.	Deadline for receipt by the Information and Tabulation Agent of valid Voting Instructions from Noteholders for such Noteholders to be eligible to receive the Expiration Time Consent Fee and for making any other arrangements to attend and vote at the Meeting in person or to make other arrangements to be represented or to vote at such Meeting in accordance with the Meeting Provisions. Noteholders making such other arrangements or submitting Voting Instructions which are received by the Information and Tabulation Agent after the Expiration Time will not be eligible to receive any Consent Fee.
	Meeting
4.00 p.m. (Hong Kong time) on 28 August 2020.	Meeting to be held at the offices of Linklaters, located at Level 11, Alexandra House, Chater Road, Central, Hong Kong. If within 15 minutes after the time initially fixed for the Meeting, a quorum is not present, the Meeting shall stand adjourned for such

Date	Event
	period (not being less than 14 days and not more than 42 days) and to such place as the chairman of the Meeting determines (with the approval of the Trustee).
	Announcement of results of the Meeting
As soon as reasonably practicable after the Meeting, and in any event within five days of the conclusion of the Meeting.	Announcement of the results of the Meeting. Notice published: • via the SGX-ST; • the Consent Website; and • delivered to the Clearing Systems for communication to Direct Participants.
	Execution and delivery of Supplemental Trust Deed
As soon as reasonably practicable after the Meeting or any such adjourned Meeting, as the case may be.	If the Extraordinary Resolution is passed at the Meeting, execution and delivery of the Supplemental Trust Deed. Upon execution and delivery of the Supplemental Trust Deed, the amendments to the Conditions and the Trust Deed described in the Consent Solicitation Memorandum will become effective.
	Settlement Date and payment of relevant Consent Fee
Expected to be no later than the fifth Business Day following the execution of the Supplemental Trust Deed.	If the Extraordinary Resolution is passed at the Meeting and the Supplemental Trust Deed is executed and delivered, this will be the date on which, where payable, the relevant Consent Fee is paid to the relevant Noteholders.

Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold their Notes when such intermediary would need to receive instructions from a Noteholder in order for such Noteholder to participate in, or (in the limited circumstances in which revocation is permitted) to validly revoke their instruction to participate in, the Consent Solicitation and/or vote in respect of the Proposal before the deadlines specified above. The deadlines set by any such intermediary and each Clearing System for the submission and (where permitted) revocation of Voting Instructions will be earlier than the relevant deadlines above. Noteholders should refer to the "Procedures for Participating in the Consent Solicitation and/or voting in respect of the Proposal" as set out in the Consent Solicitation Memorandum for further details.

In light of the ongoing developments in relation to COVID-19, it may become impossible or inadvisable to hold the Meeting at the offices of Linklaters at Level 11, Alexandra House, Chater Road, Central, Hong Kong. In such event, the Trustee may prescribe further regulations regarding, among other things, the holding of the Meeting, which may include holding the Meeting by audio or video conference call. In such circumstances, those Noteholders who have indicated that they wish to attend any such Meeting in person will be provided with further details about access to the Meeting. Noteholders who have requested that their votes be cast in accordance with a valid Voting Instruction submitted by the Expiration Time (or, if earlier, before

the expiration time and/or date set by the relevant Clearing System) will not be affected by these alternative regulations and will not be required to take any further action.

Rationale for the Proposal

The Board of PCCW Limited ("**PCCW**") considers that the PCCW Transaction will increase the Guarantor's liquidity and a public float in the Guarantor should help it to unlock value as well as enable it to independently fund its future growth. The Proposal would allow the PCCW Transaction to be consummated in full (reducing PCCW's shareholding to approximately 40 per cent. rather than 51 per cent.), allowing more of the Guarantor's shares to be distributed to PCCW's shareholders and therefore generating greater liquidity for the Guarantor.

PCCW Letter of Support

PCCW, which currently owns a majority stake in the Guarantor, issued letters of support dated 2 March 2017 and 26 September 2019 (together, the "**Letters of Support**") in connection with the issuances of the Notes, in which it stated its intention that, for so long as any Note remains outstanding, (i) the Guarantor will remain its subsidiary, (ii) it will maintain, directly or indirectly, ownership of more than 50 per cent. of the shares of and maintain voting control in, the Guarantor, (iii) it will not take or approve any action that would result in the Guarantor not remaining commercially and financially viable; and (iv) it intends to continue to support the Guarantor, to the extent permitted by law, with all practicable measures to maintain its financial condition and to enable it to fulfill its financial and other obligations in a timely manner. The Letters of Support do not represent a guarantee, financial assistance or a legally binding obligation of PCCW in relation to the Notes.

Subject to the passing of the Extraordinary Resolution, in line with the proposed amendments to the Conditions and the Trust Deed, the Letters of Support will be adjusted such that limbs (i) to (iv) as mentioned above will be replaced to provide that for so long as any Note remains outstanding, PCCW intends that it, together with Mr. Richard Li and/or any Affiliates (as defined in the Proposal), will either (i) directly or indirectly and in aggregate hold at least 40 per cent. of the voting rights of the issued share capital of the Guarantor; or (ii) collectively remain the largest single shareholder of the Guarantor.

Immediately following the passing of the Extraordinary Resolution, and the PCCW Transaction being implemented in full, PCCW will hold a stake of approximately 40.0 per cent. in the Guarantor.

Proposal

The Issuer and the Guarantor are inviting Noteholders to approve, by an Extraordinary Resolution at a meeting of Noteholders pursuant to the Conditions and the Meeting Provisions (the "**Proposal**") amendments to Condition 5(c) of the Conditions by inserting the underlined language and deleting the strike-through language in the following paragraphs and as set out in the Supplemental Trust Deed:

"In this Condition 5(c) (*Redemption for Change of Control*):

A "**Change of Control**" occurs when either:

(i) PCCW Limited, Mr. Richard Li and/or any Affiliate:

(A) collectively cease ~~ceases~~ to hold, directly or indirectly, at least 40 per cent, of the voting rights of the issued share capital of the Guarantor; and ~~or~~

(B) collectively cease ~~ceases~~ to be the largest single shareholder of the Guarantor; or

(ii) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of its assets to any other Person other than PCCW Limited, Mr.

Richard Li or any Affiliate, unless the consolidation, merger, sale or transfer will result in PCCW Limited, Mr. Richard Li and/or any Affiliate:

(A) collectively holding, directly or indirectly, at least 40 ~~50~~ per cent. of the voting rights of the issued share capital of the Guarantor (in the case of a consolidation or merger) or the successor entity (in the case of a sale or transfer); or ~~and~~

(B) collectively being the largest single shareholder of the Guarantor (in the case of a consolidation or merger) or the successor entity (in the case of a sale or transfer).

"**Affiliate**" means (i) Richard Li and all entities and persons that are subject to the Control of Richard Li and (ii) any publicly traded company (or any of its subsidiaries) where Richard Li is either (a) the chairman or a director of such publicly traded company or (b) directly or indirectly (whether through beneficial ownership, trusts with which he is connected to or otherwise) the largest effective voting interest holder in such publicly traded company.

"**Control**" means the acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of such entity or the right to appoint and/or remove all or the majority of the members of the board of directors or other governing body of such entity, whether held or obtained directly or indirectly, and whether held or obtained by ownership of share capital, the possession of voting rights, contract or otherwise and the terms "Controlling" and "Controlled" shall have meanings correlative to the foregoing.

a "**Person**", as used in this Condition 5(c) (*Redemption for Change of Control*), includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity)."

Consent Fees

The Issuer and the Guarantor have undertaken to pay to each Noteholder from whom a valid Voting Instruction in favour of the Extraordinary Resolution is received by the Information and Tabulation Agent:

(a) by the Early Consent Deadline, an Early Consent Fee of 0.25 per cent of the aggregate principal amount of the Notes that are the subject of such Voting Instruction; or

(b) after the Early Consent Deadline but by the Expiration Time, an Expiration Time Consent Fee of 0.05 per cent. of the aggregate principal amount of the Notes that are the subject of such Voting Instruction.

If the Extraordinary Resolution is passed, the Proposal will be binding on all Noteholders (including the Registered Holder) including those Noteholders who did not consent to the proposal or did not vote at all. For the avoidance of doubt, the passing of the Extraordinary Resolution and execution of the Supplemental Trust Deed are conditions to the payment of the relevant Consent Fee.

If the Extraordinary Resolution is not passed, the Proposal will not come into effect and will not be binding on any of the Noteholders and no Consent Fee shall be payable to any Noteholder. In such case, PCCW intends on consummating the PCCW Transaction on a partial basis, such that PCCW shall hold a majority stake of approximately 51.0 per cent. in the Guarantor following the closing of the PCCW Transaction.

Noteholders should refer to the Consent Solicitation Memorandum for details and applicable conditions in connection with the payment of the relevant Consent Fees.

Amendment and Termination

Notwithstanding any other provision of the Consent Solicitation or the Proposal, the Issuer and the Guarantor may, subject to applicable laws and as provided in the Consent Solicitation Memorandum, at their option and in their sole discretion, at any time before the Expiration Time (or, where there is an adjourned Meeting, 48 hours before the time set for any such adjourned Meeting):

(a) extend the Early Consent Deadline or Expiration Time or re-open the Consent Solicitation, as applicable, in which case all references in the Consent Solicitation Memorandum to the Expiration Time shall, unless the context otherwise requires, be to the latest time and date, as the case may be, to which the Expiration Time has been so extended or the Consent Solicitation re opened;

(b) otherwise extend, re-open or amend the Consent Solicitation (other than the terms of the Extraordinary Resolution) in any respect (including, but not limited to, any amendment in relation to the Early Consent Fee and/or the Expiration Time Consent Fee); or

(c) terminate the Consent Solicitation, including with respect to Voting Instructions submitted before the time of such termination.

The Issuer and the Guarantor also reserve the right at any time to waive any or all of the conditions of the Consent Solicitation as set out in the Consent Solicitation Memorandum and Noteholders should refer to the Notice and the Consent Solicitation Memorandum for details.

Further details

Noteholders should refer to the Notice and the Consent Solicitation Memorandum for details of the Consent Solicitation. The Consent Solicitation Memorandum, the Notice as well as other relevant documents, can be accessed, subject to eligibility and registration, via the Consent Website: https://bonds.morrowsodali.com/pcpd.

Separately, Noteholders who need assistance with respect to the procedures for participating in the Consent Solicitation should also contact the Information and Tabulation Agent at the following contact details:

Morrow Sodali Ltd.

In London:	*In Stamford:*	*In Hong Kong*:
103 Wigmore Street London W1U 1QS	470 West Ave., Suite 3000 Stamford, CT 06902 United States of America	Unit 1106, Level 11, Two ChinaChem Central 26 Des Voeux Road Central Hong Kong
Telephone: + 44 20 7355 0628	Telephone: + 1 203 609 4910	Telephone: + 852 2158 8405

Email: pcpd@investor.morrowsodali.com

Consent Website: https://bonds.morrowsodali.com/pcpd

Noteholders with queries on the Consent Solicitation should contact the Solicitation Agent at the following details:

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom (Attention: Liability Management Desk)
Telephone: +852 2800 7650
Email: Liability_Management_HK@jpmorgan.com

Disclaimer

This announcement must be read in conjunction with the Consent Solicitation Memorandum. The Consent Solicitation Memorandum contains important information that should be read carefully before any decision is made with respect to the Consent Solicitation.

Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to participate in the Consent Solicitation.

Consent Solicitation and Distribution Restrictions

Neither this announcement nor the Consent Solicitation Memorandum constitutes or forms part of, and should not be construed as, an offer for sale or subscription of, or a solicitation of any offer to buy or subscribe for, any securities of the Issuer or any other entity.

The distribution of this announcement and the Consent Solicitation Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement or the Consent Solicitation Memorandum comes are required by the Issuer, the Guarantor, J.P. Morgan Securities plc (the "**Solicitation Agent**") and Morrow Sodali Ltd. (the "**Information and Tabulation Agent**") to inform themselves about, and to observe, any such restrictions. This announcement and any materials relating to the Consent Solicitation do not constitute, and may not be used in connection with, any form of offer or solicitation in any place where such offers or solicitations are not permitted by law.

If a jurisdiction requires that the Consent Solicitation be made by a licensed broker or dealer and the Solicitation Agent or its affiliates is such a licensed broker or dealer in that jurisdiction, the Consent Solicitation shall be deemed to be made by the Solicitation Agent or such affiliate, as the case may be, on behalf of the Issuer and the Guarantor in such jurisdiction where it is so licensed and the Consent Solicitation is not being made in any such jurisdiction where neither the Solicitation Agent nor its affiliates are so licensed.