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PCCW Limited
電訊盈科有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 00008)



**Pacific Century
Premium Developments**
盈科大衍地產發展

**PACIFIC CENTURY PREMIUM
DEVELOPMENTS LIMITED**
盈科大衍地產發展有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 00432)

PICVILLE INVESTMENTS LIMITED
(Incorporated in the British Virgin Islands with limited liability)

JOINT ANNOUNCEMENT

- (1) PROPOSED PRIVATISATION OF
PACIFIC CENTURY PREMIUM DEVELOPMENTS LIMITED
BY
PICVILLE INVESTMENTS LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 99 OF THE COMPANIES ACT OF BERMUDA),
AT THE OFFER PRICE OF HK\$2.85 PER SCHEME SHARE**
- (2) RESULTS OF THE COURT MEETING AND THE SGM**
- (3) RESUMPTION OF TRADING IN SHARES**
- (4) DISCLOSEABLE TRANSACTION FOR PCCW**

The Scheme was not approved by the requisite majority at the Court Meeting.

The proposed privatisation of PCPD will not proceed and the listing of the Shares is and will be maintained.

At the request of PCPD, trading in the Shares was suspended with effect from 9:30 a.m. on Thursday, 17 April 2008, pending the release of this announcement. An application has been made to the Stock Exchange requesting the resumption of trading in the Shares with effect from 9:30 a.m. on Friday, 18 April 2008.

Pursuant to Rule 31.1 of the Takeovers Code, neither PCCW, the Offeror nor any parties acting in concert with them are allowed to make another offer for PCPD within 12 months from the date of this announcement, except with the consent of the Executive.

The Proposal, if effected, would have constituted a discloseable transaction for PCCW under the Listing Rules. Since the Proposal will not be implemented, there will be no discloseable transaction for PCCW.

Reference is made to the joint announcement issued by PCPD, PCCW and the Offeror dated 13 February 2008 (the “**Joint Announcement**”) and to the scheme document issued by PCPD, PCCW and the Offeror dated 25 March 2008 (the “**Scheme Document**”). Unless otherwise defined herein or the context otherwise requires, capitalised terms and expressions used herein shall have the respective meanings assigned to them in the Scheme Document.

RESULTS OF THE COURT MEETING AND THE SGM

The results of the Court Meeting, held at 10:00 a.m. on Thursday, 17 April 2008 at the Conference Room, 14th Floor, PCCW Tower, TaiKoo Place, 979 King’s Road, Quarry Bay, Hong Kong, are as follows:

	Votes cast by the Independent Shareholders either in person or by proxy	Votes cast by the Independent Shareholders either in person or by proxy in favour of the Scheme	Votes cast by the Independent Shareholders either in person or by proxy against the Scheme
Number of Shares represented	656,385,105	248,338,060 (Note 1)	408,047,045 (Notes 2 and 3)
Number of Independent Shareholders	31 (Note 4)	10	22

Notes:

- Such number represents approximately 37.834% of the number of the Shares held by all the Independent Shareholders present and voting either in person or by proxy at the Court Meeting.
- Such number represents approximately 62.166% of the number of the Shares held by all the Independent Shareholders present and voting either in person or by proxy at the Court Meeting.
- Such number represents approximately 44.060% of the number of the Shares held by all the Independent Shareholders (whether or not present and voting either in person or by proxy at the Court Meeting).
- HKSCC Nominees Limited, being the nominees for and on behalf of different ultimate beneficial Independent Shareholders, has voted both in favour of and against the Scheme, which is why the aggregate number of Independent Shareholders voting for and against the Scheme (32) is one more than the number of Independent Shareholders present and voting either in person or by proxy at the Court Meeting (31).

As the Scheme was not approved by at least 75% of the votes attaching to the disinterested Shares that were cast either in person or by proxy by the Independent

Shareholders at the Court Meeting (by way of a poll) and was disapproved by more than 10% of the votes attaching to the Shares of the Independent Shareholders at the Court Meeting (by way of a poll), the Scheme cannot be put into effect and hence has lapsed. The Hong Kong branch share registrar of PCPD, Computershare Hong Kong Investor Services Limited, was appointed as the scrutineer and to take charge of the vote-taking procedures at the Court Meeting.

The SGM was adjourned indefinitely as the Scheme was not approved by the requisite majority at the Court Meeting.

The Proposal will not be implemented as the Scheme was not approved by the requisite majority at the Court Meeting.

The Offer Period as defined in the Takeovers Code and the Scheme Document has ended.

In addition, the offer to cancel Mr. Chung Cho Yee, Mico's outstanding Options relating to 5,000,000 Shares for the price of HK\$0.475 per Share contained in the letter issued by the Offeror to Mr. Chung Cho Yee, Mico dated 25 March 2008 has also lapsed as a result of the Scheme having lapsed.

SHAREHOLDERS OF PCPD

Immediately prior to the Court Meeting, so far as PCPD is aware, persons that hold more than 5% of the issued share capital of PCPD were:

Name of shareholder	Number of Shares held	% of issued share capital
PCCW	1,481,333,333 (<i>Note I</i>)	61.53%
Elliott Capital Advisors, L.P.	387,778,680 (<i>Note II</i>)	16.11%
Peter Cundill & Associates (Bermuda) Ltd.	124,952,000	5.19%
Daniel Saul Och	121,447,152 (<i>Note III</i>)	5.04%

Notes:

- I. These Shares are held by Asian Motion, a wholly-owned subsidiary of PCCW.
- II. Elliott Capital Advisors, L.P. has direct or indirect control over The Liverpool Limited Partnership and Elliott International, L.P. and is therefore deemed to control the exercise of the voting power of the 155,111,472 Shares held by The Liverpool Limited Partnership and the 232,667,208 Shares held by Elliott International L.P.
- III. Daniel Saul Och has direct or indirect control over an investment manager OZ Management, L.P. and is therefore deemed to control the voting power of the 121,447,152 Shares held in aggregate by OZ Management, L.P. and its wholly-owned subsidiaries and other entities controlled by it.

As both PCCW and Elliott Capital Advisors, L.P. are entitled to control the voting power in respect of more than 10% of the issued share capital of PCPD, each of their holdings of Shares (together equivalent to 77.64% of the issued share capital of PCPD) falls outside the definition of being “in public hands” under the Listing Rules. This means that 22.36% of the Shares are deemed to be “in public hands”, which is below the 25% prescribed by the Listing Rules.

The Directors are considering various options to restore the public float to the level required by the Listing Rules. Further announcement will be made on restoration of the public float as and when appropriate.

The Stock Exchange has stated that at any time when the percentage of the Shares in public hands is less than the required minimum, and the Stock Exchange has permitted trading in the shares to continue, the Stock Exchange will monitor closely all trading in the Shares to ensure that a false market does not develop and may suspend the Shares if there is any unusual price movement.

Shareholders of PCPD and investors are advised to exercise caution when dealing in the Shares.

SUSPENSION AND RESUMPTION OF TRADING IN SHARES

At the request of PCPD, trading in the Shares was suspended with effect from 9:30 a.m. on Thursday, 17 April 2008, pending the release of this announcement. An application has been made to the Stock Exchange requesting the resumption of trading in the Shares with effect from 9:30 a.m. on Friday, 18 April 2008.

GENERAL

As the Scheme was not approved by the requisite majority of Independent Shareholders at the Court Meeting, the proposed privatisation of PCPD will not proceed and the listing of the Shares is and will be maintained. Pursuant to Rule 31.1 of the Takeovers Code, neither PCCW, the Offeror nor any parties acting in concert with them are allowed to make another offer for PCPD within 12 months from the date of this announcement, except with the consent of the Executive.

DISCLOSEABLE TRANSACTION FOR PCCW

Reference is made to the Joint Announcement and to the circular issued by PCCW to its shareholders dated 25 March 2008 (the “**Circular**”).

As mentioned in the Joint Announcement and the Circular, the Proposal, if effected, would have constituted a discloseable transaction for PCCW under the Listing Rules. Since the Proposal will not be implemented, there will be no discloseable transaction for PCCW.

By order of the board of
PCCW Limited
Philana WY Poon
*Group General Counsel and
Company Secretary*

By order of the board of
**Pacific Century Premium
Developments Limited**
Chan Ya Lai, Alice
Company Secretary

By order of the board of
Picville Investments Limited
Hui Hon Hing, Susanna
Director

Hong Kong, 17 April 2008

As at the date of this announcement, the directors of PCCW are as follows:

Executive Directors:

Li Tzar Kai, Richard (Chairman); Alexander Anthony Arena (Group Managing Director); Peter Anthony Allen; Chung Cho Yee, Mico and Lee Chi Hong, Robert

Non-Executive Directors:

Sir David Ford, KBE, LVO; Zhang Chunjiang; Zuo Xunsheng (Deputy Chairman) and Li Fushen

Independent Non-Executive Directors:

Prof Chang Hsin-kang; Dr The Hon Sir Li Kwok Po, David, GBM, GBS, OBE, JP; Sir Roger Lobo, CBE, LLD, JP; Aman Mehta and The Hon Raymond George Hardenbergh Seitz

As at the date of this announcement, the directors of PCPD are as follows:

Executive Directors:

Li Tzar Kai, Richard (Chairman); Alexander Anthony Arena (Deputy Chairman); Lee Chi Hong, Robert (Chief Executive Officer); Lam Yu Yee; James Chan and Gan Kim See, Wendy

Independent Non-Executive Directors:

Cheung Kin Piu, Valiant; Tsang Link Carl, Brian; Prof Wong Yue Chim, Richard, SBS, JP and Dr Allan Zeman, GBS, JP

As at the date of this announcement, the directors of the Offeror are Alexander Anthony Arena and Hui Hon Hing, Susanna.

The directors of PCCW jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the PCPD Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions (other than those relating to the PCPD Group) expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The directors of PCPD jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the PCCW Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions (other than those relating to the PCCW Group) expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the PCPD Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions (other than those relating to the PCPD Group) expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

** For identification only*