



PCCW Limited
電訊盈科有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 0008)

ANNOUNCEMENT UNDER RULE 13.09 OF THE LISTING RULES

The Company announces the discontinuation of its auction process in respect of the proposed sale of up to 45% of HKTGH. The recent market downturn has had a significant impact on the offers received and the board has concluded that the offers are not sufficiently attractive.

Reference is made to the announcements of PCCW Limited (the “Company”) dated 29 May, 27 June, 12 September and 18 September 2008 concerning a reorganisation of the Company’s telecommunications services, media and IT solutions businesses under a newly-incorporated holding company, HKT Group Holdings Limited (“HKTGH”), and the invitation of proposals from investors for the acquisition of up to a 45% interest in HKTGH from the Company.

The Company received substantial interest in HKTGH and formal proposals from several bidders. However, the recent market downturn has significantly impacted the offers received, and the board, having carefully considered these proposals, has unanimously decided to discontinue the auction process. The board concluded that the offers were not sufficiently attractive. The independent non-executive directors were advised on the proposals by N M Rothschild & Sons (Hong Kong) Limited.

The Company still plans to proceed with its previously announced reorganisation of the businesses under HKTGH and to draw down on the new HK\$23.8 billion loan facility recently obtained by the Company.

By Order of the Board of
PCCW Limited
Philana WY Poon
Group General Counsel and Company Secretary

Hong Kong, 12 October 2008

The directors of the Company as at the date of this announcement 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; Lu Yimin; Zuo Xunsheng (Deputy Chairman) and Li Fushen

Independent Non-Executive Directors:

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