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**Pacific Century Regional
Developments Limited**
*(incorporated in the Republic of Singapore
with limited liability)
Company Registration No. 196300381N*

Starvest Limited
*(incorporated in the Cayman Islands with
limited liability)*



**China Network Communications
Group Corporation**
(established in the People's Republic of China)

**China Netcom Corporation
(BVI) Limited**
*(incorporated in the British Virgin Islands
with limited liability)*



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

JOINT ANNOUNCEMENT

**PROPOSED PRIVATISATION OF PCCW
BY THE JOINT OFFERORS
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 166 OF THE COMPANIES ORDINANCE)**

PROPOSED INCREASE IN CANCELLATION PRICE FROM HK\$4.20 TO HK\$4.50

ADJOURNMENT OF THE COURT MEETING AND THE EGM

RESUMPTION OF TRADING

AND

ANNOUNCEMENT UNDER RULE 13.09 OF THE LISTING RULES

Financial Adviser to PCRD and Starvest



Financial Adviser to CNC and Netcom BVI



Financial Adviser to PCCW



PROPOSED INCREASE IN CANCELLATION PRICE

The Joint Offerors have proposed that the Cancellation Price be increased from HK\$4.20 to HK\$4.50 per Scheme Share (representing an increase of approximately 7.14% over the Cancellation Price) and have requested PCCW to put forward the Improved Proposal to the Scheme Shareholders. No other changes are being proposed to the Proposal.

The exercise prices of some outstanding Options will be lower than the Revised Cancellation Price. Accordingly, the amount of the cash offer to cancel outstanding Options that have exercise prices lower than the Revised Cancellation Price under the Option Offer will be calculated by deducting the exercise price per Share payable on exercise of an Option from the Revised Cancellation Price per Scheme Share payable under the Scheme (ie. the “see-through” price). For outstanding Options with exercise prices above the Revised Cancellation Price, the Option Payment to be offered by the Joint Offerors for the cancellation of those Options will be a nominal amount as stated in the Scheme Document.

The Joint Offerors will not further increase the Revised Cancellation Price. Shareholders, holders of other securities and/or potential investors should be aware that, following the making of this statement, the Joint Offerors will not be allowed to increase the Revised Cancellation Price (save in wholly exceptional circumstances) as a result of Rule 18.3 of the Takeovers Code.

ADJOURNMENT OF THE COURT MEETING AND THE EGM

Ordinary resolutions were passed at the Court Meeting and the EGM held on 30 December 2008 to adjourn the Court Meeting and the EGM to a later date, being a date not less than 21 clear days after the date of posting and deemed delivery of the Supplemental Scheme Document, in order to allow the Independent Shareholders to consider and vote on the Improved Proposal.

UPDATE IN RELATION TO THE CONDITIONS

The Improved Proposal is conditional upon the fulfillment or waiver, as applicable, of all the Conditions.

An extraordinary general meeting of PCRD was held on 29 December 2008 at which the shareholders of PCRD approved, by ordinary resolution, the Proposal on the terms and subject to the conditions set out in the Scheme Document. A further extraordinary general meeting of PCRD will need to be convened to consider and approve, by ordinary resolution, the Improved Proposal. If the Improved Proposal is not approved by the shareholders of PCRD at the further extraordinary general meeting of PCRD (or at any adjournment of that meeting), the Scheme will lapse.

SUPPLEMENTAL SCHEME DOCUMENT

The Supplemental Scheme Document will be despatched as soon as practicable and in compliance with the requirements of the Takeovers Code.

RESUMPTION OF TRADING

At the request of PCCW, trading in the Shares on the Stock Exchange was suspended from 9:30 am on 30 December 2008 pending the issue of this announcement. Application has been made by PCCW to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 am on 31 December 2008.

Shareholders, holders of other securities and/or potential investors should be aware that the implementation of the Improved Proposal is subject to the Conditions being fulfilled or waived, as applicable, and thus may or may not become effective. Shareholders, holders of other securities and potential investors are advised to exercise caution when dealing in the Shares or other securities of PCCW.

INTRODUCTION

Reference is made to the scheme document dated 6 December 2008 which was issued by PCCW and the Joint Offerors in relation to the Proposal regarding the proposed privatisation of PCCW by way of a scheme of arrangement under Section 166 of the Companies Ordinance (the “**Scheme Document**”).

Terms defined in the Scheme Document have the same meanings when used in this announcement unless the context otherwise requires.

PROPOSED INCREASE IN CANCELLATION PRICE

The Joint Offerors have notified PCCW that the Joint Offerors wish to amend the Proposal (the “**Improved Proposal**”) by increasing the Cancellation Price from HK\$4.20 to HK\$4.50 per Scheme Share (the “**Revised Cancellation Price**”) (representing an increase of approximately 7.14% over the Cancellation Price). The Joint Offerors have requested PCCW to put forward the Improved Proposal to the Scheme Shareholders. No other changes are being proposed to the Proposal.

In order for the Improved Proposal to be put forward to the Independent Shareholders in accordance with the Takeovers Code and in order to comply with the Order of the High Court directing that the Court Meeting be convened, it was necessary to adjourn the Court Meeting and the EGM originally convened to be held on 30 December 2008

to a date which is not less than 21 clear days after posting and deemed delivery of the Supplemental Scheme Document (as defined below). The date of the reconvened meetings will be announced in a further announcement, expected to be made at the time of despatch of the Supplemental Scheme Document.

The exercise prices of some outstanding Options will be lower than the Revised Cancellation Price. Accordingly, the amount of the cash offer to cancel outstanding Options that have exercise prices lower than the Revised Cancellation Price under the Option Offer will be calculated by deducting the exercise price per Share payable on exercise of an Option from the Revised Cancellation Price per Scheme Share payable under the Scheme (ie. the “see-through” price). For outstanding Options with exercise prices above the Revised Cancellation Price, the Option Payment to be offered by the Joint Offerors for the cancellation of those Options will be a nominal amount as stated in the Scheme Document.

The Joint Offerors will not further increase the Revised Cancellation Price. Shareholders, holders of other securities and/or potential investors should be aware that, following the making of this statement, the Joint Offerors will not be allowed to increase the Revised Cancellation Price (save in wholly exceptional circumstances) as a result of Rule 18.3 of the Takeovers Code.

Comparisons of value

The Revised Cancellation Price represents:

- a premium of approximately 30.43% over the closing price of HK\$3.45 per Share as quoted on the Stock Exchange on 29 December 2008, being the last trading day prior to the suspension of trading in the Shares pending the issue of this announcement (the “**Pre-Adjustment Date**”);
- a premium of approximately 34.73% over the average closing price of about HK\$3.34 per Share based on the daily closing prices as quoted on the Stock Exchange over the 5 trading days up to and including the Pre-Adjustment Date;
- a premium of approximately 27.84% over the average closing price of about HK\$3.52 per Share based on the daily closing prices as quoted on the Stock Exchange over the 30 trading days up to and including the Pre-Adjustment Date;
- a premium of approximately 1.12% over the average closing price of about HK\$4.45 per Share based on the daily closing prices as quoted on the Stock Exchange over the 180 trading days up to and including the Pre-Adjustment Date;

- a premium of approximately 63.64% over the closing price of HK\$2.75 per Share as quoted on the Stock Exchange on the Last Trading Date;
- a premium of approximately 57.34% over the average closing price of about HK\$2.86 per Share based on the daily closing prices as quoted on the Stock Exchange over the 5 trading days up to and including the Last Trading Date;
- a premium of approximately 14.50% over the average closing price of about HK\$3.93 per Share based on the daily closing prices as quoted on the Stock Exchange over the 30 trading days up to and including the Last Trading Date;
- a discount of approximately 3.02% to the average closing price of about HK\$4.64 per Share based on the daily closing prices as quoted on the Stock Exchange over the 180 trading days up to and including the Last Trading Date;
- a premium of approximately 1,856.52% to the audited consolidated net asset value attributable to Shareholders per Share of about HK\$0.23 as at 31 December 2007; and
- a premium of approximately 1,566.67% to the unaudited consolidated net asset value attributable to Shareholders per Share of about HK\$0.27 as at 30 June 2008.

Total consideration

At the Pre-Adjustment Date, there were 6,772,294,654 Shares in issue and the Scheme Shareholders were interested in 3,540,779,586 Shares (representing approximately 52.28% of the issued share capital of PCCW as at the Pre-Adjustment Date). At the Pre-Adjustment Date, there were 89,847,372 Options with exercise prices under the Revised Cancellation Price outstanding and 48,185,998 Options with exercise prices above the Revised Cancellation Price outstanding.

The Improved Proposal values the entire issued share capital of PCCW at approximately HK\$30,475 million. The amount payable for the 22,392,870 underlying Shares represented by the 2,239,287 outstanding ADSs as at the Pre-Adjustment Date is approximately HK\$101 million.

Starvest will pay 74.27% and Netcom BVI will pay 25.73% of the cash consideration payable under the Improved Proposal.

Assuming none of the Options are exercised before the Effective Date and that there are no other changes to the shareholding structure of PCCW, the cash consideration required to effect the Scheme on the basis of the Revised Cancellation Price will be increased from approximately HK\$14,871 million to approximately HK\$15,934 million (of which approximately HK\$11,834 million will be paid by Starvest and approximately HK\$4,100 million will be paid by Netcom BVI) and the cash consideration payable under the Option Offer (as revised) to cancel all the Options will be approximately HK\$8.68 million (of which approximately HK\$6.45 million will be paid by Starvest and approximately HK\$2.23 million will be paid by Netcom BVI).

Assuming all the Options are exercised before the Effective Date and that there are no other changes to the shareholding structure of PCCW, the cash consideration required to effect the Scheme on the basis of the Revised Cancellation Price will be increased from approximately HK\$15,452 million to HK\$16,555 million (of which approximately HK\$12,295 million will be paid by Starvest and approximately HK\$4,260 million will be paid by Netcom BVI).

Confirmation of financial resources

HSBC, as financial adviser to PCRD and Starvest, is satisfied that sufficient financial resources are available to Starvest for the payment of its 74.27% proportion of the cash consideration payable under the Improved Proposal. RBS, as financial adviser to CNC and Netcom BVI, is satisfied that sufficient financial resources are available to Netcom BVI for the payment of its 25.73% proportion of the cash consideration payable under the Improved Proposal.

Starvest has entered into the Starvest Facility Agreement with HSBC to fund the payment of Starvest's proportion of the cash consideration payable under the Improved Proposal. That loan facility will be used by Starvest for payment of the cash consideration payable to Scheme Shareholders and Optionholders pursuant to its obligations under the Improved Proposal and the costs and expenses incurred in connection therewith. It is intended that Starvest will use the dividends to be distributed by PCCW to Starvest and the Excluded Group after the Scheme becomes effective to pay (or prepay before their maturity) the amounts outstanding under that loan facility.

Netcom BVI will fund the payment of its proportion of the cash consideration under the Improved Proposal by using funds drawn down under the Netcom Facility and its internal cash resources. Netcom BVI has drawn down under the Netcom Facility and

the funds drawn down, together with funds from Netcom BVI's internal cash resources, have been transferred to and deposited in the RBS Account. The funds in the RBS Account will be used to fund the payment of Netcom BVI's proportion of the cash consideration payable under the Improved Proposal.

ADJOURNMENT OF THE COURT MEETING AND THE EGM

At the Court Meeting and the EGM held on 30 December 2008, the Chairman of each meeting advised the Shareholders present that the Board had received written notification from the Joint Offerors that they proposed that the Cancellation Price be increased from HK\$4.20 to HK\$4.50 per Scheme Share. Accordingly, the Chairman proposed that the meetings be adjourned to a later date in order to allow the Independent Shareholders to consider and vote on the Improved Proposal. Ordinary resolutions were duly passed to adjourn the Court Meeting and the EGM to a time, date and place of which notice will be given by PCCW, being a date not less than 21 clear days after the date of posting and deemed delivery of the Supplemental Scheme Document.

The share registrar of PCCW, Computershare Hong Kong Investor Services Limited, acted as the scrutineer for the purpose of vote-taking at the Court Meeting and the EGM.

Court Meeting

At the Court Meeting, 22,603,571 Scheme Shares held by the Independent Shareholders were voted in favour of the ordinary resolution to adjourn the Court Meeting (representing approximately 77.56% of the total number of Scheme Shares held by the Independent Shareholders present in person or by proxy at the Court Meeting which were voted in respect of the resolution to adjourn the Court Meeting), and 6,539,491 Scheme Shares held by the Independent Shareholders were voted against the ordinary resolution to adjourn the Court Meeting (representing approximately 22.44% of the total number of Scheme Shares held by the Independent Shareholders present in person or by proxy at the Court Meeting which were voted in respect of the resolution to adjourn the Court Meeting). Voting was conducted by way of a poll demanded by the Chairman of the Court Meeting following a show of hands. The total number of Scheme Shares held by the Independent Shareholders present in person or by proxy at the Court Meeting which were voted in respect of the resolution to adjourn the Court Meeting was 29,143,062 Scheme Shares. The total number of Scheme Shares held by the Independent Shareholders entitling their holders to attend and vote for or against the resolution at the Court Meeting was 3,474,432,507 and the total number of Scheme Shares held by the Independent

Shareholders entitling their holders to attend and vote only against the resolution at the Court Meeting was nil. The Shares held by the Joint Offerors, the Excluded Group, the Starvest Concert Parties and any persons acting in concert with the Joint Offerors were not represented or voted at the Court Meeting.

EGM

At the EGM, 3,248,488,679 Shares were voted in favour of the ordinary resolution to adjourn the EGM (representing approximately 99.85% of the total number of Shares held by the Shareholders present in person or by proxy at the EGM which were voted in respect of the resolution to adjourn the EGM), and 4,840,629 Shares were voted against the ordinary resolution to adjourn the EGM (representing approximately 0.15% of the total number of Shares held by the Shareholders present in person or by proxy at the EGM which were voted in respect of the resolution to adjourn the EGM). Voting was conducted by way of a poll. The total number of Shares held by the Shareholders present in person or by proxy at the EGM which were voted in respect of the resolution to adjourn the EGM was 3,253,329,308 Shares. The total number of Shares held by the Shareholders entitling their holders to attend and vote for or against the resolution at the EGM was 6,772,294,654 and the total number of Shares held by the Shareholders entitling their holders to attend and vote only against the resolution at the EGM was nil. No Shareholder was required to abstain from voting on the ordinary resolution to adjourn the EGM.

UPDATE IN RELATION TO THE CONDITIONS

The Improved Proposal is conditional upon the fulfillment or waiver, as applicable, of all the Conditions. All the Conditions will have to be fulfilled or waived, as applicable, on or before 23 April 2009 (or such later date as the Joint Offerors and PCCW may agree and the High Court may allow), otherwise the Scheme will lapse.

The status of the Conditions is as follows:

- Condition (e) is that the shareholders of PCRD approve, at an extraordinary general meeting of such shareholders convened for the purpose, such resolutions as may be necessary to implement the Improved Proposal.

An extraordinary general meeting of PCRD was held on 29 December 2008 at which the shareholders of PCRD approved, by ordinary resolution, the Proposal on the terms and subject to the conditions set out in the Scheme Document. A further extraordinary general meeting of PCRD will need to be convened to consider and approve, by ordinary resolution, the Improved Proposal. If the Improved Proposal is not approved by the shareholders of PCRD at the further extraordinary general meeting of PCRD (or at any adjournment of that meeting), the Scheme will lapse.

- Condition (f) is the Singapore Exchange's approval of the Scheme (with or without modifications) having been obtained where necessary and such approval not having been withdrawn or revoked as at the Effective Date.

The Singapore Exchange has given its approval of the Scheme based on the Cancellation Price of HK\$4.20 per Scheme Share. PCRD will apply to the Singapore Exchange to seek its approval of the Scheme based on the Revised Cancellation Price of HK\$4.50 per Scheme Share.

- Condition (g) is approval of the Improved Proposal by the Relevant Authorities in the PRC having been obtained by CNC and/or Netcom BVI. The approval process is ongoing.
- Condition (h) requires the drawdown by HKT of the total amount available under the HKT Loan Facilities and all amounts having been applied such that: (i) all Indebtedness under the Existing Facilities has been repaid and discharged in full; (ii) an amount of not less than HK\$7,020 million has been lawfully transferred to PCCW; and (iii) as a result of (ii), not less than HK\$12,675 million is standing to the credit of a designated account held by PCCW and is available for distribution to the Post-Scheme Shareholders. As referred to in the Scheme Document, the terms of the HKTGH Restructuring provide for the cash component of the consideration payable for the acquisition by HKT of the business and assets of HKTC, a wholly-owned subsidiary of PCCW, to be paid in three instalments: (1) an amount of HK\$9,500 million was payable by no later than 28 November 2008 (and has been paid); (2) an amount of HK\$7,100 million was payable by no later than 10 December 2008 (and has been paid); and (3) an amount of HK\$7,200 million is payable by no later than 2 January 2009. The cash component of the consideration payable by HKT for the acquisition of the business and assets of HKTC is to be funded from amounts drawn down under the HKT Loan Facilities. Also as referred to in the Scheme Document, an amount of HK\$9,500 million was drawn down by HKT under the HKT Loan Facilities for the payment of the first instalment of the cash component of the consideration for the acquisition of HKTC's business and assets. HKTC, in turn, applied the cash together with internal resources to repay in full the amount outstanding under the HK\$10,150 million Bayerische Landesbank facility entered into on 3 October 2006, which was one of the Existing Facilities.

A further amount of HK\$7,100 million was drawdown by HKT under the HKT Loan Facilities on 10 December 2008 and applied by HKT to pay the second instalment of the cash consideration payable for the acquisition by HKT of the

business and assets of HKTC. Substantially all of the net consideration was transferred to PCCW by way of a series of dividends and repayments of intra group loans and the required amount was applied by PCCW to repay in full all amounts outstanding in respect of the HK\$6,450 million Bayerische Landesbank facility entered into on 18 July 2006, which was the other Existing Facility. As a result, sub-Condition (i) of Condition (h) has been fulfilled. The remaining amount of HK\$7,200 million available for draw down under the HKT Loan Facilities will be drawn down by HKT on 2 January 2009 and used by HKT to pay the remaining instalment of the cash consideration payable for the acquisition by HKT of the business and assets of HKTC. As soon as practicable following its receipt by HKTC, substantially all of the net consideration to be received by HKTC from HKT is expected to be transferred to PCCW by way of a series of dividends and repayments of intragroup loans, resulting in sub-Condition (ii) of Condition (h) being fulfilled. Cash currently held by certain PCCW Group Companies (but excluding the PCPD Group) will be transferred to PCCW by a series of dividends and repayments of intragroup loans, which aggregated with the amount of the net consideration to be transferred to PCCW from HKTC, is expected to result in sub-Condition (iii) of Condition (h) being fulfilled.

- Condition (l) is that all Authorisations (if any) in connection with the Proposal from or with (as the case may be) the Relevant Authorities in the PRC, Hong Kong and/or any other relevant jurisdictions having been made and, if applicable, any waiting periods having expired or terminated (in each case where such Authorisation is material in the context of the PCCW Group as a whole and in the context of the Proposal). Condition (m) is all Authorisations (if any) remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for (or is in addition to requirements expressly provided for) in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective (in each case where such Authorisation is material in the context of the PCCW Group as a whole and in the context of the Proposal).

On 22 December 2008, the Telecommunications Authority appointed under the Telecommunications Ordinance (Cap 106 of the Laws of Hong Kong) gave its consent to the Proposal pursuant to section 7P(7)(a) of the Telecommunications

Ordinance, on the basis that the Proposal would not have, or would not be likely to have, the effect of substantially lessening competition in a telecommunications market in Hong Kong.

Application has been made to the Broadcasting Authority under the Broadcasting Ordinance (Cap 562 of the Laws of Hong Kong) for the Authorisations required as a result of the increase of the shareholdings of Starvest and the Excluded Group and Netcom BVI (and/or CNC), respectively, in PCCW if the Scheme becomes effective. The Authorisation from the Broadcasting Authority is still pending.

An application has also been made to the US Federal Communications Commission (“FCC”) for Authorisations required from the FCC for the increase of the shareholdings of Starvest and the Excluded Group and Netcom BVI (and/or CNC), respectively, in PCCW if the Scheme becomes effective. Such Authorisation is required because PCCW is the holding company of three subsidiaries, BtN Access Limited, PCCW Global Limited and PCCW Global Inc. which jointly hold a licence issued under section 214 of the US Communications Act of 1934. That application process, including interim Authorisations, is currently ongoing.

There is no change to the status of the rest of the Conditions.

SUPPLEMENTAL SCHEME DOCUMENT

A supplemental scheme document containing details of the Improved Proposal and other relevant information (the “**Supplemental Scheme Document**”), will be despatched as soon as practicable and in compliance with the requirements of the Takeovers Code.

The Supplemental Scheme Document will contain a new timetable, notices of the reconvened Court Meeting and the reconvened EGM and detailed information in relation to the action to be taken by the Shareholders in relation to the Improved Proposal and the reconvened Court Meeting and the reconvened EGM, including information in respect of the status of previously submitted forms of proxy and the procedures of submission of new forms of proxy if Shareholders who have previously submitted forms of proxy wish to change their voting instructions or to revoke or revise any proxy appointment. Similarly, the Supplemental Scheme Document will also contain detailed information in relation to the action to be taken by ADS Holders in relation to the Improved Proposal and the reconvened Court Meeting and the reconvened EGM and the action to be taken by Optionholders in relation to the revised Option Offer.

EXPECTED TIMETABLE

Following the adjournment of the Court Meeting and the EGM, the remainder of the expected timetable, after 30 December 2008, as set out in the Scheme Document, will no longer be valid. A new timetable, including the dates of the reconvened Court Meeting and the reconvened EGM, will be set out in the Supplemental Scheme Document and in a further announcement to be made at the time of despatch of the Supplemental Scheme Document.

AMENDMENT AGREEMENT TO THE CONSORTIUM AGREEMENT

The parties to the Consortium Agreement have entered into an amendment agreement (the “**Amendment Agreement**”) to amend certain provisions of the Consortium Agreement as a result of the increase in the Cancellation Price. PCRD, Starvest, CNC and Netcom BVI have agreed to procure that the dividend in cash to be declared by PCCW, within 20 days after the Effective Date, to the Post-Scheme Shareholders will be not less than HK\$18,134 million (if no Options are exercised between the Pre-Adjustment Date and the Effective Date and no Options have been cancelled using the “see-through” price) and not more than HK\$18,783 million (if all Options (including those “out of the money” with an exercise price per Option Share above the Revised Cancellation Price) are exercised between the Pre-Adjustment Date and the Effective Date). As at the Pre-Adjustment Date, there were 48,185,998 Options with exercise prices above the Revised Cancellation Price which if exercised would result in the issue of 48,185,998 Option Shares with an aggregate value of HK\$216,836,991 at the Revised Cancellation Price.

Each of PCGH, PCD and Eisner has also provided a confirmation to CNC and Netcom BVI that the undertakings given by it in respect of the Consortium Agreement shall apply to the Consortium Agreement as amended by the Amendment Agreement.

RESUMPTION OF TRADING

At the request of PCCW, trading in the Shares on the Stock Exchange was suspended from 9:30 am on 30 December 2008 pending the issue of this announcement. Application has been made by PCCW to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 am on 31 December 2008.

Shareholders, holders of other securities and/or potential investors should be aware that the implementation of the Improved Proposal is subject to the Conditions being fulfilled or waived, as applicable, and thus may or may not become effective. Shareholders, holders of other securities and potential investors are advised to exercise caution when dealing in the Shares or other securities of PCCW.

By order of the board of
**Pacific Century Regional
Developments Limited**
Lim Beng Jin
Company Secretary

By order of the board of
Starvest Limited
Peter Anthony Allen
Director

The authorised
representative of
**China Network
Communications
Group Corporation**
Zuo Xunsheng

By order of the board of
**China Netcom
Corporation (BVI)
Limited**
Lu Yimin
Director

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

Hong Kong, 30 December 2008

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

Executive Directors:

Mr. Li Tzar Kai, Richard (Chairman), Mr. Yuen Tin Fan, Francis (Deputy Chairman), Mr. Peter Anthony Allen (Group Managing Director) and Mr. Alexander Anthony Arena

Independent Non-Executive Directors:

Mr. Seow Li-Ming, Gordon, Mr. Yee Lat Shing, Tom and Mr. Chng Hee Kok

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

Mr. Peter Anthony Allen and Ms. Winnie King Yan Siu Morrison

As at the date of this announcement, the authorised representative of CNC is:

Mr. Zuo Xunsheng

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

Mr. Lu Yimin, Mr. Zuo Xunsheng and Mr. Li Fushen

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

Executive Directors:

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

Non-Executive Directors:

Sir David Ford, KBE, LVO, Mr. Lu Yimin, Mr. Zuo Xunsheng (Deputy Chairman) and Mr. Li Fushen

Independent Non-Executive Directors:

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

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