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PCCW Limited

電訊盈科有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 0008)

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

CLARIFICATION ANNOUNCEMENT IN RELATION TO MEDIA REPORTS

RESUMPTION OF TRADING IN SHARES

ANNOUNCEMENT MADE UNDER RULE 13.09 OF THE LISTING RULES

PCCW notes recent press reports alleging that there have been attempts to affect the outcome of the shareholder vote in relation to the proposed privatisation of PCCW, which is scheduled for Wednesday, 4 February, 2009. PCCW is making inquiries into this matter but can confirm that it has no knowledge of any improper share transfers made by any Shareholders as alleged in the press reports. These inquiries include a review of the share register of PCCW during December 2008 and January 2009. The information is voluminous and it will take time to complete the review. If PCCW finds evidence of any improper share transfers or any other relevant information that is price sensitive, PCCW will pass this information to its share registrar or to the appropriate authorities and may make a further announcement as appropriate. PCCW has offered its full cooperation to the SFC in any action it may take in this matter.

PCCW wishes to confirm that PCCW has never held any shares in Fortis Insurance Company (Asia) Limited (formerly Pacific Century Insurance Company Limited). Fortis Asia Holdings Limited (formerly Pacific Century Insurance Holdings Limited), the holding company of Fortis Insurance Company (Asia) Limited, ceased to be a subsidiary of PCRD on 15 May, 2007.

PCCW wishes to reiterate that the reconvened Court Meeting and the reconvened EGM to be held on Wednesday, 4 February, 2009 will proceed as scheduled and that the eligibility of Shareholders to vote at the reconvened Court Meeting and the reconvened EGM is as set forth in the Supplemental Scheme Document.

At the request of PCCW, trading in the Shares was suspended with effect from 10:00 a.m. on Monday, 2 February, 2009, 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 2:30 p.m. on Tuesday, 3 February, 2009.

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

Reference is made to the scheme document dated 6 December, 2008 (the "Scheme Document") and the supplemental scheme document dated 12 January, 2009 (the "Supplemental Scheme Document") issued jointly by PCCW, Starvest Limited, China Netcom Corporation (BVI) Limited, Pacific Century Regional Developments Limited and China United Network Communications Group Company Limited in relation to the proposal for the privatisation of PCCW by way of a scheme of arrangement under Section 166 of the Companies Ordinance. Unless otherwise defined or the context otherwise requires, capitalised terms referred to herein which are not defined herein shall have the respective meanings given to them in the Scheme Document and the Supplemental Scheme Document.

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

Hong Kong, 3 February, 2009

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, FREng, 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 PCCW jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions 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.