

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



PCCW Limited

電訊盈科有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0008)

CONTINUING CONNECTED TRANSACTIONS WITH LENOVO

Reference is made to the August 2022 Announcement. As the Existing CCT Agreements expired on 11 August 2025, the Company (through its subsidiaries) has agreed on the 2025 Extended TSA and entered into the 2025 Services Agreement on 12 August 2025 to renew the provision of the relevant services and products between the Group and the Lenovo Group for the three years ending 11 August 2028.

Lenovo is a substantial shareholder of PCCW Network Services (a subsidiary of the Company) and therefore a connected person of the Company at the subsidiary level under the Listing Rules. Accordingly, the transactions between certain members of the Lenovo Group and certain members of the Group contemplated under the 2025 Extended TSA and the 2025 Services Agreement constitute continuing connected transactions of the Company.

As the transactions contemplated under the 2025 Extended TSA and the 2025 Services Agreement are connected transactions between certain members of the Group and the Company's connected persons at the subsidiary level on normal commercial terms or better and satisfy the requirements under Rule 14A.101 under the Listing Rules, the 2025 Extended TSA and the 2025 Services Agreement and the transactions contemplated thereunder are subject to the announcement, reporting and annual review requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the August 2022 Announcement. The Existing CCT Agreements expired on 11 August 2025. Accordingly, on 12 August 2025, the respective members of the Group and the Lenovo Group have (i) pursuant to the terms of the Transitional Services Agreement elected to extend the term thereof for a further three-year period ending 11 August 2028, and (ii) entered into the 2025 Services Agreement to renew the provision of the relevant services and products under the PCCW Service Agreement and the HKT Service Agreement for the three years ending 11 August 2028.

PRINCIPAL TERMS OF THE 2025 EXTENDED TSA

Parties : i. PCCWS (a subsidiary of the Company) and PCCW Beijing (a subsidiary of the Company), as service recipients; and
ii. Lenovo PCCW Solutions (a subsidiary of Lenovo), as service provider

Date : 12 August 2025

Subject matter : Lenovo PCCW Solutions as service provider shall provide or procure the provision of the performance of certain retained customer contracts, and all the related work orders, purchase orders and other similar customer requests by providing secondment and other support services to PCCWS and PCCW Beijing as the service recipients.

Transitional service charges : The service charges will be settled on a monthly basis, and shall be determined by the total number of working days in the relevant period and the monthly rate for each staff plus a margin of 5%.

Set forth below are the annual caps on the service charges payable by PCCWS and PCCW Beijing as service recipients to the service provider for the three years ending 11 August 2028:

<u>Period</u>	<u>Annual caps (US\$ million)</u>
From 12 August 2025 to 31 December 2025	51.9
For the year ending 31 December 2026	129.6
For the year ending 31 December 2027	145.5
From 1 January 2028 to 11 August 2028	82.3

The annual caps are determined with reference to historical transaction amounts and the anticipated level of services required to perform certain customer contracts of the service recipients and the resource requirements to provide the services.

Set forth below are the historical transaction amounts pursuant to the Transitional Services Agreement for the period from 12 August 2022 to 30 June 2025:

<u>Period</u>	<u>Aggregate historical transaction values (US\$ million)</u>
From 12 August 2022 to 31 December 2022	27.8
For the year ended 31 December 2023	76.2
For the year ended 31 December 2024	81.6
For the six months ended 30 June 2025	34.9

Term : The term of the 2025 Extended TSA commences on 12 August 2025 and shall remain in full force and effect for a period of three years unless otherwise terminated. Subject to applicable laws and compliance with the Listing Rules, any party may elect to renew the agreement for a further three-year period at the end of that term, and at the end of each such three-year extension period thereafter.

PRINCIPAL TERMS OF THE 2025 SERVICES AGREEMENT

Parties : i. HK Telecom (a subsidiary of the Company), as service recipient; and
ii. PCCW Digital Solutions (a subsidiary of Lenovo), as service provider

Date : 12 August 2025

Subject matter : PCCW Digital Solutions will provide to HK Telecom and its Affiliates (including therefore the Group) various information technology services relating to:

- a) change management services;
- b) cloud hosting services;
- c) business recovery services;
- d) help desk, incident management and problem management services;
- e) security management services;
- f) technical platform services;
- g) application management services;

- h) system development and enhancement services; and
- i) relevant documentation, audit and compliance support, regulatory support and consultancy services.

In addition, PCCW Digital Solutions will provide to HK Telecom and its Affiliates materials (including hardware and software), reports, plans, models, documents and/or other materials developed or supplied by PCCW Digital Solutions, any of its subcontractors, vendors or agents. PCCW Digital Solutions will also provide supplements, modifications, replacements, enhancements and other upgrades to the systems, hardware, platform, software, personnel skills, processes and methods for the provision of the above services under the agreement that are necessary to keep pace with technological advancements or improvements during the term of the agreement, as well as the business process and logistics services and such other services as agreed from time to time.

Service fees : Services will be paid by HK Telecom or its relevant Affiliates where applicable and are charged at market rate by reference to the average rate for third party customers. For business processing, order fulfilment and logistical services, fees will be charged based on the actual usage of the services, such as the number of applications and support servers installed and the number of support staff required during the construction process and maintenance period, as well as the current market price and adjusted by the Consumer Price Index annual growth factor forecast by Bloomberg.

Set forth below are the annual caps on the service fees to be paid under the 2025 Services Agreement for the three years ending 11 August 2028:

<u>Period</u>	<u>Annual caps (US\$ million)</u>
From 12 August 2025 to 31 December 2025	98.1
For the year ending 31 December 2026	170.4
For the year ending 31 December 2027	154.5
From 1 January 2028 to 11 August 2028	37.7

The annual caps in relation to the service fees to be paid under the 2025 Services Agreement are determined with reference to historical transaction amounts under the HKT Service Agreement and the PCCW Service Agreement, the need for timely and quality system upgrades in response to the increasing demands for cybersecurity controls, and the anticipated level of services required and the resource

requirements to provide the services under the 2025 Services Agreement.

Set forth below are the aggregate historical transaction amounts pursuant to the HKT Service Agreement and the PCCW Service Agreement for the period from 12 August 2022 to 30 June 2025:

<u>Period</u>	<u>Aggregate historical transaction values (US\$ million)</u>
From 12 August 2022 to 31 December 2022	52.2
For the year ended 31 December 2023	96.7
For the year ended 31 December 2024	78.7
For the six months ended 30 June 2025	51.8

Term : The term of the 2025 Services Agreement commences on 12 August 2025 and shall remain in full force and effect for a period of three years until 11 August 2028.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2025 EXTENDED TSA AND THE 2025 SERVICES AGREEMENT

The Directors believe that the entering into of the 2025 Extended TSA and the 2025 Services Agreement will continue to (i) strengthen the strategic partnership between the Group and the Lenovo Group; (ii) promote the continuing growth and development of the businesses and operations of the ITS Business; and (iii) help to achieve business continuity and leverage efficiency while minimising any potential disruption to the continuing operations of the Group.

The 2025 Extended TSA and the 2025 Services Agreement and the transactions contemplated thereunder have been approved by the board of Directors. The Directors (including the independent non-executive Directors) have confirmed that the 2025 Extended TSA and the 2025 Services Agreement and the transactions contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of business of the Group and that the terms thereof (including the annual caps relating thereto) are fair and reasonable and in the interests of the Company and its shareholders as a whole.

As no Director has any material interest in the 2025 Extended TSA and the 2025 Services Agreement or the transactions contemplated thereunder, none of the Directors have abstained from voting on the resolutions of the board of Directors approving them.

LISTING RULES IMPLICATIONS

Lenovo is a substantial shareholder (as defined in the Listing Rules) of PCCW Network Services (a subsidiary of the Company) and therefore a connected person of the Company at the subsidiary level under the Listing Rules. Accordingly, the transactions between certain members of the Lenovo Group and certain members of the Group contemplated under the 2025 Extended TSA and the 2025 Services Agreement constitute continuing connected transactions of the Company.

As the transactions contemplated under the 2025 Extended TSA and the 2025 Services Agreement are connected transactions between certain members of the Group and the Company's connected persons at the subsidiary level on normal commercial terms or better and satisfy the requirements under Rule 14A.101 under the Listing Rules, the 2025 Extended TSA and the 2025 Services Agreement and the transactions contemplated thereunder are subject to the announcement, reporting and annual review requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

INFORMATION IN RELATION TO THE GROUP

PCCW is a global company headquartered in Hong Kong which holds interests in telecommunications, media, IT solutions, property development and investment, and other businesses.

The principal activity of the Company is investment holding, and the principal activities of the Group are the provision of technology and telecommunications and related services including enterprise solutions, consumer mobile, total home solutions, media entertainment, and other new businesses such as loyalty platform, fintech and healthtech services in Hong Kong, the Asia Pacific region, and other parts of the world; and investments in, and development of, systems integration and information technology-related businesses. Through HK Television Entertainment Company Limited, PCCW also operates a domestic free television service in Hong Kong. The Group also has an interest in the development and management of premium-grade property and infrastructure projects as well as premium-grade property investments through its interest in Pacific Century Premium Developments Limited.

INFORMATION IN RELATION TO THE LENOVO GROUP

Lenovo is a limited liability company incorporated in Hong Kong and its shares have been listed on the Stock Exchange of Hong Kong since 1994. The principal businesses of Lenovo Group include research and development, manufacturing and sales of smart devices (personal computers, workstations, smartphones, tablets), infrastructure (servers, storage, edge, high performance computing and software defined infrastructure), software, solutions, and services.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“2025 Extended TSA”	the Transitional Services Agreement as extended by the parties thereto on the same terms for three years, certain key terms of which are summarised in the paragraph headed <i>“Principal Terms of the 2025 Extended TSA”</i> in this announcement
“2025 Services Agreement”	the Agreement for Information Technology, Logistic and Other Contractor Services entered into between HK Telecom and PCCW Digital Solutions on 12 August 2025, certain key terms of which are summarised in the paragraph headed <i>“Principal Terms of the 2025 Services Agreement”</i> in this announcement
“Affiliates”	any entity that directly or indirectly controls, is controlled by, or is under common control with another entity
“August 2022 Announcement”	the announcement of the Company dated 12 August 2022 in relation to, among other things, the Transitional Services Agreement, the PCCW Service Agreement and the HKT Service Agreement
“Company” or “PCCW”	PCCW Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0008) and traded in the form of American Depositary Receipts on the OTC Markets Group Inc. in the United States of America (ticker: PCCWY)
“Directors”	the directors of the Company
“Existing CCT Agreements”	<p>the following agreements:</p> <p>(a) the Transitional Services Agreement;</p> <p>(b) the HKT Service Agreement; and</p> <p>(c) the PCCW Service Agreement</p>
“Group”	PCCW and its subsidiaries
“HK Telecom”	Hong Kong Telecommunications (HKT) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of HKT, and the principal business of which is the provision of telecommunications services

“HKT”	HKT Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability and registered as a non-Hong Kong company in Hong Kong, and having its share stapled units jointly issued with the HKT Trust listed on the Main Board of the Stock Exchange (stock code: 6823)
“HKT Trust”	a trust constituted on 7 November 2011 under the laws of Hong Kong and managed by HKT Management Limited and having its share stapled units jointly issued with HKT listed on the Main Board of the Stock Exchange (stock code: 6823)
“HKT Service Agreement”	the Agreement for Information Technology, Logistic and Other Contractor Services dated 12 August 2022 between HK Telecom as service recipient and PCCW Digital Solutions as service provider and PCCWS as previous service provider
“ITS Business”	the business comprising the provision of information technology services carried on by certain subsidiaries of the Group, including PCCWS
“Lenovo”	Lenovo Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 992)
“Lenovo Group”	Lenovo and its subsidiaries
“Lenovo PCCW Solutions”	Lenovo PCCW Solutions Limited (formerly known as PCCW Lenovo Technology Solutions Limited), a company incorporated in the British Virgin Islands and a non-wholly-owned subsidiary of Lenovo
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PCCW Beijing”	電訊盈科（北京）有限公司 PCCW (Beijing) Limited*, a company incorporated in the People’s Republic of China and an indirect wholly-owned subsidiary of the Company, and the principal business of which is the provision of software development, systems integration, consulting and informatisation project services
“PCCW Digital Solutions”	PCCW Digital Solutions Limited, a company incorporated in Hong Kong, which is a wholly-owned subsidiary of Lenovo PCCW Solutions, and the principal business of which is the provision of computer services and intellectual property/information technology related value-added services to business customers

“PCCW Network Services”	PCCW Network Services Limited, a company incorporated in the British Virgin Islands and a non-wholly-owned subsidiary of PCCW Solutions, the principal business of which is investment holding
“PCCW Service Agreement”	the Agreement for Information Technology, Logistic and Other Contractor Services dated 12 August 2022 between PCCW Solutions as service recipient and PCCW Digital Solutions as service provider
“PCCW Solutions”	PCCW Solutions Holdings Limited, a company incorporated in the Cayman Islands and an indirect wholly-owned subsidiary of the Company, the principal business of which is investment holding
“PCCWS”	PCCW Solutions Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of PCCW Network Services, and the principal business of which is the provision of solutions and services to public sector customers in Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transitional Services Agreement”	the agreement dated 12 August 2022 and entered into between PCCWS and PCCW Beijing as service recipients and Lenovo PCCW Solutions as service provider

** Unofficial company name*

In this announcement, unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = HK\$7.80. Percentages and figures expressed in millions have been rounded.

By order of the board of
PCCW Limited
Cheung Hok Chee, Vanessa
Group General Counsel and Company Secretary

Hong Kong, 12 August 2025

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

Executive Directors

Li Tzar Kai, Richard (Chairman) and Hui Hon Hing, Susanna (Acting Group Managing Director and Group Chief Financial Officer)

Non-Executive Directors

Tse Sze Wing, Edmund, GBS; Tang Yongbo (Deputy Chairman); Meng Shusen; Zhao Xingfu and Wei Zhe, David

Independent Non-Executive Directors

Aman Mehta; Frances Waikwun Wong; Bryce Wayne Lee; Lars Eric Nils Rodert; David Christopher Chance and Sharhan Mohamed Muhseen Mohamed