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**CHINA MOBILE HONG KONG
COMPANY LIMITED**

中國移動香港有限公司

(incorporated in Hong Kong with limited liability)

ANNOUNCEMENT

**PRE-CONDITIONAL VOLUNTARY GENERAL CASH OFFER BY CHINA
INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED**

ON BEHALF OF

CHINA MOBILE HONG KONG COMPANY LIMITED

**TO ACQUIRE ALL OF THE ISSUED SHARES IN HKBN LTD. (OTHER THAN THOSE
ALREADY OWNED BY CHINA MOBILE HONG KONG COMPANY LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

Financial Advisor to China Mobile Hong Kong Company Limited



China International Capital Corporation Hong Kong Securities Limited

INTRODUCTION

The directors of the Offeror announce that CICC will, on behalf of the Offeror, subject to the satisfaction or, if capable of being waived, waiver of the Pre-Conditions, make a voluntary conditional general cash offer to acquire all of the issued Shares (other than those already owned by the Offeror and parties acting in concert with it), and to make appropriate arrangements for all Vendor Loan Notes and Unvested RSUs in accordance with Rule 13 of the Takeovers Code (being the VLN Offer and the RSU Offer respectively).

All references to the Offers in this announcement are references to the possible Offers which will be made if and only if the Pre-Conditions are satisfied or, if capable of being waived, waived.

THE SHARE OFFER

The Share Offer will be made by CICC on behalf of the Offeror on the following basis:

Consideration of the Share Offer

For each Share HK\$5.23 in cash

Save for the 2024 Final Dividend, if, after the date of this announcement, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror shall reduce the Offer Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this announcement, the Offer Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced. Any such reduction will apply to those Shares in respect of which the Offeror will not be entitled to the relevant dividend, distribution and/or return of capital. As at the date of this announcement, based on public information available to the Offeror, save for the 2024 Final Dividend, the Company has no declared but unpaid dividends.

The Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, the record date of which is on or after the Closing Date. Any dividends or other distributions the record date of which is before the Closing Date will be paid by the Company to the Shareholders who are qualified for such dividends or distributions.

The Offeror will not increase the Offer Price (except in wholly exceptional circumstances as may be permitted by the Executive or in such circumstances as described further in the section headed “7. Irrevocable Undertakings”). Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price (except in the abovementioned circumstances).

The Offer Price of HK\$5.23 represents:

- (a) a premium of approximately 40.97% over the closing price of HK\$3.71 per Share as quoted on the Stock Exchange on 12 November 2024, being the Undisturbed Date;
- (b) a premium of approximately 40.14% over the average closing price of HK\$3.73 per Share as quoted on the Stock Exchange for the five trading days up to and including the Undisturbed Date;
- (c) a premium of approximately 54.58% over the average closing price of HK\$3.38 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Undisturbed Date;
- (d) a premium of approximately 71.64% over the average closing price of HK\$3.05 per Share as quoted on the Stock Exchange for the 60 trading days up to and including the Undisturbed Date;
- (e) a premium of approximately 83.10% over the average closing price of HK\$2.86 per Share as quoted on the Stock Exchange for the 90 trading days up to and including the Undisturbed Date;
- (f) a premium of approximately 21.35% over the closing price of HK\$4.31 per Share as quoted on the Stock Exchange on 18 November 2024, being the last trading day prior to the publication of the announcement by the Company pursuant to Rule 3.7 of the Takeovers Code;
- (g) a premium of approximately 7.61% over the closing price of HK\$4.86 per Share as quoted on the Stock Exchange on 29 November 2024, being the Last Trading Date; and
- (h) a premium of approximately 168.56% over the audited consolidated net asset value per Share of approximately HK\$1.95 as at 31 August 2024, calculated based on the audited consolidated net asset value of approximately HK\$2,554,264,000 as at 31 August 2024 and 1,311,599,356 Shares in issue as at the date of this announcement.

THE RSU OFFER

As at the date of this announcement, based on public information available to the Offeror, there are 11,963,341 RSUs granted under the Amended and Restated Co-Ownership Plan IV which have not yet vested, each giving the Unvested RSU Holder a contingent right upon the vesting of such Unvested RSUs, on the Vesting Date and subject to the satisfaction of the relevant Vesting Conditions, to receive one new Share per Unvested RSU for nil consideration.

Under the rules of the Amended and Restated Co-Ownership Plan IV, there is no automatic acceleration or cancellation of Unvested RSUs triggered by a general offer for the Shares. The Unvested RSUs will therefore not be automatically accelerated for vesting as a result of the Offers.

The Offeror will make (or procure to be made on its behalf) an appropriate offer to all the Unvested RSU Holders in accordance with Rule 13 of the Takeovers Code. The RSU Offer will be conditional upon the Share Offer becoming or being declared unconditional in all respects. Under the RSU Offer, provided that the relevant Vesting Conditions have been satisfied, the Offeror will offer Unvested RSU Holders the RSU Offer Price for each Unvested RSU that they hold in consideration for the cancellation of each such Unvested RSU in accordance with Rule 13 of the Takeovers Code.

Consideration of the RSU Offer

For each RSU HK\$5.23 in cash

Under the RSU Offer, the cash due to any Unvested RSU Holder will be paid on or before the later of (a) the Vesting Date of the relevant Unvested RSUs held by such Unvested RSU Holder, and (b) the Cash Settlement Date.

Further information on the RSU Offer will be set out in a letter to the Unvested RSU Holders, which will be despatched at or around the same time as the despatch of the Offer Document.

The RSU Offer will be extended to all Unvested RSU Holders in respect of such Unvested RSUs that they may hold as at an appropriate record date to be set out in the Offer Document.

THE VLN OFFER

As at the date of this announcement, the Company has issued Vendor Loan Notes to each of TPG Wireman, L.P. and Twin Holding Ltd with a principal amount of HK\$970,468,828 (and an aggregate principal amount of HK\$1,940,937,656) which, subject to the terms and conditions of the Vendor Loan Notes, are convertible into a total of 167,322,212 new Shares based on the conversion price of HK\$11.6 per Share as at the date of this announcement.

Under the terms of the Vendor Loan Notes, any transfer by the existing holders of the Vendor Loan Notes shall be conditional upon conversion of such Vendor Loan Notes into Shares (at the conversion price of HK\$11.6 per Share) by the relevant transferee on completion of the transfer. Upon the transfer of any Vendor Loan Notes to the Offeror, the Offeror will therefore hold the Shares into which such Vendor Loan Notes shall be converted (and not Vendor Loan Notes).

The Offeror will make (or procure to be made on its behalf) an appropriate offer to the holders of the Vendor Loan Notes in accordance with Rule 13 of the Takeovers Code. The VLN Offer will be conditional upon the Share Offer becoming or being declared unconditional in all respects. Under the VLN Offer, the Offeror will offer holders of the Vendor Loan Notes the VLN Offer Price for each VLN Convertible Share.

Consideration of the Vendor Loan Notes

For each VLN Convertible Share HK\$5.23 in cash

Under the VLN Offer, the cash due to any holder of Vendor Loan Notes will be paid in accordance with the settlement timetable as set out under the paragraph headed “16. *General matters relating to the Offer – Settlement of consideration*” in this announcement.

The VLN Offer will be extended to all Vendor Loan Notes in issue on the date on which the VLN Offer is made.

PRE-CONDITIONS TO THE OFFERS

The making of the Offers by the Offeror is subject to the satisfaction or, if capable of being waived, waiver of the following Pre-Conditions on or prior to the Pre-Conditions Long Stop Date:

- (1) the Offeror being satisfied that the Offers (if completed) would not have the effect or be likely to have the effect of substantially lessening competition in Hong Kong, or would otherwise be compatible with or excluded from section 3 of schedule 7 of the Competition Ordinance (Cap. 619 of the Laws of Hong Kong);
- (2) Approvals from, completion of filings with, or submission of reports to, the relevant PRC regulatory authorities, including but not limited to the National Development and Reform Commission, the Ministry of Commerce, and the State-owned Assets Supervision and Administration Commission of the State Council; and
- (3) up to and including the time when the Pre-Conditions set out in (1) and (2) above are satisfied, (a) no Authorities in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted or made or publicly proposed any of the foregoing, and (b) there having been no outstanding statute, regulation, demand or order, in each case that would make the Offers void, unenforceable or illegal or prohibit the implementation of or which would impose any material conditions, limitations or obligations with respect to the Offers.

In determining whether Pre-Condition (1) is satisfied, the Offeror may take into consideration any communication received from the Office of Communications Authority or the Competition Commission that the Offers (if completed) would not have the effect or be likely to have the effect of substantially lessening competition in Hong Kong or would otherwise be compliant with schedule 7 of the Competition Ordinance (Cap. 619 of the Laws of Hong Kong). If Pre-Condition (1) is only capable of being satisfied subject to compliance with any condition or commitment imposed on the enlarged Group and/or the China Mobile Group, the Offeror shall accept such condition or commitment to the extent such condition or commitment are not deemed to be unreasonable by the Offeror in its sole discretion.

The Pre-Conditions set out in (1) and (2) cannot be waived. The Offeror reserves the right to waive, in whole or in part, to the extent it would not make the Offers and/or (if the Offeror were to exercise any compulsory acquisition right) the withdrawal of listing of the Shares illegal, the Pre-Condition set out in (3) above. If any of the Pre-Conditions is not satisfied or, if capable of being waived, waived on or before the Pre-Conditions Long Stop Date, the Offers will not be made by the Offeror.

The Offeror will issue a further announcement as soon as practicable: (i) after all of the Pre-Conditions have been satisfied or, if capable of being waived, waived; or (ii) if any of the Pre-Conditions has not been satisfied or, if capable of being waived, waived on or before the Pre-Conditions Long Stop Date and the Offers will not be made. Further announcement(s) will be made as and when appropriate in respect of the satisfaction or, if capable of being waived, waiver of the Pre-Conditions.

CONDITIONS OF THE OFFERS

The Offers to be made by the Offeror upon satisfaction or, if capable of being waived, waiver of the Pre-Conditions is subject to the satisfaction or, if capable of being waived, waiver of the following Conditions on or prior to the Conditions Long Stop Date:

- (a) valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on or prior to the Closing Date (or such later time or date as the Offeror may, subject to the rules of the Takeovers Code, decide) in respect of such number of Shares which, together with any Shares acquired or agreed to be acquired prior to or during the offer period for the Share Offer (whether pursuant to the Share Offer, the VLN Offer or otherwise), will result in the Offeror and persons acting in concert with it holding more than 50% of the voting rights in the Company;
- (b) the Shares remaining listed and traded on the Stock Exchange up to the Closing Date save for any temporary suspension(s) of trading of the Shares and no indication being received on or before the Closing Date from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn;
- (c) no event having occurred which would make the Offers and/or (if the Offeror were to exercise any compulsory acquisition right) the withdrawal of listing of the Shares void, unenforceable, illegal or impracticable or would prohibit implementation of the Offers or would impose any additional material conditions or obligations with respect to the Offers or any part thereof;
- (d) up to and including the time when the Condition set out in (a) above is satisfied, (i) no Authorities in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted or made or publicly proposed any of the foregoing, and (ii) there having been no outstanding statute, regulation, demand or order, in each case which would make the Offers and/or (if the Offeror were to exercise any compulsory acquisition right) the withdrawal of listing of the Shares void, unenforceable or illegal or prohibit implementation of the Offers or which would impose any material conditions, limitations or obligations with respect to the Offers; and

(e) from 31 August 2024 up to and including the time when the Condition set out in (a) above is satisfied, there having been no material adverse change in the business, assets, financial or trading positions or prospects or conditions (whether operational, legal or otherwise) of the Group to an extent which is material in the context of the Group taken as a whole.

The Offeror reserves the right to waive, in whole or in part, the Conditions set out in (b) and (e) and, to the extent it would not make the Offers and/or (if the Offeror were to exercise any compulsory acquisition right) the withdrawal of listing of the Shares illegal, the Conditions set out in (c) and (d) above. The Condition set out in (a) above cannot be waived. If any of the Conditions is not satisfied or, if capable of being waived, waived on or before the Conditions Long Stop Date, the Offers will lapse. Further announcement(s) will be made as and when appropriate in respect of the satisfaction or, if capable of being waived, waiver of the Conditions.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Offers if the circumstances which give rise to the right to invoke any such Condition(s) are of material significance to the Offeror in the context of the Offers.

As at the date of this announcement, the Offeror is not aware of any circumstances which may result in any of the Conditions set out in (b), (c), (d) or (e) above not being satisfied.

WARNING:

Shareholders of, and/or potential investors in, the Company should note that, as the making of the Offers is subject to the satisfaction or, if capable of being waived, waiver of the Pre-Conditions on or before the Pre-Conditions Long Stop Date, the Offers may or may not be made. Further, completion of the Offers is subject to the Conditions being satisfied or, if capable of being waived, waived on or before the Conditions Long Stop Date and therefore the Offers may or may not become unconditional and may or may not be completed. Accordingly, the issue of this announcement does not imply that the Offers will be made or will be completed. Shareholders of, and/or potential investors in, the Company should therefore exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

IRREVOCABLE UNDERTAKINGS

As at the date of this announcement:

- (a) Canada Pension Plan Investment Board holds 182,405,000 Shares, representing 13.91% of the issued share capital of the Company; and
- (b) TPG Wireman, L.P. holds 144,966,345 Shares (representing 11.05% of the issued share capital of the Company) and Vendor Loan Notes with a principal amount of HK\$970,468,828, which are convertible into 83,661,106 new Shares based on the conversion price of HK\$11.6 per Share.

On 2 December 2024, each of the Undertaking Shareholders gave an Irrevocable Undertaking in favour of the Offeror.

Pursuant to each Irrevocable Undertaking, each of the Undertaking Shareholders has irrevocably undertaken to the Offeror to accept (a) the Share Offer in respect of all of the Shares held by it, representing an aggregate of 327,371,345 Shares and approximately 24.96% of the issued share capital of the Company as at the date of this announcement; and (b) in respect of TPG Wireman, L.P., the VLN Offer in respect of all of the Vendor Loan Notes held by it.

Each of the Undertaking Shareholders has also agreed that, during the term of its Irrevocable Undertaking, it shall not sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest in any Shares or, in respect of TPG Wireman, L.P., any Vendor Loan Notes held by it. TPG Wireman, L.P. shall not be restricted from exercising its conversion rights under its Vendor Loan Notes, provided that any Shares to be held by TPG Wireman, L.P. as converted from any portion of its Vendor Loan Notes shall be subject to the same undertakings in its Irrevocable Undertaking which are applicable to the other Shares held by it.

Each Irrevocable Undertaking shall terminate if: (a) the Executive consents to the Offeror not making the Offers; (b) an event occurs which means that the Offeror is no longer required by the Takeovers Code to proceed with the Offers; (c) the Pre-Conditions are not satisfied, or if capable of being waived, not waived on or prior to the Pre-Conditions Long Stop Date; (d) the Offers lapse or are withdrawn; (e) (i) any person (other than the Offeror) makes a bona fide offer at a higher price to acquire all of the Undertaking Shareholder's Shares and, if applicable, all of its Vendor Loan Notes, (ii) the Offeror fails to increase the Offer Price and the VLN Offer Price (if applicable) to above such competing offer price within a specified deadline after having been given notice of such competing offer by the Undertaking Shareholder, and (iii) the Undertaking Shareholder enters into a binding agreement with such other person to sell all of its Shares and, if applicable, all of its Vendor Loan Notes, at the relevant higher price, provided that if such binding agreement terminates prior to its completion, the Irrevocable Undertaking will be reinstated with effect from such termination; or (f) any person (other than the Offeror) publishes an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code to acquire all of the Shares and all of the Vendor Loan Notes at a higher price, and the Offeror fails to increase the Offer Price and the VLN Offer Price (if applicable) to above such competing offer price within a specified deadline. For the avoidance of doubt, the Offeror reserves the right to increase the Offer Price in the circumstances described in (e) and (f) above.

RIGHT OF COMPULSORY ACQUISITION AND LISTING OF THE SHARES

The Offeror has a right (but not an obligation) under section 88 of the Companies Act to compulsorily acquire those Shares not acquired by the Offeror under the Share Offer on the condition that the Offeror, within four months after the date of the Offer Document, has received valid acceptances in respect of not less than 90% of the Shares not already held by the Offeror and/or its concert parties. On completion of any such compulsory acquisition (if applicable), the Company would become a direct wholly-owned subsidiary of the Offeror and in this regard, an application would be made for the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

If the level of acceptances of the Share Offer reaches the prescribed level under the Companies Act required for compulsory acquisition, and if the Offeror decides to exercise its right of compulsory acquisition and the requirements of Rule 2.11 of the Takeovers Code are satisfied, dealings in the Shares will be suspended from the Closing Date up to the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

If the Offeror does not effect the compulsory acquisition of the remaining Shares not acquired by the Offeror under the Share Offer, whether by reason of the level of acceptances of the Share Offer not reaching the prescribed threshold under the Companies Act or the Takeovers Code or otherwise, the Offeror will use its commercially reasonable endeavours to ensure, or procure the Company to take such steps as are necessary to ensure, that the Company will have an adequate public float so as to comply with the applicable requirements under the Listing Rules.

If the Offeror does not effect the compulsory acquisition and, as at the close of the Share Offer, less than 25% of the Shares are held by the public (as defined under the Listing Rules) or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there is insufficient Shares in public hands to maintain an orderly market,

then the Stock Exchange may exercise its discretion to suspend dealings in the Shares. It should be noted that, upon completion of the Share Offer, there may be insufficient public float and therefore trading in the Shares may be suspended until a prescribed level of public float is attained.

As at the date of this announcement, the Offeror's objective in making the Share Offer is not to privatise the Company, and the Offeror would be open to maintaining the Company's listing on the Stock Exchange after the close of the Offers.

CONFIRMATION OF FINANCIAL RESOURCES

As at the date of this announcement, based on public information available to the Offeror, there are in issue (i) 1,311,599,356 Shares; and (ii) Vendor Loan Notes in the aggregate principal amount of HK\$1,940,937,656 which, subject to the terms and conditions of the Vendor Loan Notes, are convertible into a total of 167,322,212 new Shares based on the conversion price of HK\$11.6 per Share as at the date of this announcement. In addition, as at the date of this announcement, based on public information available to the Offeror, there are 11,963,341 Unvested RSUs in issue. Save as disclosed above, based on public information available to the Offeror, there are no other outstanding warrants, options, derivatives or securities convertible into Shares.

The Offeror intends to finance the consideration payable by the Offeror under the Offers and the buyer's ad valorem stamp duty for the Offer Shares through its internal cash resources and/or external debt financing.

CICC, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration payable upon full acceptance of the Offers.

CONTINUED ENGAGEMENT WITH THE COMPANY

The Offeror will continue to engage in good faith with the Company in respect of the Offers, and seek the Company's cooperation, with the aim of satisfying the Pre-Conditions as expeditiously as possible, so that the Shareholders will have an opportunity to consider and decide on the merits of the Offers.

Notice to US holders of Shares:

The Offers are being made for the securities of a company incorporated in the Cayman Islands with limited liability and is subject to disclosure requirements under Hong Kong and Cayman Islands law, which are different from those of the United States. The financial information included in this announcement has been prepared in accordance with Hong Kong Financial Reporting Standards and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Offers will be made in accordance with the requirements of the SFO, the Takeovers Code, and, to the extent the Offers are made in the United States, it will be made pursuant to the applicable U.S. tender offer rules or certain available exemptions or exceptions therefrom. Accordingly, the Offers will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and law.

The receipt of cash pursuant to the Offers by a U.S. holder of Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of acceptance of the Offers.

U.S. holders of Shares may encounter difficulty enforcing their rights and any claims arising out of the U.S. federal securities laws, as the Offeror is located in a country outside the United States and some or all of its officers and directors may be residents of a country other than the United States. U.S. holders of Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, U.S. holders of Shares may encounter difficulty compelling a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

1. INTRODUCTION

The directors of the Offeror announce that CICC will, on behalf of the Offeror, subject to the satisfaction or, if capable of being waived, waiver of the Pre-Conditions, make a voluntary conditional general cash offer to acquire all of the issued Shares (other than those already owned by the Offeror and parties acting in concert with it), and to make appropriate arrangements for all Vendor Loan Notes and Unvested RSUs in accordance with Rule 13 of the Takeovers Code (being the VLN Offer and the RSU Offer respectively).

All references to the Offers in this announcement are references to the possible Offers which will be made if and only if the Pre-Conditions are satisfied or, if capable of being waived, waived.

2. THE SHARE OFFER

The Share Offer will be made by CICC on behalf of the Offeror on the following basis:

Consideration of the Share Offer

For each ShareHK\$5.23 in cash

Save for the 2024 Final Dividend, if, after the date of this announcement, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror shall reduce the Offer Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this announcement, the Offer Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced. Any such reduction will apply to those Shares in respect of which the Offeror will not be entitled to the relevant dividend, distribution and/or return of capital. As at the date of this announcement, based on public information available to the Offeror, save for the 2024 Final Dividend, the Company has no declared but unpaid dividends.

The Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, the record date of which is on or after the Closing Date. Any dividends or other distributions the record date of which is before the Closing Date will be paid by the Company to the Shareholders who are qualified for such dividends or distributions.

The Offeror will not increase the Offer Price (except in wholly exceptional circumstances as may be permitted by the Executive or in such circumstances as described further in the section headed “7. Irrevocable Undertakings”). Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price (except in the abovementioned circumstances).

The Offer Price of HK\$5.23 represents:

- (a) a premium of approximately 40.97% over the closing price of HK\$3.71 per Share as quoted on the Stock Exchange on 12 November 2024, being the Undisturbed Date;
- (b) a premium of approximately 40.14% over the average closing price of HK\$3.73 per Share as quoted on the Stock Exchange for the five trading days up to and including the Undisturbed Date;
- (c) a premium of approximately 54.58% over the average closing price of HK\$3.38 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Undisturbed Date;
- (d) a premium of approximately 71.64% over the average closing price of HK\$3.05 per Share as quoted on the Stock Exchange for the 60 trading days up to and including the Undisturbed Date;
- (e) a premium of approximately 83.10% over the average closing price of HK\$2.86 per Share as quoted on the Stock Exchange for the 90 trading days up to and including the Undisturbed Date;
- (f) a premium of approximately 21.35% over the closing price of HK\$4.31 per Share as quoted on the Stock Exchange on 18 November 2024, being the last trading day prior to the publication of the announcement by the Company pursuant to Rule 3.7 of the Takeovers Code;
- (g) a premium of approximately 7.61% over the closing price of HK\$4.86 per Share as quoted on the Stock Exchange on 29 November 2024, being the Last Trading Date; and

(h) a premium of approximately 168.56% over the audited consolidated net asset value per Share of approximately HK\$1.95 as at 31 August 2024, calculated based on the audited consolidated net asset value of approximately HK\$2,554,264,000 as at 31 August 2024 and 1,311,599,356 Shares in issue as at the date of this announcement.

The Offer Price has been determined on an arm's length commercial basis after taking into account the prices of the Shares traded on the Stock Exchange and with reference to other takeover transactions in Hong Kong in recent years.

Highest and lowest prices

During the six-month period ended on and including the Last Trading Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$4.86 on 29 November 2024 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$2.35 on 12 August 2024.

3. THE RSU OFFER

As at the date of this announcement, based on public information available to the Offeror, there are 11,963,341 RSUs granted under the Amended and Restated Co-Ownership Plan IV which have not yet vested, each giving the Unvested RSU Holder a contingent right upon the vesting of such Unvested RSUs, on the Vesting Date and subject to the satisfaction of the relevant Vesting Conditions, to receive one new Share per Unvested RSU for nil consideration.

Under the rules of the Amended and Restated Co-Ownership Plan IV, there is no automatic acceleration or cancellation of Unvested RSUs triggered by a general offer for the Shares. The Unvested RSUs will therefore not be automatically accelerated for vesting as a result of the Offers.

The Offeror will make (or procure to be made on its behalf) an appropriate offer to all the Unvested RSU Holders in accordance with Rule 13 of the Takeovers Code. The RSU Offer will be conditional upon the Share Offer becoming or being declared unconditional in all respects. Under the RSU Offer, provided that the relevant Vesting Conditions have been satisfied, the Offeror will offer Unvested RSU Holders the RSU Offer Price for each Unvested RSU that they hold in consideration for the cancellation of each such Unvested RSU in accordance with Rule 13 of the Takeovers Code.

Consideration of the RSU Offer

For each RSUHK\$5.23 in cash

Under the RSU Offer, the cash due to any Unvested RSU Holder will be paid on or before the later of (a) the Vesting Date of the relevant Unvested RSUs held by such Unvested RSU Holder, and (b) the Cash Settlement Date.

Further information on the RSU Offer will be set out in a letter to the Unvested RSU Holders, which will be despatched at or around the same time as the despatch of the Offer Document.

The RSU Offer will be extended to all Unvested RSU Holders in respect of such Unvested RSUs that they may hold as at an appropriate record date to be set out in the Offer Document.

4. THE VLN OFFER

As at the date of this announcement, the Company has issued Vendor Loan Notes to each of TPG Wireman, L.P. and Twin Holding Ltd with a principal amount of HK\$970,468,828 (and an aggregate principal amount of HK\$1,940,937,656) which, subject to the terms and conditions of the Vendor Loan Notes, are convertible into a total of 167,322,212 new Shares based on the conversion price of HK\$11.6 per Share as at the date of this announcement.

Under the terms of the Vendor Loan Notes, any transfer by the existing holders of the Vendor Loan Notes shall be conditional upon conversion of such Vendor Loan Notes into Shares (at the conversion price of HK\$11.6 per Share) by the relevant transferee on completion of the transfer. Upon the transfer of any Vendor Loan Notes to the Offeror, the Offeror will therefore hold the Shares into which such Vendor Loan Notes shall be converted (and not Vendor Loan Notes).

The Offeror will make (or procure to be made on its behalf) an appropriate offer to the holders of the Vendor Loan Notes in accordance with Rule 13 of the Takeovers Code. The VLN Offer will be conditional upon the Share Offer becoming or being declared unconditional in all respects. Under the VLN Offer, the Offeror will offer holders of the Vendor Loan Notes the VLN Offer Price for each VLN Convertible Share.

Consideration of the Vendor Loan Notes

For each VLN Convertible ShareHK\$5.23 in cash

Under the VLN Offer, the cash due to any holder of Vendor Loan Notes will be paid in accordance with the settlement timetable as set out under the paragraph headed “16. *General matters relating to the Offer – Settlement of consideration*” in this announcement.

The VLN Offer will be extended to all Vendor Loan Notes in issue on the date on which the VLN Offer is made.

5. PRE-CONDITIONS TO THE OFFERS

The making of the Offers by the Offeror is subject to the satisfaction or, if capable of being waived, waiver of the following Pre-Conditions on or prior to the Pre-Conditions Long Stop Date:

- (1) the Offeror being satisfied that the Offers (if completed) would not have the effect or be likely to have the effect of substantially lessening competition in Hong Kong, or would otherwise be compatible with or excluded from section 3 of schedule 7 of the Competition Ordinance (Cap. 619 of the Laws of Hong Kong);
- (2) Approvals from, completion of filings with, or submission of reports to the relevant PRC regulatory authorities, including but not limited to the National Development and Reform Commission, the Ministry of Commerce, and the State-owned Assets Supervision and Administration Commission of the State Council; and
- (3) up to and including the time when the Pre-Conditions set out in (1) and (2) above are satisfied, (a) no Authorities in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted or made or publicly proposed any of the foregoing, and (b) there having been no outstanding statute, regulation, demand or order, in each case that would make the Offers void, unenforceable or illegal or prohibit the implementation of or which would impose any material conditions, limitations or obligations with respect to the Offers.

In determining whether Pre-Condition (1) is satisfied, the Offeror may take into consideration any communication received from the Office of Communications Authority or the Competition Commission that the Offers (if completed) would not have the effect or be likely to have the effect of substantially lessening competition in Hong Kong or would otherwise be compliant with schedule 7 of the Competition Ordinance (Cap. 619 of the Laws of Hong Kong). If Pre-Condition (1) is only capable of being satisfied subject to compliance with any condition or commitment imposed on the enlarged Group and/or the China Mobile Group, the Offeror shall accept such condition or commitment to the extent such condition or commitment are not deemed to be unreasonable by the Offeror in its sole discretion.

The Pre-Conditions set out in (1) and (2) cannot be waived. The Offeror reserves the right to waive, in whole or in part, to the extent it would not make the Offers and/or (if the Offeror were to exercise any compulsory acquisition right) the withdrawal of listing of the Shares illegal, the Pre-Condition set out in (3) above. If any of the Pre-Conditions is not satisfied or, if capable of being waived, waived on or before the Pre-Conditions Long Stop Date, the Offers will not be made by the Offeror.

The Offeror will issue a further announcement as soon as practicable: (i) after all of the Pre-Conditions have been satisfied or, if capable of being waived, waived; or (ii) if any of the Pre-Conditions has not been satisfied or, if capable of being waived, waived on or before the Pre-Conditions Long Stop Date and the Offers will not be made. Further announcement(s) will be made as and when appropriate in respect of the satisfaction or, if capable of being waived, waiver of the Pre-Conditions.

6. CONDITIONS OF THE OFFERS

The Offers to be made by the Offeror upon satisfaction or, if capable of being waived, waiver of the Pre-Conditions is subject to the satisfaction or, if capable of being waived, waiver of the following Conditions on or prior to the Conditions Long Stop Date:

- (a) valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on or prior to the Closing Date (or such later time or date as the Offeror may, subject to the rules of the Takeovers Code, decide) in respect of such number of Shares which, together with any Shares acquired or agreed to be acquired prior to or during the offer period for the Share Offer (whether pursuant to the Share Offer, the VLN Offer or otherwise), will result in the Offeror and persons acting in concert with it holding more than 50% of the voting rights in the Company;
- (b) the Shares remaining listed and traded on the Stock Exchange up to the Closing Date save for any temporary suspension(s) of trading of the Shares and no indication being received on or before the Closing Date from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn;
- (c) no event having occurred which would make the Offers and/or (if the Offeror were to exercise any compulsory acquisition right) the withdrawal of listing of the Shares void, unenforceable, illegal or impracticable or would prohibit implementation of the Offers or would impose any additional material conditions or obligations with respect to the Offers or any part thereof;
- (d) up to and including the time when the Condition set out in (a) above is satisfied, (i) no Authorities in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted or made or publicly proposed any of the foregoing, and (ii) there having been no outstanding statute, regulation, demand or order, in each case which would make the Offers and/or (if the Offeror were to exercise any compulsory acquisition right) the withdrawal of listing of the Shares void, unenforceable or illegal or prohibit implementation of the Offers or which would impose any material conditions, limitations or obligations with respect to the Offers; and
- (e) from 31 August 2024 up to and including the time when the Condition set out in (a) above is satisfied, there having been no material adverse change in the business, assets, financial or trading positions or prospects or conditions (whether operational, legal or otherwise) of the Group to an extent which is material in the context of the Group taken as a whole.

The Offeror reserves the right to waive, in whole or in part, the Conditions set out in (b) and (e) and, to the extent it would not make the Offers and/or (if the Offeror were to exercise any compulsory acquisition right) the withdrawal of listing of the Shares illegal, the Conditions set out in (c) and (d) above. The Condition set out in (a) above cannot be waived. If any of the Conditions is not satisfied or, if capable of being waived, waived on or before the Conditions Long Stop Date, the Offers will lapse. Further announcement(s) will be made as and when appropriate in respect of the satisfaction or, if capable of being waived, waiver of the Conditions.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Offers if the circumstances which give rise to the right to invoke any such Condition(s) are of material significance to the Offeror in the context of the Offers.

As at the date of this announcement, the Offeror is not aware of any circumstances which may result in any of the Conditions set out in (b), (c), (d) or (e) above not being satisfied.

WARNING:

Shareholders of, and/or potential investors in, the Company should note that, as the making of the Offers is subject to the satisfaction or, if capable of being waived, waiver of the Pre-Conditions on or before the Pre-Conditions Long Stop Date, the Offers may or may not be made. Further, completion of the Offers is subject to the Conditions being satisfied or, if capable of being waived, waived on or before the Conditions Long Stop Date and therefore the Offers may or may not become unconditional and may or may not be completed. Accordingly, the issue of this announcement does not imply that the Offers will be made or will be completed. Shareholders of, and/or potential investors in, the Company should therefore exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

7. IRREVOCABLE UNDERTAKINGS

As at the date of this announcement:

- (a) Canada Pension Plan Investment Board holds 182,405,000 Shares, representing 13.91% of the issued share capital of the Company; and
- (b) TPG Wireman, L.P. holds 144,966,345 Shares (representing 11.05% of the issued share capital of the Company) and Vendor Loan Notes with a principal amount of HK\$970,468,828, which are convertible into 83,661,106 new Shares based on the conversion price of HK\$11.6 per Share.

On 2 December 2024, each of the Undertaking Shareholders gave an Irrevocable Undertaking in favour of the Offeror.

Pursuant to each Irrevocable Undertaking, each of the Undertaking Shareholders has irrevocably undertaken to the Offeror to accept (a) the Share Offer in respect of all of the Shares held by it, representing an aggregate of 327,371,345 Shares and approximately 24.96% of the issued share capital of the Company as at the date of this announcement; and (b) in respect of TPG Wireman, L.P., the VLN Offer in respect of all of the Vendor Loan Notes held by it.

Each of the Undertaking Shareholders has also agreed that, during the term of its Irrevocable Undertaking, it shall not sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest in any Shares or, in respect of TPG Wireman, L.P., any Vendor Loan Notes held by it. TPG Wireman, L.P. shall not be restricted from exercising its conversion rights under its Vendor Loan Notes, provided that any Shares to be held by TPG Wireman, L.P. as converted from any portion of its Vendor Loan Notes shall be subject to the same undertakings in its Irrevocable Undertaking which are applicable to the other Shares held by it.

Each Irrevocable Undertaking shall terminate if: (a) the Executive consents to the Offeror not making the Offers; (b) an event occurs which means that the Offeror is no longer required by the Takeovers Code to proceed with the Offers; (c) the Pre-Conditions are not satisfied, or if capable of being waived, not waived on or prior to the Pre-Conditions Long Stop Date; (d) the Offers lapse or are withdrawn; (e) (i) any person (other than the Offeror) makes a bona fide offer at a higher price to acquire all of the Undertaking Shareholder's Shares and, if applicable, all of its Vendor Loan Notes, (ii) the Offeror fails to increase the Offer Price and the VLN Offer Price (if applicable) to above such competing offer price within a specified deadline after having been given notice of such competing offer by the Undertaking Shareholder, and (iii) the Undertaking Shareholder enters into a binding agreement with such other person to sell all of its Shares and, if applicable, all of its Vendor Loan Notes, at the relevant higher price, provided that if such binding agreement terminates prior to its completion, the Irrevocable Undertaking will be reinstated with effect from such termination; or (f) any person (other than the Offeror) publishes an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code to acquire all of the Shares and all of the Vendor Loan Notes at a higher price, and the Offeror fails to increase the Offer Price and the VLN Offer Price (if applicable) to above such competing offer price within a specified deadline. For the avoidance of doubt, the Offeror reserves the right to increase the Offer Price in the circumstances described in (e) and (f) above.

8. RIGHT OF COMPULSORY ACQUISITION AND LISTING OF THE SHARES

The Offeror has a right (but not an obligation) under section 88 of the Companies Act to compulsorily acquire those Shares not acquired by the Offeror under the Share Offer on the condition that the Offeror, within four months after the date of the Offer Document, has received valid acceptances in respect of not less than 90% of the Shares not already held by the Offeror and/or its concert parties. On completion of any such compulsory acquisition (if applicable), the Company would become a direct wholly-owned subsidiary of the Offeror and in this regard, an application would be made for the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

If the level of acceptances of the Share Offer reaches the prescribed level under the Companies Act required for compulsory acquisition, and if the Offeror decides to exercise its right of compulsory acquisition and the requirements of Rule 2.11 of the Takeovers Code are satisfied, dealings in the Shares will be suspended from the Closing Date up to the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

If the Offeror does not effect the compulsory acquisition of the remaining Shares not acquired by the Offeror under the Share Offer, whether by reason of the level of acceptances of the Share Offer not reaching the prescribed threshold under the Companies Act or the Takeovers Code or otherwise, the Offeror will use its commercially reasonable endeavours to ensure, or procure the Company to take such steps as are necessary to ensure, that the Company will have an adequate public float so as to comply with the applicable requirements under the Listing Rules.

If the Offeror does not effect the compulsory acquisition and, as at the close of the Share Offer, less than 25% of the Shares are held by the public (as defined under the Listing Rules) or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there is insufficient Shares in public hands to maintain an orderly market,

then the Stock Exchange may exercise its discretion to suspend dealings in the Shares. It should be noted that, upon completion of the Share Offer, there may be insufficient public float and therefore trading in the Shares may be suspended until a prescribed level of public float is attained.

As at the date of this announcement, the Offeror's objective in making the Share Offer is not to privatise the Company, and the Offeror would be open to maintaining the Company's listing on the Stock Exchange after the close of the Offers.

9. CONFIRMATION OF FINANCIAL RESOURCES

As at the date of this announcement, based on public information available to the Offeror, there are in issue (i) 1,311,599,356 Shares; and (ii) Vendor Loan Notes in the aggregate principal amount of HK\$1,940,937,656 which, subject to the terms and conditions of the Vendor Loan Notes, are convertible into a total of 167,322,212 new Shares based on the conversion price of HK\$11.6 per Share as at the date of this announcement. In addition, as at the date of this announcement, based on public information available to the Offeror, there are 11,963,341 Unvested RSUs in issue. Save as disclosed above, based on public information available to the Offeror, there are no other outstanding warrants, options, derivatives or securities convertible into Shares.

Assuming that (i) none of the Vendor Loan Notes in issue as at the date of this announcement are converted into new Shares; (ii) none of the Unvested RSUs in issue as at the date of this announcement vest on or before the Closing Date; (iii) there are no other changes in the issued share capital of the Company from the date of this announcement up to and including the Closing Date; and (iv) the Share Offer is accepted in full at the Offer Price of HK\$5.23 per Share, the maximum consideration for the Share Offer is approximately HK\$6,859,664,632. In addition, (i) assuming that the VLN Offer is accepted in full at the consideration of HK\$5.23 for every VLN Convertible Share, the maximum cash consideration for the VLN Offer is approximately HK\$875,095,169; and (ii) assuming that the RSU Offer is accepted in full at the consideration of HK\$5.23 per Unvested RSU and no new RSUs are issued on or before the Closing Date, the maximum cash consideration for the RSU Offer is approximately HK\$62,568,273. Accordingly, on the basis of the aforementioned

assumptions in this paragraph, the maximum consideration payable for the Share Offer, the VLN Offer and the RSU Offer is approximately HK\$7,797,328,074.

Assuming that (i) all of the Vendor Loan Notes in issue as at the date of this announcement are converted into new Shares based on the applicable conversion price of HK\$11.6 per Share as at the date of this announcement on or before the Closing Date; (ii) all of the Unvested RSUs in issue as at the date of this announcement vest on or before the Closing Date (but no new RSUs are issued on or before the Closing Date); (iii) there are no other changes in the issued share capital of the Company from the date of this announcement up to and including the Closing Date; and (iv) the Share Offer is accepted in full at the Offer Price of HK\$5.23 per Share, the maximum cash consideration for the Share Offer is approximately HK\$7,797,328,074. In such case, no consideration will be payable under the VLN Offer and the RSU Offer.

The Offeror intends to finance the consideration payable by the Offeror under the Offers and the buyer's ad valorem stamp duty for the Offer Shares through its internal cash resources and/or external debt financing.

CICC, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration payable upon full acceptance of the Offers.

10. CONTINUED ENGAGEMENT WITH THE COMPANY

The Offeror will continue to engage in good faith with the Company in respect of the Offers, and seek the Company's cooperation, with the aim of satisfying the Pre-Conditions as expeditiously as possible, so that the Shareholders will have an opportunity to consider and decide on the merits of the Offers.

11. SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement and (in respect of (a) and (d) below) based on public information available to the Offeror:

- (a) the issued share capital of the Company is 1,311,599,356 Shares;
- (b) the Offeror and the parties acting in concert with it do not own, control or have direction over any Shares;
- (c) the Disinterested Shareholders legally and/or beneficially own, control or have direction over 1,311,599,356 Shares in aggregate, representing 100% of the issued share capital of the Company;
- (d) save for the 1,311,599,356 Shares in issue, the Vendor Loan Notes and the 11,963,341 Unvested RSUs in issue, the Company does not have any outstanding shares, options, warrants, convertible securities or other relevant securities in issue; and

- (e) the Offeror and the parties acting in concert with it do not control or have direction over any outstanding options, derivatives, warrants or securities which are convertible into or exchangeable for securities of the Company.

Shareholding Structure

The table below sets out the shareholding structure of the Company, based on public information available to the Offeror, as at the date of this announcement:

Name of Shareholder	As at the date of this announcement	
	Number of issued Shares held	Approx. % of issued Shares held to the total issued Shares of the Company
The Offeror and parties acting in concert with it (<i>Note 1</i>)	zero	zero
Shareholders providing Irrevocable Undertakings		
Canada Pension Plan Investment Board	182,405,000	13.91%
TPG Wireman, L.P. (<i>Note 2</i>)	144,966,345	11.05%
Sub-total	327,371,345	24.96%
Other Shareholders		
Twin Holding Ltd (<i>Note 2</i>)	144,966,345	11.05%
GIC Private Limited	91,913,760	7.01%
Horwitz Bradley Jay	2,800,000	0.21%
Yeung Chu Kwong (<i>Note 3</i>)	29,717,212	2.27%
Tricor Trust (Hong Kong) Limited (<i>Note 4</i>)	414,804	0.03%
Other Public Shareholders	714,415,890	54.47%
Total	1,311,599,356	100.0%

As at the date of this announcement, based on public information available to the Offeror, save as disclosed above, none of the directors of the Company holds any Shares.

Notes:

1. CICC is the financial adviser to the Offeror in connection with the Offers. Accordingly, CICC and relevant members of the CICC group which hold Shares on an own account or discretionarily managed basis are presumed to be acting in concert with the Offeror in respect of shareholdings of the CICC group in the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (except in respect of the Shares held by members of the CICC group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code).

As at the date of this announcement, except for holdings, borrowings, lendings or dealings by members of the CICC group acting in the capacity of exempt principal traders or exempt fund managers or on behalf of non-discretionary investment clients, members of the CICC group did not own or control any Shares (or convertible securities, warrants, options or derivatives in respect thereof) of the Company, nor were there borrowings or lendings, or dealings for value in any Shares (or convertible securities, warrants, options or derivatives in respect thereof) by any members of the CICC group during the 6-months period immediately preceding the date of this announcement.

2. In addition to the 144,966,345 issued Shares held respectively by TPG Wireman, L.P. and Twin Holding Ltd, each of TPG Wireman, L.P. and Twin Holding Ltd also holds Vendor Loan Notes which are convertible into 83,661,106 new Shares based on the conversion price of HK\$11.6 per Share as at the date of this announcement.
3. Mr. Yeung Chu Kwong held a total of 32,477,997 interests in the Company, including (i) 29,717,212 ordinary shares in the Company, and (ii) 2,760,785 RSUs which were granted to him under the Amended and Restated Co-Ownership Plan IV.
4. Tricor Trust (Hong Kong) Limited is the professional trustee of the Co-Ownership Plan II of the Company.
5. The percentages are subject to rounding adjustments and may not add up to 100%.

12. REASONS FOR AND BENEFITS OF THE OFFERS

For the Shareholders

Unlocking shareholder value at a compelling premium. The Share Offer provides an attractive opportunity for Shareholders to monetise their investments at a compelling premium over market trading price. The Offer Price of HK\$5.23 per Offer Share represents a premium of approximately 40.97% over the closing price of HK\$3.71 per Share as quoted on the Stock Exchange on the Undisturbed Date, as well as a premium of approximately 71.64%, 83.10% and 89.12% over the average closing price of approximately HK\$3.05 per Share, HK\$2.86 per Share and HK\$2.77 per Share for the 60, 90 and 120 trading days up to and including the Undisturbed Date, respectively.

Unique opportunity to fully monetise investment with limited liquidity. The Offeror notes that the trading liquidity of the Shares has been at a low level for a sustained period of time. The average daily trading volume of the Shares for the 6, 12 and 24 months leading up to and including the Undisturbed Date were approximately 5,113,783 Shares, 4,860,689 Shares, and 4,785,729 Shares, respectively, representing only 0.39%, 0.37% and 0.36% of the Company's total issued share capital as of the date of this announcement. Such sustained low trading liquidity has created significant challenges for Shareholders, particularly those with large holdings, to execute substantial disposals in the open market without adversely impacting the share price. The Share Offer provides a rare opportunity for all Shareholders to fully realise their investments in return for cash that can be deployed elsewhere.

Realise gains amidst current uncertain market conditions. The Share Offer provide all Shareholders with an opportunity to realise their investment in the Company for cash amidst an uncertain market climate marked by geopolitical factors and uncertain sentiment in the broader equity markets, among others. In particular, the Hang Seng index since 2022 has declined 21% from its highest point in January 2022 to the Undisturbed Date. The global markets have been similarly subject to uncertainties in the face of geopolitical developments and a high interest rate environment.

For the Company

The Offeror will support the Company in strengthening its financial position by addressing key issues such as debt management and interest expenses. For the fiscal years 2023 and 2024, the Company's asset-liability ratio rose to 83.2% and 85.5%, respectively, compared to 75.9% in fiscal year 2022, according to its audited annual reports. As of fiscal year 2024, total liabilities stood at HKD15.1 billion, with HKD11 billion of borrowings maturing in late 2025 and the first half of 2026. The Company's adjusted free cash flow for fiscal years 2023 and 2024 was HKD763 million and HKD620 million, respectively, representing declines of approximately 32.6% and 45.2% compared to HKD1.13 billion in fiscal year 2022. Over the same period, financial costs increased to HKD702 million in 2023 and HKD860 million in 2024, accounting for 92% and 138.7% of adjusted free cash flow, respectively. The Offeror notes that these elevated interest costs have significantly constrained the Company's ability to distribute dividends.

As of June 2024, China Mobile held cash and cash equivalents of RMB132 billion, with total assets amounting to nearly RMB2 trillion. Given China Mobile's strong financial position and high credit rating, post-transaction, as the controlling shareholder, China Mobile is well-positioned to assist the Company in minimizing its financing-related costs. Upon closing of the Offers, the Company will be able to benefit from financial support from China Mobile to maintain its operation in such a competitive yet capital intensive industry, which will otherwise require further equity fundraising or costly external debt financing.

The Offeror will leverage its industry-leading expertise and resources to enhance the Company's competitive position and expand its market presence. The Offeror recognizes that the integration of fixed-line and mobile services is a major trend in the telecommunications industry and has consistently focused on adapting its business strategies accordingly. Over the past decade, China Mobile has successfully developed a fixed-line business in mainland China, becoming the largest fixed-line operator in the country with approximately 309 million wireline broadband users. Through this transaction, China Mobile aims to strengthen the Company's role as a core platform in the Hong Kong market by leveraging its proven management expertise, successful product models, and strategic resources to further expand the Company's footprint in both the residential and enterprise markets.

In the mobile services sector, China Mobile possesses industry-leading experience and operational advantages. Through this transaction, China Mobile will also enable the Company to optimize its mobile business by leveraging synergies, such as customer scale.

Overall, the Offeror believes this transaction will create complementary advantages for both parties, supporting their respective growth strategies and ultimately delivering significant value to consumers in Hong Kong.

13. INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability and its principal business activity is the provision of residential and enterprise fibre broadband services and residential and enterprise broadband internet services in Hong Kong.

Set out below is a summary of the audited consolidated financial results of the Group for the three financial years ended 31 August 2024, 2023 and 2022.

	Year ended 31 August 2022	Year ended 31 August 2023	Year ended 31 August 2024
	(audited)	(audited)	(audited)
	HK\$'000	HK\$'000	HK\$'000
Revenue	11,626,164	11,692,176	10,650,922
Profit (loss) before tax	712,216	(1,231,331)	29,125
Profit (loss) after tax	553,321	(1,267,408)	10,277

Further financial information of the Group will be set out in the Offer Document to be despatched to the Shareholders.

14. INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in Hong Kong on 28 June 1994 with limited liability. As at the date of this announcement, the Offeror is wholly-owned by Fit Best Limited, a company incorporated in the British Virgin Islands with limited liability, which is in turn wholly-owned by China Mobile. The Offeror is mainly responsible for the business operations of China Mobile in Hong Kong.

China Mobile is a leading mobile communication operator in China and a telecommunication operator with the largest network and the largest number of customers in the world, and is dual listed on the Hong Kong and Shanghai Stock Exchanges. China Mobile provides mobile and fixed network communication services. As of June 2024, China Mobile has 1.0 billion mobile customers (of which 514 million are 5G users) and 309 million wireline broadband customers.

15. INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP

Upon completion of the Offers, if successful, the Company will become an indirect subsidiary of China Mobile, which is dual listed on the Hong Kong and Shanghai Stock Exchanges.

As at the date of this announcement, it is the intention of the Offeror for the Group to continue to carry on its existing business and the Company does not have any plan to make any material change to: (a) the business of the Group (including any redeployment of any fixed asset of the Group); or (b) the continued employment of the employees of the Group (other than in the ordinary course of business).

Following completion of the Offers, the Offeror will continue to consider how best to support the Group's future development and expansion, as well as integration within the China Mobile Group to maximise synergies.

16. GENERAL MATTERS RELATING TO THE OFFER

Availability of the Offers to overseas Shareholders

The Offeror intends to make the Offers available to all Shareholders, including those with registered addresses outside Hong Kong. However, the availability of the Offers to any persons who are not resident in Hong Kong may be affected by the Applicable Laws of the relevant jurisdictions. Any Shareholders who are not resident in Hong Kong and who wish to accept the Offers should inform themselves about and observe any applicable requirements in their own jurisdictions. It is the responsibility of the Shareholders who are not resident in Hong Kong and who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from such Shareholder in respect of such jurisdictions) and, where necessary, consult their own professional advisers.

Acceptance of the Offers by any overseas Shareholder will constitute a representation and warranty by such person to the Offeror and CICC that such person (i) is permitted under all Applicable Laws to receive and accept the Offers, and any revision thereof, (ii) has observed all the Applicable Laws and regulations of the relevant jurisdiction in connection with such acceptance, including obtaining any government or other consent which may be required, and (iii) has complied with any other necessary formality and has paid any issue, transfer or other taxes due from such Shareholder in such jurisdiction, and that such acceptance shall be valid and binding in accordance with all Applicable Laws. Overseas Shareholders are recommended to seek professional advice on whether to accept the Offers.

In the event that the receipt of the Offer Document by any overseas Shareholder is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror or the Company), the Offer Document may not be despatched to such overseas Shareholder. For that purpose, the Offeror will apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Offer Document to such overseas Shareholder. In granting the waiver, the Executive will be concerned to see that all material information in the Offer Document is made available to such Shareholder.

Taxation advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. It is emphasised that none of the Offeror, the Undertaking Shareholders, CICC or any of their respective directors, officers or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Offer Document

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror should normally despatch the Offer Document within 21 days of the date of this announcement. As the making of the Offers by the Offeror is subject to the satisfaction or, if capable of being waived, waiver of the Pre-Conditions, pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Offeror will make an application to the Executive for consent to extend the deadline for the despatch of the Offer Document to (i) within seven days of the satisfaction or, if capable of being waived, waiver of the Pre-Conditions. (ii) 5 December 2025 (being a date which is seven days after the Pre-Conditions Long Stop Date), whichever is the earlier.

The Offer Document will contain, among other things, details of the Offers (accompanying therewith the acceptance and transfer form) and all relevant information to enable the Shareholders to reach a properly informed decision, including all the information required by Schedule 1 of the Takeovers Code.

Settlement of consideration

Settlement of consideration in respect of acceptances of the Share Offer and the VLN Offer will be made as soon as possible but in any event no later than the Cash Settlement Date. No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder who accepts the Share Offer or the VLN Offer (as the case may be) will be rounded up to the nearest cent.

Under the RSU Offer, payments will be made to all Unvested RSU Holders who have accepted the RSU Offer on or before the later of: (i) the Vesting Date of the relevant Unvested RSUs held by such Unvested RSU Holder, and (ii) the Cash Settlement Date, in each case subject to satisfaction of the Vesting Conditions, further details of which will be set out in the Offer Document.

Close of the Share Offer

The latest time on which the Offeror can declare the Share Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of the Offer Document (or such later date to which the Executive may consent).

If all the Conditions are satisfied or, if capable of being waived, waived, Shareholders will be notified by way of an announcement in accordance with the Takeovers Code and the Listing Rules as soon as practicable thereafter.

Other arrangements

As at the date of this announcement:

- (a) save as disclosed in the section headed “*11. Shareholding structure of the Company*” above, neither the Offeror nor any party acting in concert with it owns, controls or has direction over any Shares;
- (b) save as disclosed in the section headed “*11. Shareholding structure of the Company*” above, there are no securities, warrants or options convertible into Shares held, controlled or directed by the Offeror or any party acting in concert with it;
- (c) neither the Offeror nor any party acting in concert with it has dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares during the six months prior to and including the date of this announcement;
- (d) neither the Offeror nor any party acting in concert with it has entered into any outstanding derivative in respect of the securities in the Company;

- (e) neither the Offeror nor any party acting in concert with it has borrowed or lent any Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (f) save as disclosed in the section headed “7. Irrevocable Undertakings” above, neither the Offeror nor any party acting in concert with it has received any irrevocable commitment to accept the Offers;
- (g) save for the Offers, there are no arrangements (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares between the Offeror or any party acting in concert with it and any other person which might be material to the Offers;
- (h) save for the Pre-Conditions and the Conditions, there is no agreement or arrangement to which the Offeror or any party acting in concert with it is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition to the Offers;
- (i) there is no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii) either (A) the Offeror or any party acting in concert with it; or (B) the Company or the Company’s subsidiaries or associated companies; and
- (j) save for the Offer Price, the RSU Offer Price and the VLN Offer Price, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any party acting in concert with it to any Shareholder in connection with the Offers.

17. DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, the respective associates (as defined in the Takeovers Code) of the Company and the Offeror, including any person who owns or controls 5% or more of any class of the relevant securities of the Company, are hereby reminded to disclose their dealings in any relevant securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below.

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

18. DEFINITIONS

In this announcement, save as the context otherwise requires, the defined terms have the following meanings:

“2024 Final Dividend”	means the final dividend for the year ended 31 August 2024 of HK\$0.165 per Share, which was recommended by the Board (as disclosed by the Company on 31 October 2024) but which has not yet been approved by the Shareholders or paid by the Company as of the date of this announcement;
“acting in concert”	has the meaning ascribed to it in the Takeovers Code;
“Amended and Restated Co-Ownership Plan IV”	means the restricted share unit scheme as adopted by the Company on 11 May 2023;
“Applicable Laws”	means any and all laws, rules, regulations, judgments, decisions, decrees, orders, injunctions, treaties, directives, guidelines, standards, notices and/or other legal, regulatory and/or administrative requirements of any Authority;
“Approval”	means any approval, authorisation, ruling, permission, waiver, consent, licence, permit, clearance, registration or filing which is required or desirable under any Applicable Law, or any licence, permit or contractual obligation of any member of the Group, for or in connection with the Offers or the implementation of the Offers in accordance with its terms and conditions (including the withdrawal of the listing of the Shares on the Stock Exchange), in each case excluding any filing or notification to any Authority which does not require such Authority’s approval, acknowledgement, permission, consent or clearance;
“associate(s)”	has the meaning ascribed to it in the Takeovers Code;

“Authority”	means any supranational, national, federal, state, regional, provincial, municipal, local or other government, governmental, quasi-governmental, legal, regulatory or administrative authority, department, branch, agency, commission, bureau or body (including any securities or stock exchange) or any court, tribunal, or judicial or arbitral body;
“Board”	means the board of directors of the Company from time to time;
“Business Day”	means a day on which the Stock Exchange is open for the transaction of business;
“Cash Settlement Date”	means the date falling seven Business Days after: (i) the Unconditional Date; or (ii) the date of receipt of a complete and valid acceptance in respect of the relevant Offer, whichever is the later;
“China Mobile”	means China Mobile Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance, which is dual-listed on the Stock Exchange with stock codes 941 (HKD Counter) and 80941 (RMB Counter) and on the Shanghai Stock Exchange with stock code 600941;
“China Mobile Group”	means China Mobile and its subsidiaries from time to time;
“CICC”	means China International Capital Corporation Hong Kong Securities Limited, the financial adviser to the Offeror in respect of the Offers, which is a licensed corporation under the SFO, licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO;
“Closing Date”	means the date to be stated in the Offer Document as the first closing date of the Share Offer or any subsequent closing date as may be announced by the Offeror and approved by the Executive;
“Companies Act”	means the Companies Act ([2023] Revision) of the Cayman Islands;
“Company”	means HKBN Ltd., a company incorporated in the Cayman Islands and whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1310);

“Condition(s)”	means the conditions of the Offers, as set out under the section headed “6. <i>Conditions of the Offers</i> ” of this announcement;
“Conditions Long Stop Date”	means 3 February 2026, or such later date as the Offeror may in its sole discretion determine and in all cases, as permitted by the Executive;
“Co-Ownership Plan II”	means the restricted share unit scheme as adopted by the Company on 11 March 2015;
“Disinterested Shareholders”	means the holders of Disinterested Shares, including, for the avoidance of doubt, any member of the CICC group acting in the capacity of an exempt principal trader or exempt fund manager for the purpose of the Takeovers Code;
“Disinterested Shares”	means the Shares other than any Shares which are beneficially owned by the Offeror or any party acting in concert with it, including, for the avoidance of doubt, any Share(s) held by any member of the CICC group on a non-discretionary and non-proprietary basis for and on behalf of its clients who are not the Offeror or any party acting in concert with it;
“Executive”	means the Executive Director of the Corporate Finance Division of the SFC and any of its delegates;
“Group”	means the Company and its subsidiaries from time to time;
“HK\$”	means Hong Kong Dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Irrevocable Undertaking”	means the irrevocable undertakings dated 2 December 2024 given by each of the Undertaking Shareholders in favour of the Offeror;
“Last Trading Date”	means 29 November 2024, being the last day on which the Shares were traded on the Stock Exchange before publication of this announcement;
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time;

“Offer Document”	means the offer document to be issued by the Offeror in connection with the Offers in compliance with the Takeovers Code;
“Offers”	means, the Share Offer, the RSU Offer and/or the VLN Offer (as applicable);
“offer period”	has the meaning ascribed to it in the Takeovers Code, which commenced on 20 November 2024;
“Offer Price”	means the offer price of HK\$5.23 per Share;
“Offer Share(s)”	means the Shares which are subject to the Share Offer;
“Offeror”	means China Mobile Hong Kong Company Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance and an indirect wholly-owned subsidiary of China Mobile;
“PRC”	means the People’s Republic of China (excluding Hong Kong, Macau and Taiwan for the purpose of this announcement);
“Pre-Condition(s)”	means the conditions to the making of the Offers by the Offeror as set out under the section headed “5. <i>Pre-Conditions to the Offers</i> ” in this announcement
“Pre-Conditions Long Stop Date”	means 28 November 2025, or such later date as the Offeror may in its sole discretion determine and in all cases, as permitted by the Executive;
“RSU”	means a right, contingent upon vesting, to receive one Share (or portion thereof) to be awarded pursuant to the terms and conditions of the Amended Co-Ownership Plan IV;
“RSU Offer”	means the offer to be made by or on behalf of the Offeror in compliance with Rule 13 of the Takeovers Code in respect of the Unvested RSUs in accordance with the terms and conditions set out in this announcement;
“RSU Offer Price”	means the offer price of HK\$5.23 per Unvested RSU;
“SFC”	means the Securities and Futures Commission of Hong Kong;
“SFO”	means the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong);

“Share Offer”	means, subject to the satisfaction or waiver of the Pre-Conditions, the voluntary conditional general cash offer to be made by CICC on behalf of the Offeror for all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it) on the terms and conditions set out in the Offer Document;
“Share(s)”	means the shares in the share capital of the Company, which currently comprises only the ordinary share(s) in the ordinary share capital of the Company with a par value of HK\$0.0001 each, which are subscribed for and traded in Hong Kong Dollars and listed on the Main Board of the Stock Exchange;
“Shareholder(s)”	means a holder of Shares;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“subsidiaries”	has the meaning ascribed to that term in the Listing Rules;
“Takeovers Code”	means the Hong Kong Code on Takeovers and Mergers;
“Unconditional Date”	means the date on which the Share Offer becomes or is declared unconditional in all respects;
“Undertaking Shareholders”	means each of Canada Pension Plan Investment Board and TPG Wireman, L.P.;
“Undisturbed Date”	12 November 2024, being the last trading day prior to when there were irregular trading volumes and price movements in the Shares;
“Unvested RSU”	means an RSU of the Company which has been granted but not vested at the relevant time;
“Unvested RSU Holder”	means a holder of an Unvested RSU;
“Vendor Loan Notes”	means the vendor loan notes with an aggregate principal amount of HK\$1,940,937,656 issued by the Company on 30 April 2019, with a principal amount of HK\$970,468,828 being issued to each of TPG Wireman, L.P. and Twin Holding Ltd;
“Vesting Conditions”	means the vesting conditions of the relevant portion of a RSU on the Vesting Date, pursuant to the terms and conditions of the Amended Co-Ownership Plan IV;

“Vesting Date”	means with respect to an RSU which has been granted, a date within 10 business days from the date of publication of the Company’s annual results for the year ended 31 August 2025, which will be no later than 12 December 2025;
“VLN Convertible Share”	means every new Share into which a Vendor Loan Note would be convertible based on the conversion price of HK\$11.6 per Share;
“VLN Offer”	means the offer to be made by or on behalf of the Offeror in compliance with Rule 13 of the Takeovers Code in respect of the Vendor Loan Notes in accordance with the terms and conditions set out in this announcement; and
“VLN Offer Price”	means the offer price of HK\$5.23 per VLN Convertible Share.

Certain amounts and percentage figures in this announcement have been subject to rounding adjustments.

By Order of the Board
CHINA MOBILE HONG KONG COMPANY LIMITED
Mr. Ling Hao
Director

Hong Kong, 2 December 2024

As at the date of this announcement, the directors of the Offeror are Mr. Ling Hao, Mr. Shen Weizhong, Mr. Lei Liqun, Ms. Shi Xiaoping, Mr. Bian Yannan, Mr. Nie Yutian, and Mr. Li Xin.

The directors of the Offeror 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.

The information relating to the Group and the Shareholders in this announcement has been extracted from or based on the published information of the Company, including but not limited to its annual report for the year ended 31 August 2024, and other public announcements and circulars issued by the Company and public disclosure of interests made pursuant to Rule 22 of the Code and the SFO. The only responsibility accepted by the directors of the Offeror in respect of such information is for the correctness and fairness of its reproduction or presentation.