



6 August 2025

To the Shareholders,

Dear Sir or Madam

**VOLUNTARY CONDITIONAL 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)**

1. INTRODUCTION

Reference is made to the Announcement, pursuant to which it was announced on 2 December 2024 that CICC will, on behalf of the Offeror, and subject to the satisfaction or (if capable of being waived) waiver of the Pre-Conditions, make a voluntary conditional general cash offer in compliance with the Takeovers Code to acquire all the issued Shares in the Company (other than those already held or agreed to be acquired by the Offeror or the parties acting in concert with it), and make appropriate offers 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).

On 14 March 2025, all of the Vendor Loan Notes held by Twin Holding Ltd with a total principal amount of HK\$970,468,828 were converted into 83,661,106 Shares (based on the conversion price of HK\$11.60 per Share) pursuant to the terms and conditions of the Vendor Loan Notes. On 22 April 2025, all of the Vendor Loan Notes held by TPG Wireman, L.P. with a total principal amount of HK\$970,468,828 were converted into 83,661,106 Shares (based on the conversion price of HK\$11.60 per Share) pursuant to the terms and conditions of the Vendor Loan Notes. Following the conversion of such Vendor Loan Notes, TPG Wireman, L.P. transferred a total of 228,627,451 Shares (consisting of 83,661,106 Shares converted from the Vendor Loan Notes and 144,966,345 Shares already owned by TPG Wireman, L.P.) to the Offeror pursuant to the TPG Share Purchase Agreement. The completion of the transfer of such Shares took place on 7 May 2025. As at the Latest Practicable Date, there are no outstanding Vendor Loan Notes in the Company. Therefore, the VLN Offer as set out in the Announcement will not be made.

On 25 April 2025, the Company declared the 2025 Interim Dividend of 15.5 cents per Share for the six months ended 28 February 2025 to the Shareholders whose names appear on the register of members of the Company on 2 June 2025. The 2025 Interim Dividend was paid in cash on 10 June 2025. As stated in the Announcement, save for the 2024 Final Dividend, if any dividend is announced, declared or paid in respect of the Shares after the Announcement, the Offeror shall reduce the Offer Price by the amount of such dividend such that the overall value receivable by the Shareholders remains the same. Accordingly and as required under the Takeovers Code, following the declaration and payment of the 2025 Interim Dividend, the Offer Price is reduced by 15.5 cents per Share, and adjusted from HK\$5.23 to HK\$5.075 per Share.

On 1 August 2025, the Offeror announced that all Pre-Conditions had been satisfied.

On 4 August 2025, the Offeror and Twin Holding Ltd entered into the MBK Share Purchase Agreement, pursuant to which Twin Holding Ltd agreed to sell, and the Offeror agreed to purchase, 213,570,097 Shares, representing approximately 14.44% of the total issued Shares, at HK\$5.075 per Share and with an aggregate price of HK\$1,083,868,242.28 (the “**MBK Transaction**”). The MBK Transaction is expected to be completed on 8 August 2025 (or such other date as the Offeror and Twin Holding Ltd may agree). Upon completion of the MBK Transaction, (i) the Offeror and parties acting in concert with it will own in aggregate 442,197,548 Shares, representing approximately 29.90% of the total issued Shares and (ii) Twin Holding Ltd will own 15,057,354 Shares, representing approximately 1.02% of the total issued Shares. A further announcement will be made by the Offeror as and when the completion of the MBK Transaction takes place.

On 4 August 2025, the Company announced that the Board had resolved to terminate the Amended and Restated Co-Ownership Plan IV subject to the making of the Share Offer by the Offeror. Upon the termination of the Amended and Restated Co-Ownership Plan IV, all Unvested RSUs shall lapse immediately. As the Offeror has made the Share Offer on 6 August 2025 as set out in this Offer Document, the Amended and Restated Co-Ownership Plan IV has been terminated and all Unvested RSUs have lapsed immediately. Therefore, the RSU Offer as set out in the Announcement will not be made.

The Share Offer is subject to the satisfaction or (if capable of being waived) waiver of the Conditions as set out in the paragraph headed “4. Conditions to the Share Offer” in this section.

This letter forms part of this Offer Document and sets out, among other things, details of the Share Offer, the reasons for making the Share Offer, the intentions of the Offeror in respect of the Group and certain background information of the Offeror. Further details on the terms and conditions of the Share Offer are set out in Appendix I to this Offer Document and the accompanying Share Offer Acceptance Form. Terms used in this letter shall have the same meanings as those defined in the section headed “Definitions” in this Offer Document.

2. THE SHARE OFFER

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

Consideration of the Share Offer

For each Share HK\$5.075 in cash

Save for the 2024 Final Dividend and the 2025 Interim Dividend, if, after the date of this Offer Document, 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 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 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 Offer Document, based on public information available to the Offeror, 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 “5. Irrevocable Undertaking”). 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\$5.075 represents:

- (i) a premium of approximately 42.76% over the closing price of HK\$3.555 per Share as quoted on the Stock Exchange on 12 November 2024, being the Undisturbed Date, after deducting the 2025 Interim Dividend;
- (ii) a premium of approximately 41.88% over the average closing price of HK\$3.577 per Share as quoted on the Stock Exchange for the five trading days up to and including the Undisturbed Date, after deducting the 2025 Interim Dividend;
- (iii) a premium of approximately 57.20% over the average closing price of HK\$3.228 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Undisturbed Date, after deducting the 2025 Interim Dividend;

- (iv) a premium of approximately 75.48% over the average closing price of HK\$2.892 per Share as quoted on the Stock Exchange for the 60 trading days up to and including the Undisturbed Date, after deducting the 2025 Interim Dividend;
- (v) a premium of approximately 87.87% over the average closing price of HK\$2.701 per Share as quoted on the Stock Exchange for the 90 trading days up to and including the Undisturbed Date, after deducting the 2025 Interim Dividend;
- (vi) a premium of approximately 22.14% over the closing price of HK\$4.155 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, after deducting the 2025 Interim Dividend;
- (vii) a premium of approximately 7.86% over the closing price of HK\$4.705 per Share as quoted on the Stock Exchange on 29 November 2024, being the Last Trading Date, after deducting the 2025 Interim Dividend;
- (viii) a premium of approximately 0.69% over the closing price of HK\$5.04 per Share as quoted on the Stock Exchange on 4 August 2025, being the Latest Practicable Date;
- (ix) a premium of approximately 222.81% over the audited consolidated net asset value per Share of approximately HK\$1.57 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 1,478,921,568 Shares in issue as at the Latest Practicable Date and adjusted by deducting the 2025 Interim Dividend; and
- (x) a premium of approximately 244.79% over the unaudited consolidated net asset value per Share of approximately HK\$1.47 as at 28 February 2025, calculated based on the unaudited consolidated net asset value of approximately HK\$2,406,086,000 as at 28 February 2025 and 1,478,921,568 Shares in issue as at the Latest Practicable Date and adjusted by deducting the 2025 Interim Dividend.

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. For further information on the basis of determination of the Offer Price by the Offeror, please refer to Appendix II of this Offer Document.

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$5.32 on 17 March 2025 (HK\$5.165 after deducting the 2025 Interim Dividend) and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$2.35 on 8 August 2024 and 12 August 2024 (HK\$2.195 after deducting the 2025 Interim Dividend).

Further details of the procedures for the acceptance of the Share Offer are set out in Appendix I to this Offer Document and the accompanying Share Offer Acceptance Form.

3. PRE-CONDITIONS TO THE SHARE OFFER

The making of the Share Offer was subject to the satisfaction or (if capable of being waived) waiver of the Pre-Conditions, details of which are as set out in the Announcement. On 1 August 2025, the Offeror announced that all the Pre-Conditions have been satisfied.

4. CONDITIONS TO THE SHARE OFFER

The Share Offer 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 (whether pursuant to the Share 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 Share Offer 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 Share Offer or would impose any additional material conditions or obligations with respect to the Share Offer 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 Share Offer 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 Share Offer or which would impose any material conditions, limitations or obligations with respect to the Share Offer; 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 Share Offer 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, not having been waived on or before the Conditions Long Stop Date, the Share Offer 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. As at the Latest Practicable Date, none of the Conditions has been satisfied, or if capable of being waived, waived.

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 Share Offer 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 Share Offer.

As at the date of this Offer Document, 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.

In accordance with Rule 15.3 of the Takeovers Code, the Offeror will publish an announcement when the Share Offer becomes unconditional as to acceptances and when the Share Offer becomes unconditional in all respects.

WARNING:

Shareholders of, and/or potential investors in, the Company should note that, completion of the Share Offer 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 Share Offer may or may not become unconditional and may or may not be completed. Accordingly, the issue of this Offer Document does not imply that the Share Offer 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.

5. IRREVOCABLE UNDERTAKING

On 2 December 2024, the Offeror and each of Canada Pension Plan Investment Board and TPG Wireman, L.P. entered into the Irrevocable Undertakings, pursuant to which each of Canada Pension Plan Investment Board and TPG Wireman, L.P. irrevocably agreed to accept the Share Offer and (if applicable) the VLN Offer on the terms of the Irrevocable Undertakings. Following completion of the transfer of Shares from TPG Wireman, L.P. to the Offeror on 7 May 2025, the Irrevocable Undertaking given by TPG Wireman, L.P. was terminated.

As at the Latest Practicable Date, Canada Pension Plan Investment Board holds 182,405,000 Shares, representing 12.33% of the issued share capital of the Company. Pursuant to its Irrevocable Undertaking, Canada Pension Plan Investment Board has irrevocably undertaken to the Offeror to accept the Share Offer in respect of all of the Shares held by it. Canada Pension Plan Investment Board 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 held by it.

The Irrevocable Undertaking given by Canada Pension Plan Investment Board shall terminate if: (a) the Executive consents to the Offeror not making the Share Offer; (b) an event occurs which means that the Offeror is no longer required by the Takeovers Code to proceed with the Share Offer; (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 Share Offer lapses or is withdrawn; (e) (i) any person (other than the Offeror) makes a bona fide offer at a higher price to acquire all of the Shares owned by Canada Pension Plan Investment Board, (ii) the Offeror fails to increase the Offer Price to above such competing offer price within a specified deadline after having been given notice of such competing offer by Canada Pension Plan Investment Board, and (iii) Canada Pension Plan Investment Board enters into a binding agreement with such other person to sell all of its Shares 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 at a higher price, and the Offeror fails to increase the Offer Price 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.

6. CONFIRMATION OF FINANCIAL RESOURCES

As at the Latest Practicable Date, based on public information available to the Offeror, there are in issue 1,478,921,568 Shares in the Company. 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. In addition, as at the Latest Practicable Date, the Offeror and the parties acting in concert with it hold in total 228,627,451 Shares in the Company, and 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.

Assuming that (i) there are no changes in the issued share capital of the Company from the Latest Practicable Date up to and including the Closing Date; and (ii) the Share Offer is accepted in full at the Offer Price of HK\$5.075 per Share, the maximum consideration for the Share Offer is approximately HK\$6,345,242,643.78.

The Offeror intends to finance the consideration payable by the Offeror under the Share Offer and the buyer's ad valorem stamp duty for the Offer Shares through its internal cash resources and/or external debt financing. The payment of the interest on and the repayment of any liability under the external debt financing does not depend on the Company's business.

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

7. CLOSE OF THE SHARE OFFER

In accordance with Rule 15.1 of the Takeovers Code, the First Closing Date of the Share Offer will be on Wednesday, 3 September 2025, being 28 days after the Despatch Date, or such later date as may be determined and announced by the Offeror in accordance with the Takeovers Code. Where the Share Offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptance for not less than 14 days thereafter (for the avoidance of doubt, the last day that the Share Offer remains open for acceptance should not be earlier than the First Closing Date). The Shareholders are reminded that the Offeror does not have any obligation to keep the Share Offer open for acceptance beyond this minimum 14-day period.

In accordance with the Takeovers Code, except with the consent of the Executive, the Share Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the Despatch Date (or such later day as permitted by the Executive in accordance with the Takeovers Code). Accordingly, unless the Share Offer has previously become or been declared unconditional as to acceptances or has been extended with the consent of the Executive, the Share Offer will lapse at 7:00 p.m. on Monday, 6 October 2025 (or such later day as permitted by the Executive in accordance with the Takeovers Code).

8. ACCEPTANCE OF THE SHARE OFFER

Subject to the Share Offer becoming unconditional, provided that valid acceptance forms and the relevant Share certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order and have been received by the Receiving Agent, the Shareholders will sell their tendered Shares under the Share Offer to the Offeror 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.

For the avoidance of doubt, if any dividend, distribution or return of capital with a record date falling on or after the date of this Offer Document is paid to the Shareholders in respect of any Offer Shares validly tendered for acceptance under the Share Offer, the Offeror shall be entitled to deduct the gross amount or value of such dividend, distribution or return of capital from the Offer Price payable to such Shareholders in respect of the Offer Shares validly tendered for acceptance so as to reflect the Offeror's entitlement to such dividend, distribution or return of capital.

For further details on the procedures for acceptance of the Share Offer, please refer to the paragraph headed “Procedures for Acceptance of the Share Offer” in Appendix I to this Offer Document.

9. 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 Share Offer. It is emphasised that none of the Offeror, the parties acting in concert with it, CICC or any of their respective directors, officers or associates or any other person involved in the Share Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Share Offer.

10. SETTLEMENT OF CONSIDERATION

Settlement of consideration in respect of acceptances of the Share 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 will be rounded up to the nearest cent.

For further details on the settlement of consideration, please refer to the paragraph headed “Settlement of the Share Offer” in Appendix I to this Offer Document.

11. FURTHER TERMS OF THE SHARE OFFER

Your attention is drawn to the further details regarding the procedures for acceptance and settlement and the acceptance period in relation to the Share Offer as set out in Appendix I to this Offer Document and the accompanying Share Offer Acceptance Form.

12. SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date and (in respect of (a), (b) and (c) below) based on public information available to the Offeror:

- (a) the Company has a total of 1,478,921,568 Shares in issue;
- (b) the Company has a total of 11,494,101 Unvested RSUs in issue, all of which have lapsed following the termination of the Amended and Restated Co-Ownership Plan IV;
- (c) save for (a) and (b) above, the Company does not have any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code);
- (d) the Offeror and the parties acting in concert with it hold in total 228,627,451 Shares in the Company, representing approximately 15.46% of the issued share capital of the Company;

- (e) the Disinterested Shareholders legally and/or beneficially own, control or have direction over 1,250,294,117 Shares in aggregate, representing 84.54% of the issued share capital of the Company; and
- (f) 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.

The table below sets out the shareholding structure of the Company, based on public information available to the Offeror, as at the Latest Practicable Date:

Name of Shareholder	As at the Latest Practicable Date		Upon completion of the MBK Transaction	
	Approx. % of issued Shares held to the total	Number of issued Shares held	Approx. % of issued Shares held to the total	Number of issued Shares held
The Offeror and parties acting in concert with it (<i>Notes 1 and 2</i>)				
		228,627,451	15.46%	442,197,548
				29.90%
Shareholder providing Irrevocable Undertaking				
Canada Pension Plan Investment Board		182,405,000	12.33%	182,405,000
				12.33%
Sub-total		411,032,451	27.79%	624,602,548
				42.23%
Other Shareholders				
Twin Holding Ltd (<i>Note 2</i>)		228,627,451	15.46%	15,057,354
				1.02%
GIC Private Limited		92,823,260	6.28%	92,823,260
				6.28%
Yeung Chu Kwong		29,717,212	2.01%	29,717,212
				2.01%
Other Public Shareholders		716,721,194	48.46%	716,721,194
				48.46%
Total		1,478,921,568	100.00%	1,478,921,568
				100.00%

As at the Latest Practicable Date, 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 Share Offer. 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 Latest Practicable Date, 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. Notwithstanding that any connected exempt principal traders within the CICC group are not acting in concert with the Offeror, Shares held by any such connected exempt principal traders must not be assented to the Share Offer until the Share Offer becomes or is declared unconditional as to acceptances in accordance with the requirements of Rule 35.3 of the Takeovers Code, unless (i) the relevant connected exempt principal trader holds the Shares as a simple custodian for and on behalf of non-discretionary clients, and (ii) there are contractual arrangements in place between the relevant connected exempt principal trader and its clients that strictly prohibit the relevant connected exempt principal trader from exercising any discretion over the relevant Shares, and all instructions relating to the Share Offer shall originate from the client only, and if no instructions are given, then no action shall be taken on the relevant Shares held by the relevant connected exempt principal trader.

2. On 4 August 2025, the Offeror and Twin Holding Ltd entered into the MBK Share Purchase Agreement, pursuant to which Twin Holding Ltd agreed to sell, and the Offeror agreed to purchase, 213,570,097 Shares, representing approximately 14.44% of the total issued Shares, at HK\$5.075 per Share and with an aggregate price of HK\$1,083,868,242.28. The MBK Transaction is expected to be completed on 8 August 2025 (or such other date as the Offeror and Twin Holding Ltd may agree). Upon completion of the MBK Transaction, (i) the Offeror and parties acting in concert with it will own in aggregate 442,197,548 Shares, representing approximately 29.90% of the total issued Shares and (ii) Twin Holding Ltd will own 15,057,354 Shares, representing approximately 1.02% of the total issued Shares. A further announcement will be made by the Offeror as and when the completion of the MBK Transaction takes place.
3. The percentages are subject to rounding adjustments and may not add up to 100%.

13. INFORMATION OF THE OFFEROR

The Offeror is a company incorporated in Hong Kong on 28 June 1994 with limited liability. As at the Latest Practicable Date, 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 March 2025, China Mobile had 1.0 billion mobile customers (of which 578 million are 5G users) and 320 million wireline broadband customers.

14. INFORMATION OF 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, and the unaudited consolidated financial results of the Group for the six months ended 28 February 2025.

	Year ended 31 August 2022 (audited) HK\$'000	Year ended 31 August 2023 (audited) HK\$'000	Year ended 31 August 2024 (audited) HK\$'000	Six months ended 28 February 2025 (unaudited) HK\$'000
Revenue	11,626,164	11,692,176	10,650,922	5,734,269
Profit / (loss) before tax	712,216	(1,231,331)	29,125	113,066
Profit / (loss) after tax	553,321	(1,267,408)	10,277	107,560

As at 31 August 2024, the audited consolidated net asset value of the Group (as extracted from the annual report of the Company for the financial year ended 31 August 2024) was approximately HK\$2,554,264,000. As at 28 February 2025, the unaudited consolidated net asset value of the Group (as extracted from the interim report of the Company for the six months ended 28 February 2025) was approximately HK\$2,406,086,000.

15. REASONS FOR AND BENEFITS OF THE SHARE OFFER

For the Shareholders

Unlocking shareholder value at a compelling premium.

The Offer Price has been determined after careful consideration from the Offeror, having taken into account the valuation of comparable companies and comparable transactions, the macroeconomic environment, the competitive landscape of the telecommunications sector in Hong Kong, and the Company's operating conditions and development potential. The Offeror believes that the Share Offer provides an attractive opportunity for Shareholders to monetise their investments at a compelling premium over market trading prices. The Offer Price of HK\$5.075 per Offer Share represents a premium of approximately 42.76% over the closing price of HK\$3.555 per Share as quoted on the Stock Exchange on the Undisturbed Date, after deducting the 2025 Interim Dividend, as well as a premium of approximately 57.20%, 75.48% and 87.87% over the average closing price of approximately HK\$3.228 per Share, HK\$2.892 per Share and HK\$2.701 per Share for the 30, 60 and 90 trading days up to and including the Undisturbed Date, respectively, after deducting the 2025 Interim Dividend.

The Offer Price is higher than the closing price of the Shares as quoted on the Stock Exchange on every single trading day over the 12 months immediately prior to the Last Trading Date. In particular, the closing price per Share as quoted on the Stock Exchange dropped to HK\$2.35 per Share on 8 August 2024 and 12 August 2024, which is the lowest closing price for the two years prior to the Latest Practicable Date, and the Offer Price represents a premium of approximately 115.96% over such closing price.

In the period since the publication of the Announcement and up to the Latest Practicable Date, the total trading volume of Shares has represented 109.90% of the total issued share capital of the Company as at the Latest Practicable Date (after excluding the shareholding of the Offeror, Canada Pension Plan Investment Board, Twin Holding Ltd and GIC Private Limited, being those Shareholders that hold a more than 5% stake in the Company). The Offeror considers that such an active and high trading volume clearly indicates that a significant number of such Shareholders have been willing to sell at or even below the Offer Price, which they would not have done if the Offer Price were not acceptable.

The Offer Price has been endorsed by the Company's largest Shareholders. In particular, the Offeror has acquired a 15.46% stake in the Company at HK\$5.23 per Share from TPG Wireman, L.P. (which was not paid the 2025 Interim Dividend) and has agreed to acquire a further 14.44% stake in the Company at HK\$5.075 per Share from Twin Holding Ltd pursuant to the MBK Share Purchase Agreement. The Offeror has also obtained an irrevocable undertaking from Canada Pension Plan Investment Board to accept the Share Offer in full in respect of a further 12.33% stake in the Company at the Offer Price.

Unique opportunity to fully monetise investment with limited liquidity.

The Offeror notes that the trading liquidity of the Shares overall 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 0.35%, 0.33% and 0.32% of the Company's total issued share capital as at the Latest Practicable Date. 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.

Maximum flexibility and deal certainty amidst current volatile market conditions.

In the current volatile market conditions, characterised by macroeconomic challenges and geopolitical uncertainties, the Offeror has sought to maximise flexibility and deal certainty for the Shareholders. 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. The Share Offer provides all Shareholders with an opportunity to realise their investment in the Company for cash amidst an uncertain market climate.

The Share Offer is designed to succeed upon the Offeror securing valid acceptances that result in the Offeror and persons acting in concert with it holding more than 50% of the Company's voting rights. The Shareholders can therefore either immediately realise their investment gains through the Share Offer or retain their Shares and potentially benefit from the long-term growth prospects of the Company.

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 HK\$15.1 billion, with HK\$11 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 HK\$763 million and HK\$620 million, respectively, representing declines of approximately 32.6% and 45.3% compared to HK\$1.13 billion in fiscal year 2022. Over the same period, financial costs increased to HK\$702 million in 2023 and HK\$860 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 March 2025, China Mobile held cash and cash equivalents of RMB125.1 billion, with total assets amounting to over RMB2.1 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 minimising its financing-related costs. In particular, the Offeror is currently in discussions with the Company with the aim of helping the Company to secure more optimal financing terms, thereby reducing its interest expenses and overall financing-related costs. Upon closing of the Share Offer, 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 contribute its industry-leading expertise and resources to enhance the Company's competitive position and expand its market presence.

The Offeror recognises 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 320 million wireline broadband users. Through this transaction, China Mobile also aims to strengthen the Company's role as a core platform in the Hong Kong market by contributing 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. Following completion of the Share Offer, China Mobile aims to utilise its proven track record and managerial expertise, established product models, and strategic resources to bolster the Company's position in Hong Kong and maximise synergies. China Mobile will also enable the Company to optimise its mobile business by drawing on 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.

16. INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP

Upon completion of the Share Offer, 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 Latest Practicable Date, it is the intention of the Offeror for the Group to continue to carry on its existing business and the Offeror 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). As at the Latest Practicable Date, the Offeror has no intention to downsize, cease or dispose of any existing business or operations of the Group.

Following completion of the Share Offer, 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.

17. RIGHT OF COMPULSORY ACQUISITION

As stated in the Announcement, whilst the Offeror's objective in making the Share Offer is not to privatise the Company, the Offeror intends to avail itself of the right under section 88 of the Companies Act to compulsorily acquire those Shares not acquired by the Offeror under the Share Offer if, within four months after the date of the Offer Document, it has received valid acceptances in respect of not less than 90% of the Shares not already held by the Offeror and/or parties acting in concert with it. 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 requirements of Rule 2.11 of the Takeovers Code are satisfied, an application will be made to the Stock Exchange to suspend dealings in the Shares until the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

18. LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Share Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares (excluding treasury shares), are held by the public, 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, the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.

As noted above, the Offeror's ability to exercise the Compulsory Acquisition Right in respect of the Offer Shares is dependent on the level of acceptances of the Share Offer reaching the prescribed levels under the Companies Act and the requirements of Rule 2.11 of the Takeovers Code being satisfied. Upon the closing of the Share Offer, in the event that the Offeror is not able to effect the compulsory acquisition of the remaining Offer Shares, the Shares will remain listed on the Stock Exchange. The directors of the Offeror have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Company's Shares, where the Offeror is unable to exercise the Compulsory Acquisition Right under section 88 of the Companies Act.

19. ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Share Offer and the Offeror set out in the appendices to this Offer Document and the accompanying Share Offer Acceptance Form, which form part of this Offer Document.

Following the despatch of the Offer Document by the Offeror, the Company will be required under the Takeovers Code to despatch the Response Document within 14 days. The Response Document will include the views of the Board and the independent board committee of the Company on the Share Offer, and the letter of advice from the independent financial adviser in relation to the Share Offer. You are advised to read the Offer Document and the Response Document before taking any action in respect of the Share Offer.

In considering what action to take in connection with the Share Offer, you should consider your own tax or financial position and if you are in any doubt, you should consult your professional advisers.

WARNING

Shareholders of, and/or potential investors in, the Company should note that, completion of the Share Offer 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 Share Offer may or may not become unconditional and may or may not be completed. Accordingly, the issue of this Offer Document does not imply that the Share Offer 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.

For and on behalf of
China International Capital Corporation
Hong Kong Securities Limited



David Ching
Executive Director