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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)**

CONFIRMATION OF OFFER PRICE

Financial Adviser to China Mobile Hong Kong Company Limited



China International Capital Corporation Hong Kong Securities Limited

Reference is made to the announcement issued by China Mobile Hong Kong Company Limited (the “**Offeror**”) on 2 December 2024 (the “**3.5 Announcement**”) in relation to the pre-conditional voluntary general cash offer by China International Capital Corporation Hong Kong Securities Limited, for and on behalf of the Offeror, to acquire all of the issued shares in HKBN Ltd. (the “**Company**”), as well as the subsequent announcements issued by the Offeror on 23 December 2024, 23 January 2025, 21 February 2025, 21 March 2025, 10 April 2025 and 9 May 2025. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the 3.5 Announcement.

The Offeror has noted various recent news reports regarding the impact of certain dividends declared by the Company on the Offer Price, which incorrectly stated the amount of the Offer Price as effectively translating to about HK\$4.91 per Share after excluding dividends. The Offeror wishes to publish this announcement to clarify such information.

CONFIRMATION OF OFFER PRICE

The Offeror would like to confirm the following:

- (i) As stated in the 3.5 Announcement and as required under the Takeovers Code, save for the 2024 Final Dividend (which is specifically carved out), if any dividend is announced, declared or paid in respect of the Shares after the 3.5 Announcement, then the Offeror must reduce the Offer Price by the amount of such dividend such that the overall value receivable by the Shareholders remains the same.
- (ii) On 25 April 2025, the Company declared an interim dividend for the six months ended 28 February 2025 of HK\$0.155 per Share (the “**2025 Interim Dividend**”), which as required under the Takeovers Code, must be deducted from the Offer Price.
- (iii) However, as stated in the 3.5 Announcement, the 2024 Final Dividend shall not be deducted from the Offer Price, and so the Shareholders are entitled to receive the benefit of the 2024 Final Dividend in full in addition to the Offer Price.
- (iv) **Consequently, following the declaration of the 2025 Interim Dividend, the Offer Price and the RSU Offer Price shall be adjusted (by deducting the amount of the 2025 Interim Dividend only) to HK\$5.075 per Share and HK\$5.075 per Unvested RSU respectively (the “Resulting Offer Price”).**
- (v) For the avoidance of doubt, if the Company announces, declares or pays any further dividends before completion of the Offers, then as required under the Takeovers Code, the Resulting Offer Price shall be further adjusted for the amount of such dividends.

BENEFITS OF THE OFFERS

The Offeror encourages all Shareholders and potential investors of the Company to carefully consider the content of the 3.5 Announcement, in particular the paragraph headed “*12. Reasons for and Benefits of the Offers*”, as to the rationale for making the Offers. The Offeror would also like to supplement with the following information.

The Offer Price represents a highly attractive premium for Shareholders.

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 firmly believes that the Offer Price represents a highly attractive opportunity for Shareholders to monetise their investments at a compelling premium. In particular:

- (i) The Resulting Offer Price of HK\$5.075 per Share represents a premium of approximately 42.76% over the closing price (on an ex-dividend basis) of HK\$3.555 per Share as quoted on the Stock Exchange on the Undisturbed Date, as well as a premium of approximately 57.20%, 75.48% and 87.87% over the average closing price (on an ex-dividend basis) 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.
- (ii) The Offer Price has already been endorsed by some of the Company’s largest Shareholders. In particular, the Offeror has acquired a 15.46% stake in the Company at the Offer Price from TPG Wireman, L.P. (which will not be paid the 2025 Interim Dividend) and is now the joint largest Shareholder in the Company. As stated in the 3.5 Announcement, 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.
- (iii) The Offeror further notes that, in the period since the 3.5 Announcement and up to 27 May 2025, the total trading volume of Shares has represented 47.71% of the total issued share capital of the Company as at the date of this announcement, and 94.41% of the total issued share capital of the Company as at the date of this announcement (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 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.
- (iv) The Offeror is therefore confident that the Resulting Offer Price is well recognised as a compelling proposition by a majority of the Company’s Shareholders and potential investors.

Offers provide maximum flexibility and deal certainty to the Shareholders.

- (i) In the current market conditions, characterised by macroeconomic challenges and geopolitical uncertainties, the Offeror has sought to maximise flexibility and deal certainty for the Shareholders. As the Offeror's objective in making the Offers is not to privatise the Company, the Offers are 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 Offers or retain their Shares and potentially benefit from the long-term growth prospects of the Company.

Positive support and synergies for the sustained development of the Company.

- (i) The Company currently has significant financing costs which have constrained its ability to distribute dividends. In particular, 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. Through this transaction, the Offeror intends to leverage China Mobile's strong financial position and high credit rating to support the Company in minimising its financing costs, and improving its financial position.
- (ii) Following completion of the Offers, China Mobile also aims to leverage 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.
- (iii) As stated in the 3.5 Announcement, 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). 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. The Offers are therefore expected to bring significant benefits to both the Group and its consumers, as well as provide stability to its employees.

FEASIBILITY OF ANY OTHER POSSIBLE OFFERS

Whilst the Offeror understands that the Company has been in discussions with a particular potential investor, no firm intention to make an offer has been published by such investor to date, despite a prolonged period of discussion.

Any such offer (if it were to materialise) would need to be conditional upon engagement with the Communications Authority (as well as potentially other regulators), which we expect would necessarily require a significant period of time. It would also require the support of the Shareholders, of which the Offeror is a significant Shareholder.

On the other hand, the Offeror has been making very positive progress in satisfying the remaining Pre-Conditions, and expects to provide a substantive update in the Offeror's next monthly update to the Shareholders and investors of the Company.

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.

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

Hong Kong, 28 May 2025

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

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.