
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in HKBN Ltd., you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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HKBN Ltd.

香港寬頻有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1310

- (1) PROPOSED ADOPTION OF THE CO-OWNERSHIP PLAN III PLUS;
(2) SCHEME MANDATE TO ISSUE NEW SHARES UNDERLYING
THE RSUS TO BE GRANTED UNDER THE CO-OWNERSHIP PLAN III PLUS;
(3) PROPOSED CONNECTED TRANSACTIONS INVOLVING
THE POTENTIAL GRANT OF RSUS TO CONNECTED PARTICIPANTS;
AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**

ALTUS CAPITAL LIMITED

A notice convening the extraordinary general meeting of the Company to be held at 10:00 a.m., on 19 August 2019, Monday at WOW Land, 16th Floor, Trans Asia Centre, 18 Kin Hong Street, Kwai Chung, New Territories, Hong Kong is set out on pages 68 to 69 in this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the office of the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting, or any adjournment thereof, should you so wish.

A letter from the Board is set out on pages 9 to 24 of this circular, a letter from the Independent Board Committee is set out on page 25 of this circular and a letter from Altus Capital Limited containing its recommendation to the Independent Shareholders is set out on pages 26 to 44 of this circular.

29 July 2019

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

- “Adjusted Available Cash per Share for Distribution”
- in respect of a Financial Year, a pro forma amount equal to the ‘Adjusted Free Cash Flow’ amount as determined based on the information in the Company’s latest published annual results for such Financial Year on a consistent basis as compared to the determination of this amount in prior Financial Years, as adjusted by:
- (i) excluding any non-cash accounting adjustment, loss, expense or cost arising from or in connection with the Co-Ownership Plan III Plus;
 - (ii) excluding the principal investment amount or one-off financing or acquisition fee, cost or expense relating to or arising from the investment in or acquisition of real property (including but not limited to any office building or network operation centres) by the Group for self-use and in the normal line of business of the Group;
 - (iii) excluding the transaction costs and expenses associated with any successful acquisition of companies or business by the Group; and
 - (iv) adjusting the impact of any upfront transaction fees incurred for any debt financing (whether in the form of loan facility or issuance of debt securities) by the Group so that only the following items would affect the determination of the adjusted available cash per share for distribution: (A) the annual amortised portion of such transaction fees (instead of the immediate cash outflow); and (B) any unamortised annual portion of such transaction fees which would need to be recognised on an accelerated basis as a result of any re-financing or early repayment or redemption arrangement,

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and then divided by the number of Shares in Issue on the date of the publication of the Company's annual results for such Financial Year, provided that if the Company issues any Share in Issue during any Financial Year, the number of additional Shares in Issue on the date of publication of the Company's annual results for such Financial Year shall only reflect a weighted average of Shares in Issue

“Adoption Conditions”	has the meaning ascribed to it in paragraph 5(a) of Appendix I, being the conditions for the adoption of the Co-Ownership Plan III Plus to become effective
“Annual Remuneration Package”	with respect to an Eligible Talent, the higher of: (i) the total income reported by such Eligible Talent in his/her latest employee's tax return filed with the Inland Revenue Department prior to the date of the relevant invitation; and (ii) the basic monthly salary of such Eligible Talent as an employee of the Group as at the date of the relevant invitation, multiplied by 14 (12 months plus 2 months typical bonus)
“Articles”	the memorandum and articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“associate”	has the meaning ascribed to it in the Listing Rules
“Award Share”	a new Share which a Grantee becomes entitled to receive upon the vesting of an RSU
“Bad Leaver”	any leaver who is not a Good Leaver
“Board”	the board of Directors from time to time or a duly authorised committee of the Board or such other committee as the Board may authorise
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities

DEFINITIONS

“Charitable Fund”	HKBN Talent CSI Fund Limited, a company limited by guarantee incorporated in Hong Kong on 27 July 2015, which is independent from the Company and set up for the purpose of supporting charitable projects or charitable or not-for-profit organisations in Hong Kong and elsewhere
“Co-Ownership Plan II”	the restricted share unit scheme adopted by the Company on 21 February 2015, a summary of the principal terms of which is set out in the prospectus of the Company dated 27 February 2015
“Co-Ownership Plan III”	the restricted share unit scheme adopted by the Company at the annual general meeting convened on 15 December 2017, a summary of the principal terms of which is set out in the circular of the Company dated 16 November 2017
“Co-Ownership Plan III Plus”	the restricted share unit scheme proposed to be adopted by the Company, a summary of the principal terms of which is set out in Appendix I of this circular
“Commencement Date”	the date on which the Co-Ownership Plan III Plus becomes effective, which shall be 18 October 2019 subject to the satisfaction of the Adoption Conditions
“Companies Law”	the Cayman Islands Companies Law, as amended and restated from time to time
“Company”	HKBN Ltd., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Connected Grant”	the proposed grant of RSUs to the Connected Participants who will become Grantees under the Co-Ownership Plan III Plus
“Connected Participant”	an Eligible Talent who is a Director or chief executive of the Company or a director or chief executive of any of its subsidiaries as at the Latest Practicable Date and whose details are set out in the “Letter from the Board” of this circular
“connected person”	has the meaning ascribed to it in the Listing Rules

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“Director”	a director of the Company
“Eligible Talent”	(i) an Executive Director of the Company; or (ii) a Talent or consultant of the Company or any member of the Group that is of Point 3 grade or above and whose probation period (if applicable) has expired and who has not given a notice of resignation to any member of the Group or who has not been given a notice of termination of employment by any member of the Group
“Executive Directors”	Mr. Chu Kwong YEUNG and Mr. Ni Quiaque LAI
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company to be convened at 10:00 a.m. on 19 August 2019, Monday at WOW Land, 16th Floor, Trans Asia Centre, 18 Kin Hong Street, Kwai Chung, New Territories, Hong Kong, notice of which is set out on pages 68 to 69 of this circular
“Financial Year”	in respect of any calendar year, the Company’s financial year ending on 31 August of the relevant year
“Good Leaver”	a leaver who ceases to be employed or engaged by the Company or any Group Company, or ceases to be a Director or a director of any Group Company, by reason of: (i) death; (ii) retirement at or after the age of 60; (iii) permanent ill health or physical or mental disability which renders him/her incapable of continued employment in his/her current position carrying out the normal duties for that position, as certified by a general medical practitioner, or other specialist medical professional; or (iv) who has been deemed by the Board as a Good Leaver according to the terms of the Co-Ownership Plan III Plus
“Grant” or “Proposed Grant”	the grant (including the Connected Grant) of an RSU to the Participants (including the Connected Participants) under the Co-Ownership Plan III Plus
“Grant Date”	the earlier of: (i) the date on which the cumulative Adjusted Available Cash per Share for Distribution amount since the beginning of the 2019 Financial Year reaches HK\$3.03; and (ii) the date on which the Company’s annual results for the 2021 Financial Year is published

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“Grantee”	any Participant to whom a Grant is made in accordance with the terms of the Co-Ownership Plan III Plus or, where the context so permits, any person entitled to any such RSU in consequence of the death of the original Grantee as a Good Leaver or the legal personal representative of such person, or the Charitable Fund after an RSU has been granted to it
“Group”	the Company and its subsidiaries and a “Group Company” means any of the aforesaid companies
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee comprising all independent non-executive Directors who do not have a material interest in the Co-Ownership Plan III Plus, which was established to advise the Independent Shareholders in relation to the adoption of the Co-Ownership III Plus, the grant of the Scheme Mandate and the Connected Grant
“Independent Financial Adviser”	Altus Capital Limited, a licensed corporation to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and Independent Shareholders in respect of the adoption of the Co-Ownership III Plus, the grant of the Scheme Mandate and the Connected Grant
“Independent Shareholders”	Shareholders other than those who have a material interest in the adoption of the Co-Ownership Plan III Plus, the grant of the Scheme Mandate and the Connected Grant and are required to abstain from voting on the relevant resolutions at the Extraordinary General Meeting
“Investment Amount”	the monetary amount nominated by the Participant for the purchase of Shares

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“Invitation Period”	each of the following periods: (i) the period of 10 Business Days from the date of publication of the Company’s annual results for 2019 Financial Year; (ii) the period of 10 Business Days from the date of publication of the Company’s interim results for 2020 Financial Year; and (iii) the period of 10 Business Days from the date of publication of the Company’s annual results for 2020 Financial Year, subject to the Company’s discretion to set other invitation period(s) as appropriate as provided in paragraph 6(a) of Appendix I
“Latest Practicable Date”	23 July 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“M&A Event”	any transaction by the Group which constitutes a ‘major transaction’, ‘very substantial acquisition’ or ‘very substantial disposal’ of the Company (such terms having the meaning given to them in Chapter 14 of the Listing Rules), whether or not such transaction involves any issuance of Shares by the Company
“Participant”	an Eligible Talent who has accepted an invitation to participate in the Co-Ownership Plan III Plus and whose acceptance is accepted by the Board pursuant to the terms thereof, or the Charitable Fund after an RSU has been granted to it
“Plan Trustee”	the professional trustee appointed by the Company from time to time of the Co-Ownership Plan III Plus
“Purchase Priority”	has the meaning ascribed to it in paragraph 6(c) of Appendix I
“Purchased Share(s)”	has the meaning ascribed to it in paragraph 6(b) of Appendix I
“Reorganisation of Capital Structure”	an alteration in the capital structure of the Company as described in paragraph 14 of Appendix I

DEFINITIONS

“RSU”	a contingent right which entitles a Grantee to receive one Award Share to be awarded pursuant to the terms and conditions of the Co-Ownership Plan III Plus
“Scheme Mandate”	a mandate to be sought from the Shareholders at a general meeting of the Company to authorise the Directors to allot and issue new Shares pursuant to the vesting of the RSUs under the Proposed Grant pursuant to the terms and conditions of the Co-Ownership Plan III Plus up to the Scheme Mandate Limit
“Scheme Mandate Limit”	the total maximum number of new Shares that may underlie the RSUs to be granted pursuant to the Co-Ownership Plan III Plus, being 3% of the Shares in Issue on the day of the general meeting approving the Co-Ownership Plan III Plus (as may be adjusted in the event of a Reorganisation of Capital Structure)
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of Shares
“Shares”	fully paid ordinary shares with a nominal value of HK\$0.0001 each in the share capital of the Company or, if there has been a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares forming part of the ordinary share capital of the Company of such nominal amount as shall result from any such sub-division, reduction, consolidation, reclassification or reconstruction
“Shares in Issue”	Shares that have been issued by the Company and Shares that are issuable by the Company pursuant to the exercise of convertible or exchangeable instruments or rights or option to subscribe for Shares that are in issue and outstanding, provided that no further consideration shall be payable by the holder of such instrument, right or option upon exercising such instrument, right or option (but excluding any RSUs granted under the Co-Ownership Plan III Plus and any rights or options issued by the Company under any employee incentive plan or scheme)

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it in the Listing Rules
“Talent”	an employee of the Group
“Term”	has the meaning ascribed to it in paragraph 5(b) of Appendix I
“vest”	with respect to a Grantee, the time when the Grantee becomes entitled to receive all or such proportion of the Shares underlying the RSU(s) granted to him/her in accordance with the terms of the RSU and the Co-Ownership Plan III Plus
“Vesting Conditions”	has the meaning ascribed to it in paragraph 11(b) of Appendix I
“Vesting Date”	with respect to an RSU granted to a Grantee, the date on which the RSU vests, being the date falling one year from the Grant Date in respect of such RSU, subject to satisfaction of the Vesting Conditions
“WTT Merger”	the acquisition of the entire issued share capital in WTT Holding Corp by the Company
“WTT Merger Announcement”	the announcement with respect to the completion of the WTT Merger issued by the Company on 30 April 2019
“%”	per cent

LETTER FROM THE BOARD



HKBN Ltd.

香港寬頻有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1310

Board of Directors:

Chairman and independent non-executive Director

Mr. Bradley Jay HORWITZ

Executive Directors

Mr. Chu Kwong YEUNG

Mr. Ni Quiaque LAI

Non-executive Directors

Ms. Deborah Keiko ORIDA

Mr. Zubin Jamshed IRANI

Mr. Teck Chien KONG

Independent non-executive Directors

Mr. Stanley CHOW

Mr. Yee Kwan Quinn LAW, SBS, JP

Registered Office:

P.O. Box 309

Ugland House

Grand Cayman KY1-1104

Cayman Islands

Principal Place of Business

in Hong Kong:

12th Floor, Trans Asia Centre

18 Kin Hong Street, Kwai Chung

New Territories

Hong Kong

29 July 2019

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED ADOPTION OF THE CO-OWNERSHIP PLAN III PLUS;
(2) SCHEME MANDATE TO ISSUE NEW SHARES UNDERLYING
THE RSUS TO BE GRANTED UNDER THE CO-OWNERSHIP PLAN III PLUS;
(3) PROPOSED CONNECTED TRANSACTIONS INVOLVING
THE POTENTIAL GRANT OF RSUS TO CONNECTED PARTICIPANTS;
AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information reasonably necessary to enable you to make a decision on whether to vote for or against the resolutions to be proposed at the Extraordinary General Meeting for the approval of, *inter alia*:

- (a) the proposed adoption of the Co-Ownership Plan III Plus and the grant of the Scheme Mandate to issue new Shares underlying the RSUs to be granted under the Co-Ownership Plan III Plus; and

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- (b) the potential grant of RSUs and issuance of the Award Shares to the Connected Participants under the Co-Ownership Plan III Plus.

Further, this circular provides the Shareholders with a letter from the Independent Board Committee and a letter from Altus Capital Limited, the Independent Financial Adviser, to advise the Independent Board Committee and the Independent Shareholders, for the Independent Shareholders to make an informed decision as to whether to vote for or against the proposed resolutions to approve the adoption of the Co-Ownership Plan III Plus, the grant of the Scheme Mandate to issue new Shares underlying the RSUs to be granted under the Co-Ownership Plan III Plus and the Connected Grant.

2. PROPOSED ADOPTION OF THE CO-OWNERSHIP PLAN III PLUS AND SCHEME MANDATE TO ISSUE NEW SHARES UNDERLYING THE RSUS TO BE GRANTED UNDER THE CO-OWNERSHIP PLAN III PLUS

Reference is made to the announcement of the Company dated 21 June 2019, in relation to, among other things, the proposed adoption of the Co-Ownership Plan III Plus and the Proposed Grant of RSUs under, and pursuant to the terms and conditions of, the Co-Ownership Plan III Plus under the Scheme Mandate.

Subject to the Co-Ownership Plan III Plus taking effect, the Company proposes to terminate the Co-Ownership Plan III.

a. Proposed adoption of the Co-Ownership Plan III Plus

On 21 June 2019, the Board considered and approved the conditional adoption of the Co-Ownership Plan III Plus (which terms include the Proposed Grant of RSUs and the Connected Grant), subject to the Independent Board Committee reaching a positive view on the Co-Ownership Plan III Plus and obtaining the approval of the Independent Shareholders for the matters stated in section 1 above. Conditional upon the Co-Ownership Plan III Plus taking effect, the Board also resolved to terminate the Co-Ownership Plan III. If the Co-Ownership Plan III Plus cannot take effect for any reason, the Co-Ownership Plan III will remain in place and the Board will decide whether to take further action in relation to the Co-Ownership Plan III. A summary of the principal terms of the Co-Ownership Plan III Plus is set out in Appendix I to this circular.

The effectiveness of the Co-Ownership Plan III Plus on the Commencement Date is subject to the satisfaction of the following conditions:

- (a) the passing of a resolution by the Independent Shareholders at a general meeting to approve the adoption of the Co-Ownership Plan III Plus and to grant a specific mandate to the Directors to allot and issue ordinary shares of the Company under the Co-Ownership Plan III Plus up to 3% of the Shares in Issue as at the date of the general meeting of the Company at which the adoption of the Co-Ownership Plan III Plus is approved (as may be adjusted in the event of a Reorganisation of Capital Structure), which may underlie the RSUs to be granted pursuant to the Co-Ownership Plan III Plus; and

LETTER FROM THE BOARD

- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, all the new Shares which may be allotted and issued under the Scheme Mandate.

Application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, up to 44,367,647 Shares to be issued on the Vesting Date pursuant to the Scheme Mandate.

The Plan Trustee will be a third party independent from the Company and its connected persons.

b. Scheme Mandate to issue new Shares underlying the RSUs to be granted under the Co-Ownership Plan III Plus

As new Shares will be allotted and issued as Award Shares pursuant to the granting of the RSUs (including the Connected Grant) under the Co-Ownership Plan III Plus, the Company will seek the Independent Shareholders' approval at the Extraordinary General Meeting of the Scheme Mandate for the Award Shares to be allotted and issued pursuant to the Co-Ownership Plan III Plus. The Scheme Mandate will be subject to the following limits/restrictions:

- (a) the total number of Shares underlying the RSUs that may be granted under the Co-Ownership Plan III Plus shall not exceed such number of Shares representing 3% of the Shares in Issue as at the date of the Extraordinary General Meeting (as may be adjusted in the event of a Reorganisation of Capital Structure); and
- (b) no RSU will be granted where any Director is in possession of unpublished inside information in relation to the Group or where dealings by Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

The number of RSUs to be granted to a Participant under the Proposed Grant will be subject to the criteria and conditions specified in the Co-Ownership Plan III Plus. Further details of the conditions of grant are set out in the section headed "6. Purchases of Shares and Grant of RSUs – (e) Grant of RSUs" in Appendix I to this circular.

As at the Latest Practicable Date, the total number of issued Shares was 1,311,599,356, and the number of the total issued Shares of the Company assuming the full conversion of the Vendor Loan Notes (as defined in the WTT Merger Announcement) is 1,478,921,568. On the basis that no further Shares will be allotted and issued or repurchased from the Latest Practicable Date up to the Grant Date, assuming that all conditions to the grant of the RSUs are satisfied, and subject to the passing of the resolutions approving the granting of the Scheme Mandate at the Extraordinary General Meeting, up to 44,367,647 new Shares may be allotted and issued as Award Shares underlying the RSUs to be granted under the Co-Ownership Plan III Plus on the basis of one Award Share for one RSU.

LETTER FROM THE BOARD

3. PROPOSED CONNECTED TRANSACTIONS INVOLVING THE PROPOSED GRANT OF RSUS TO CONNECTED PARTICIPANTS UNDER THE CO-OWNERSHIP PLAN III PLUS

a. Eligible Talents

Pursuant to the Co-Ownership Plan III Plus, Eligible Talents under the Co-Ownership Plan III Plus include the Connected Participants during the term of the Co-Ownership Plan III Plus. As at the Latest Practicable Date, the total number of Eligible Talents under the Proposed Grant is approximately 1,000, representing approximately 22% of the total number of existing Talents of the Group, which include certain Eligible Talents of WTT Holding Corp after completion of the WTT Merger.

b. Connected Participants

Of all the Eligible Talents identified as at the Latest Practicable Date, eight of them are connected persons of the Company. Assuming that (i) all the Connected Participants will agree to participate, and do participate, in the Co-Ownership Plan III Plus to the fullest extent; (ii) all conditions to the grant of the RSUs are satisfied and the maximum entitlements to the RSUs will be granted; and (iii) all the Connected Participants become grantees of RSUs and are vested with the Award Shares upon satisfaction of the Vesting Conditions, and on the basis of the 3% limit by reference to the number of Shares in Issue as at the Latest Practicable Date, the maximum number of Award Shares that will be awarded to the Connected Participants is 5,856,590 in total (the maximum number of Award Shares that will be awarded to the Connected Participants was determined on 21 June 2019 based on the closing share price of the Company on the prior trading day).

The Connected Participants are also included as Eligible Talents under the Co-Ownership Plan III Plus as they are, in terms of their executive or management position with the Group, also of an internal grading of Point 3 or above.

LETTER FROM THE BOARD

Details of the Connected Participants as at the Latest Practicable Date and the maximum number of Award Shares underlying the RSUs that may be granted to these Connected Participants under the Connected Grant, based on the assumptions stated in the paragraph above, are set out in the table below.

Number	Name	Position and connected relationship with the Group	Maximum number of Award Shares underlying the RSUs to be granted	Approximate % of the total number of Award Shares underlying the RSUs that could be granted	Approximate % of total issued share capital of the Company assuming the maximum number of Award Shares has been issued ^(Note 1)
1	Mr. Chu Kwong YEUNG	Executive Director and director of subsidiaries of the Group	2,172,484	4.90%	0.16%
2	Mr. Ni Quiaque LAI	Executive Director and director of subsidiaries of the Group	1,490,070	3.36%	0.11%
3	Six Eligible Talents of the Group ^(Note 2)	directors of subsidiaries of the Group	2,194,036	4.95%	0.16%

Note 1: It is also assumed that the Vendor Loan Notes (as defined in the WTT Merger Announcement) have not been converted in full.

Note 2: The six Eligible Talents of the Group are Mr. Tak Wa William YEUNG, Mr. Yue Kit Andrew WONG, Ms. Yan Fen LIU, Ms. Wing Sze CHAN, Ms. Wai Han Stella YU and Ms. Li Li DAI, and the maximum number of Award Shares underlying the RSUs to be granted to each aforesaid Eligible Talent are 1,016,199, 543,545, 125,574, 410,963, 72,548 and 25,207 respectively.

Please note that the potential grant of RSUs and issue and allotment of Award Shares to the Connected Participants would vary depending on the deviations from the assumptions stated above, provided that the number of Award Shares that underlies the RSUs that may be granted to each Connected Participant under the Co-Ownership Plan III Plus shall not exceed the maximum number that he or she is entitled to, as disclosed in the above table. Accordingly, information contained in the above table is provided only for illustrative purpose and has been presented on the basis of the stated assumptions.

The maximum number of the Award Shares underlying the RSUs to be granted under the Co-Ownership Plan III Plus represents approximately 3% of the Shares in Issue as at the date of the Extraordinary General Meeting, and based on the number of the total issued Shares as at the Latest Practicable Date and assuming the full conversion of the Vendor Loan Notes (as defined in the WTT Merger Announcement), this number equals to 44,367,647 new Shares. If the Scheme Mandate is utilised to the fullest extent, 44,367,647 new Shares will represent approximately 2.91% of the total number of issued Shares of the Company (on a fully diluted

LETTER FROM THE BOARD

basis) as enlarged by and immediately following the full utilisation of the Scheme Mandate and issue of the Award Shares underlying the RSUs on the Vesting Date, assuming that no other Shares are issued or repurchased by the Company before such full utilisation of the Scheme Mandate on the Vesting Date.

For the avoidance of doubt, the new Award Shares underlying the RSUs to be granted to the Connected Participants will also be allotted and issued using the Scheme Mandate to be sought in the Extraordinary General Meeting.

c. Purchase Priority if there is an over-subscription of Shares

For any Invitation Period, if the total Investment Amounts of the Participants will result in the purchase of Shares exceeding the maximum number of Shares available for purchase by all Participants, the allocation for the purchase of Shares shall be determined by the following priority:

- (a) to satisfy the Investment Amounts of up to 12 months of the Annual Remuneration Package of each Participant (excluding the Executive Directors), with each such Participant's entitlement determined on a pro-rata basis as amongst all such Participants;
- (b) to satisfy the Investment Amounts of those who have become Eligible Talents of the Group on or prior to 31 August 2018 up to the remaining unsatisfied Investment Amounts of such Participants (excluding the Executive Directors), determined on a pro-rata basis;
- (c) to satisfy the Investment Amounts of those who have become Eligible Talents of the Group after 31 August 2018 up to the remaining unsatisfied Investment Amounts of such Participants (excluding the Executive Directors), determined on a pro-rata basis; and
- (d) to satisfy the Investment Amounts of the Executive Directors on a pro-rata basis.

As a result, the other Participants will enjoy priority over the Executive Directors in their purchase of Shares and participation in the Co-Ownership Plan III Plus.

4. CORPORATE SOCIAL INVESTMENT ELEMENT

In addition, the Co-Ownership Plan III Plus has a corporate social investment element as the Charitable Fund will also be a Participant of the Co-Ownership Plan III Plus. The Executive Directors will donate a total of 4,000,000 Shares to the Charitable Fund and once such Shares are donated, they will be held by the Charitable Fund (or its custodian or nominee) and not by the Plan Trustee. As a contribution to the Charitable Fund by the Company, the Charitable Fund is entitled to receive RSUs and Award Shares under the terms of the Co-Ownership Plan III Plus. Any Eligible Talent may, at their own discretion, make contributions to the Charitable Fund by directing the Plan Trustee to transfer any part of their Award Shares receivable upon the vesting of the RSUs to the Charitable Fund. This will support the Company's core purpose of "*Make our Hong Kong a better place to live*" and immerse Eligible Talents in a variety of corporate social investment projects. Please refer to the section headed "2. Corporate Social Investment Element" in Appendix I to this circular for further details.

LETTER FROM THE BOARD

5. POTENTIAL SHAREHOLDING IMPACT OF THE CO-OWNERSHIP PLAN III PLUS

The following table sets out the shareholding structure of the Company as at the Latest Practicable Date and after the Purchased Shares have been purchased and immediately following full utilisation of the Scheme Mandate and issue of the Award Shares on the Vesting Date, assuming that (i) the Eligible Talents (including the Connected Participants) and the Charitable Fund identified as at the Latest Practicable Date will agree to participate, and do participate in the Co-Ownership Plan III Plus; (ii) all conditions to the grant of the RSUs are satisfied and the maximum entitlements to the RSUs have been granted; (iii) all the Eligible Talents (including the Connected Participants) and the Charitable Fund become grantees of RSUs and are vested with the Award Shares upon satisfaction of the Vesting Conditions; (iv) no other Shares are issued or repurchased by the Company before full utilisation of the Scheme Mandate on the Vesting Date on the basis of the Scheme Mandate Limit determined by reference to the number of Shares in Issue as at the Latest Practicable Date; and (v) the Vendor Loan Notes (as defined in the WTT Merger Announcement) have not been converted in full:

	As at the Latest Practicable Date		After the Purchased Shares have been purchased and immediately upon full utilisation of the Scheme Mandate	
	Number of issued Shares ^(Note 1)	Approximate percentage	Number of issued Shares ^(Note 1)	Approximate percentage
Substantial Shareholder				
Bonderman David/ Coulter James George ^(Note 2)	152,966,345	11.66%	152,966,345	11.28%
Kim Michael ByungJu/ Kong Teck Chien ^(Note 3)	152,966,345	11.66%	152,966,345	11.28%
Canada Pension Plan Investment Board	182,405,000	13.91%	182,405,000	13.45%
Connected Participants	65,503,800 ^(Note 4)	4.99%	67,360,390 ^(Note 6)	4.97%
Other Eligible Talents (excluding the Charitable Fund)	12,725,794 ^(Note 5)	0.97%	45,916,851 ^(Note 7)	3.39%
Charitable Fund	–	–	9,320,000 ^(Note 8)	0.69%
Other public Shareholders	745,032,072	56.80%	745,032,072	54.94%
Total	<u>1,311,599,356</u>	<u>100.00%</u>	<u>1,355,967,003</u>	<u>100.00%</u>

Notes:

- It is also assumed that the Vendor Loan Notes (as defined in the WTT Merger Announcement) have not been converted in full.
- Mr. Bonderman David, through corporations directly and indirectly controlled by him, namely TPG Asia Advisors VI, Inc. and TPG Wireman, L.P., held 236,627,451 ordinary shares in the Company, in which 83,661,106 ordinary shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.

LETTER FROM THE BOARD

Mr. Coulter James George, through corporations directly and indirectly controlled by him, namely TPG Asia Advisors VI, Inc. and TPG Wireman, L.P., held 236,627,451 ordinary shares in the Company, in which 83,661,106 ordinary shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.

3. Mr. Kim Michael ByungJu, through corporations directly and indirectly controlled by him, namely MBK GP III, Inc., MBK Partners GP III, L.P., MBK Partners Fund III, L.P., MBK Partners JC, L.P. and Twin Holding Ltd held 236,627,451 ordinary shares in the Company, in which 83,661,106 ordinary shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.

Mr. Kong Teck Chien, through corporations directly and indirectly controlled by him, namely MBK Partners JC GP, Inc., MBK Partners JC GP, L.P., MBK Partners JC, L.P. and Twin Holding Ltd held 236,627,451 ordinary shares in the Company, in which 83,661,106 ordinary shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.

4. 65,503,800 Shares which the Connected Participants are personally interested in include the purchased Shares, the Shares underlying the restricted share units that were granted and vested pursuant to the Co-Ownership Plan II, and the Shares otherwise personally held by the Connected Participants.
5. 12,725,794 Shares which the Eligible Talents (other than the Connected Participants) are personally interested in include the purchased Shares, and the Shares underlying the restricted share units that were granted and vested pursuant to the Co-Ownership Plan II. The information in the above table assumes that the Eligible Talents (other than the Connected Participants) do not hold any other interest in any Share, as the Company does not have any information on whether any of the Eligible Talents (other than the Connected Participants) holds any Share.
6. This assumes that the Connected Participants will receive the maximum number of Award Shares that can be awarded to them under the Co-Ownership Plan III Plus (as explained in the sub-section headed "Connected Participants" in this "Letter from the Board"), without taking into account any adjustment that may need to be made because there is an over-subscription under the Co-Ownership Plan III Plus by invitees who will be invited during the Invitation Period, and that the Connected Participants will hold in aggregate, through the Plan Trustee, such number of Purchased Shares by investing their respective maximum Investment Amount. The 4,000,000 Shares to be donated by the Executive Directors are also deducted. The description in Note 4 above also applies.
7. This assumes that the Eligible Talents (other than the Connected Participants) will receive the balance of the maximum number of Award Shares under the Scheme Mandate (after deducting the maximum entitlement of the Charitable Fund and the maximum entitlement of the Connected Participants), and that the Eligible Talents will hold in aggregate and through the Plan Trustee, such number of Purchased Shares by investing their respective maximum Investment Amount. The descriptions in Notes 5 and 6 above also apply.
8. In relation to the Charitable Fund, taking into account the 4,000,000 Shares to be donated by the Executive Directors and the maximum entitlement of the Charitable Fund under the Co-Ownership Plan III Plus.

Please note that the potential grant of RSUs and issue and allotment of Award Shares to the Connected Participants would vary depending on the deviations from the assumptions stated above. Provided that the number of Award Shares that underlies the RSUs that may be granted to each Connected Participant under the Co-Ownership Plan III Plus shall not exceed the maximum number that he or she is entitled to, as disclosed in the table under section 3(b) of this "Letter from the Board". Accordingly, information contained in the above table is provided only for illustrative purpose and has been presented on the basis of the stated assumptions.

LETTER FROM THE BOARD

6. REASONS FOR AND BENEFITS OF THE ADOPTION OF THE CO-OWNERSHIP PLAN III PLUS, THE GRANT OF THE SCHEME MANDATE AND THE PROPOSED GRANT OF RSUS TO CONNECTED PARTICIPANTS

a. Overview of the Group and the purpose of the Co-Ownership Plan III Plus

The Group is principally engaged in the provision of residential high speed fibre broadband (symmetrical 100Mbps to 1,000Mbps) services, and is a fast-growing enterprise solutions provider. The Group offers a wide range of telecommunications solutions for residential and enterprise markets, encompassing broadband, Wi-Fi, mobile, cloud solutions, data connectivity, data facilities, system integration and voice communications. Through partnerships with Over-The-Top (“OTT”) content service providers, the Group also offers OTT entertainment to the market.

The Co-Ownership Plan III Plus forms part of the incentive schemes of the Group. The Co-Ownership Plan III Plus, when adopted, would replace the Co-Ownership Plan III, and provide an additional means for the Company to incentivise its Eligible Talents. The Co-Ownership Plan III Plus would also recognise the continual support of the relevant Talents to the Group and their effort in promoting the Group’s long-term growth and development. The Board considers the issue of new Shares is more cost-effective as an employee incentive without imposing additional pressure on the Group’s cash flow position. In addition, the corporate social investment element of the Co-Ownership Plan III Plus by having the Charitable Fund as a Participant furthers the Company’s commitment to create positive social impact in Hong Kong and elsewhere and will immerse Eligible Talents in a variety of corporate social investment projects.

The Board expects that there will be no material impact on the net asset value of the Company following the allotment and issue of the Shares underlying the RSUs to be granted pursuant to the Co-Ownership Plan III Plus.

b. Key new features of the Co-Ownership Plan III Plus

The following paragraphs set out the key features of the Co-Ownership Plan III Plus (as compared to Co-Ownership Plan III) and the reasons and/or benefits for making these changes. For more details of the principal terms of the Co-Ownership Plan III Plus, please refer to **Appendix I** to this circular.

- **Proposed term of approximately 4 years from the Commencement Date:** the term of the Co-Ownership Plan III Plus incentivises Eligible Talents to achieve the cumulative target Adjusted Available Cash per Share for Distribution during the 2019 – 2021 Financial Years, as well as one year of vesting of the RSUs (see below). This duration represents a natural extension from the duration of the Co-Ownership Plan III due to lapse of time. The Co-Ownership Plan III Plus promotes alignment

LETTER FROM THE BOARD

of interest between the Participants and the Company by allowing Eligible Talents to purchase Shares of the Company and receive Award Shares in accordance with the terms of the Co-Ownership Plan III Plus.

- **Expanded group of Eligible Talents after the WTT Merger:** the number of Eligible Talents has increased to approximately 1,000 individuals (representing approximately 22% of the total number of existing Talents of the Group), which includes certain Eligible Talents of WTT Holding Corp (which has now become a member of the Group) after completion of the WTT Merger.
- **Limit on purchase of Shares by Eligible Talents:** the maximum amount that any Eligible Talent can pay for the purchase of Shares of the Company has increased from the amount of such Eligible Talent's annual remuneration to no more than two times the annual remuneration of such Eligible Talent, encouraging Eligible Talents to invest in the Company and benefit from value growth of the Company along with other Shareholders.
- **Corporate social investment element by having the Charitable Fund as a Participant in the Co-Ownership Plan III Plus:** as stated under the heading "4. Corporate Social Investment Element" above, the Executive Directors will donate a total of 4,000,000 Shares to the Charitable Fund and as a contribution to the Charitable Fund by the Company, the Charitable Fund is entitled to receive no more than 5,320,000 Award Shares under the terms of the Co-Ownership Plan III Plus. Eligible Talents may also, at their own discretion, transfer any part of their Award Shares to the Charitable Fund. This feature furthers the Company's commitment to corporate social investment objectives and provides the Charitable Fund with more resources to create positive social impact in communities in Hong Kong.
- **Basis for granting RSUs to the Participants:** due to the material impact of the WTT Merger on the Company, the target Adjusted Available Cash per Share for Distribution will be different for the enlarged group. Therefore, new targeted Adjusted Available Cash per Share for Distribution has been set under the Co-Ownership Plan III Plus for the 2019 – 2021 Financial Years and has been determined by reference to the Group on an enlarged basis after completion of the WTT Merger. If the Adjusted Available Cash per Share for Distribution, on a cumulative basis, over the 2019, 2020 and 2021 Financial Years of the Company reaches HK\$3.03, Participants would be granted with 1.33 RSUs for every Purchased Share and subject to the satisfaction of the Vesting Conditions, receive one new Share for every RSU that it is granted on the Vesting Date. Therefore, the maximum entitlement of a Participant is to receive 1.33 new Shares for every purchased Share under the terms of the Co-Ownership Plan III Plus. If the Adjusted Available Cash per Share for Distribution, on a cumulative basis, over the 2019, 2020 and 2021 Financial Years of the Company reaches a value in excess of HK\$2.53 and below HK\$3.03, RSUs will be granted to the participants under the Co-Ownership Plan III Plus on a pro-rata basis, and the number of RSUs to be

LETTER FROM THE BOARD

granted will be determined on a linear scale between zero RSU and 1.33 RSUs for every purchased Share of the Participants (with more RSUs to be granted the closer the actual achieved level is to HK\$3.03) (for further details, please refer to **paragraph 6(e) of Appendix I**). This provides a proportionate reward to the Participants when the Adjusted Available Cash per Share for Distribution is sufficiently close to the targeted level.

- **Early termination due to an M&A Event:** under the terms of the Co-Ownership Plan III Plus, the Board has the discretion to terminate the Co-Ownership Plan III Plus on the occurrence of an M&A Event prior to the Grant Date as the M&A Event may have a material impact on the Company and accordingly, the target Adjusted Available Cash per Share for Distribution. If the Board resolves to early terminate the Co-Ownership Plan III Plus, the number of RSUs to be granted to the Participants would be calculated on a pro-rata basis by reference to the maximum entitlement at HK\$3.03 (for details of the entitlement in such a case, please refer to **paragraph 6(e) of Appendix I**). No RSUs will be granted if an M&A event occurs during the 2019 Financial Year. This mechanism will allow Participants to receive the corresponding number of RSUs and Award Shares if the relevant minimum level of the cumulative Adjusted Available Cash per Share for Distribution prior to the termination of the Co-Ownership Plan III Plus is met. The Co-Ownership Plan III contained the same feature and the change under the Co-Ownership Plan III Plus is that the determination of the entitlements in the case where the plan is terminated by reason of a M&A Event is by reference to the new Adjusted Available Cash per Share for Distribution set out above.
- **Scheme Mandate Limit:** the Scheme Mandate Limit is set at 3% by reference to the Shares in Issue on the day of the general meeting approving the Co-Ownership Plan III Plus, which has been enlarged after the WTT Merger and assumes the full conversion of the Vendor Loan Notes (as defined in the WTT Merger Announcement).
- **Over-subscription of the Shares:** if the total intended Investment Amount of the Eligible Talents will result in the purchase of Shares exceeding the maximum number of Shares available for purchase by all Eligible Talents (calculated in accordance with **paragraph 7 of Appendix I**), the priority will be first to satisfy Investment Amounts of all Eligible Talents up to 12 months of the annual remuneration of each such Eligible Talent (excluding the Executive Directors) on a pro-rata basis to allow for broad participation from the Eligible Talents. Then, the remaining unsatisfied Investment Amounts of Eligible Talents (excluding the Executive Directors) who have joined the Group on or prior to 31 August 2018 will have priority over those who joined the Group later. Finally, the Investment Amounts of the Executive Directors will be satisfied. This feature allows the other Eligible Talents to enjoy priority over the Executive Directors to participate in the Co-Ownership Plan III Plus.

LETTER FROM THE BOARD

- **RSU Grant Date:** the RSUs will be granted to Participants on the earlier of (i) the date of publication of the Company’s annual results for the 2021 Financial Year (if the minimum level of the cumulative Adjusted Available Cash per Share for Distribution (namely, HK\$2.53) is achieved) and (ii) the date on which the maximum targeted cumulative Adjusted Available Cash per Share for Distribution (namely, HK\$3.03) is achieved, which allows Participants to be granted with RSUs earlier if the target of HK\$3.03 is achieved prior to the end of the 2021 Financial Year.
- **Vesting of the RSUs and issuance of the Award Shares:** the RSUs will be vested one year from the Grant Date, subject to the satisfaction of the Vesting Conditions (as stated in **paragraph 11(b)** of **Appendix I**). This vesting period is designed to maintain operational growth of the Company for at least one year after the grant of the RSUs. The Vesting Condition regarding the level of the cumulative capital expenditure has been set bearing in mind the capital expenditure synergies after the WTT Merger (please refer to **paragraph 3.3.3** of the “Letter from the Independent Financial Adviser” for further details).

7. IMPLICATIONS UNDER THE LISTING RULES

a. Proposed adoption of the Co-Ownership Plan III Plus

The Co-Ownership Plan III Plus does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules. The Company will seek its Independent Shareholders’ approval at the Extraordinary General Meeting for the adoption of the Co-Ownership Plan III Plus.

b. Scheme Mandate to issue new Shares underlying the RSUs to be granted under the Co-Ownership Plan III Plus

The Company will seek its Independent Shareholders’ approval at the Extraordinary General Meeting of the Scheme Mandate for new Shares to be allotted and issued as Award Shares pursuant to the granting and vesting of the RSUs under the Co-Ownership Plan III Plus pursuant to Rule 13.36(1) of the Listing Rules.

c. Proposed connected transactions involving the Proposed Grant of RSUs to Connected Participants

Since each of the Connected Participants is a connected person of the Company, the Proposed Grant of RSUs to them will constitute connected transactions of the Company which are subject to the reporting, announcement and the Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

The Independent Board Committee, comprising Mr. Bradley Jay HORWITZ, Mr. Stanley CHOW and Mr. Yee Kwan Quinn LAW, SBS, JP, being all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the adoption of the Co-Ownership Plan III Plus, the grant of the Scheme Mandate and the Connected Grant. Altus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the same.

d. Extraordinary General Meeting

The adoption of the Co-Ownership Plan III Plus, the grant of the Scheme Mandate and the Connected Grant are subject to (i) the approval of the same by the Independent Shareholders respectively at the Extraordinary General Meeting; and (ii) the grant of the listing approval by the Listing Committee in respect of the new Shares which may underlie the RSUs to be granted pursuant to the Co-Ownership Plan III Plus.

Pursuant to the Co-Ownership Plan II, the plan trustee holds, as at the Latest Practicable Date, a total of 3,477,446 Shares, representing 2,211,563 Shares purchased by the participants under the Co-Ownership Plan II through the plan trustee, 207,990 Shares underlying restricted share units granted to and vested with participants, and 773,992 Shares underlying restricted shares units that are granted but unvested or not yet granted. Such 3,477,446 Shares represent approximately 0.27% of the total issued share capital of the Company as at the Latest Practicable Date. Pursuant to the scheme rules of the Co-Ownership Plan II, the plan trustee is restricted by the scheme rules from exercising the voting rights attached to the aforesaid total number of 3,477,446 Shares and accordingly the holder of such number of Shares will not vote on any of the resolutions put to the vote at the Extraordinary General Meeting (including the resolutions relating to the adoption of the Co-Ownership Plan III Plus). As at the Latest Practicable Date, no RSU had been granted by the Company pursuant to the Co-Ownership Plan III.

As the Executive Directors are included as the Connected Participants, they have abstained from voting on the relevant board resolutions of the Company to approve the proposed adoption of the Co-Ownership Plan III Plus, grant the Scheme Mandate and approve the Connected Grant.

So far as the Company is aware, other than the Eligible Talents (including the Connected Participants) who are Shareholders and are required to abstain from voting on the resolutions approving the adoption of the Co-Ownership Plan III Plus, the grant of the Scheme Mandate and the Connected Grant to be proposed at the Extraordinary General Meeting, as they may consider to be materially interested in the adoption of the Co-Ownership Plan III Plus, the grant of the Scheme Mandate and the Connected Grant to be proposed at the Extraordinary General Meeting, no other Shareholders are required to abstain from voting on the resolutions in respect of the adoption of the Co-Ownership Plan III Plus, the grant of the Scheme Mandate and the Connected Grant to be proposed at the Extraordinary General Meeting.

LETTER FROM THE BOARD

Based on the knowledge and information of the Company as at the Latest Practicable Date, (i) the Connected Participants are interested in a total of 65,503,800 Shares (among which 314,033 Shares (excluding unvested Shares) are held by the plan trustee on their respective behalf pursuant to the Co-Ownership Plan II); (ii) the other Eligible Talents (other than the Connected Participants) are interested in a total of 12,725,794 Shares (among which 2,105,520 are held by the plan trustee on their respective behalf pursuant to the Co-Ownership Plan II); (iii) with respect to the voting rights attached to the aforesaid 2,419,553 Shares held by the plan trustee pursuant to the Co-Ownership Plan II (representing 0.18% of the total issued share capital of the Company as at the Latest Practicable Date), the plan trustee is restricted by the scheme rules from exercising such voting rights; and (iv) the Connected Participants hold a total of 65,189,767 Shares (representing 4.97% of the total issued share capital of the Company as at the Latest Practicable Date) which are not being held by the plan trustee pursuant to the Co-Ownership Plan II and they are entitled to exercise the voting rights with respect to their respective Shares.

As the above total number of 78,229,594 Shares (representing 5.96% of the total issued share capital of the Company as at the Latest Practicable Date) represent Shares in which, to the Company's knowledge and information, the Eligible Talents are interested, they are required to abstain from voting with respect to such Shares on the resolutions concerning the adoption of the Co-Ownership Plan III Plus, the grant of the Scheme Mandate and the Connected Grant to be proposed at the Extraordinary General Meeting. As 2,419,553 Shares are held by the plan trustee pursuant to the Co-Ownership Plan II (representing 0.18% of the total issued share capital of the Company as at the Latest Practicable Date) and for which the plan trustee is restricted from exercising the respective voting rights, regarding the 75,810,041 Shares (representing 5.78% of the total issued share capital of the Company as at the Latest Practicable Date) held by the Connected Participants and the other Eligible Talents (which represent the Shares they control or are entitled to exercise control over in respect of voting rights), they are required to abstain from voting in respect of such Shares at the Extraordinary General Meeting on the resolutions concerning the adoption of the Co-Ownership Plan III Plus under the Listing Rules. As at the Latest Practicable Date, the Company is not aware of associates or close associates of the Connected Participants and the Eligible Talents respectively being Shareholders and being required to abstain from voting at the Extraordinary General Meeting.

8. RECOMMENDATIONS

The Directors (other than the independent non-executive Directors whose views are set out in the Letter from the Independent Board Committee in this circular) are of the view that the terms of the Co-Ownership Plan III Plus, the Scheme Mandate and the Connected Grant are fair and reasonable and in the interests of the Company and its Shareholders as a whole and in the ordinary and usual course of business of the Group and on normal commercial terms. Accordingly, the Directors recommend that the Independent Shareholders vote in favour of the relevant resolutions to be proposed at the Extraordinary General Meeting.

LETTER FROM THE BOARD

Your attention is drawn to (a) the letter from the Independent Board Committee set out on page 25 of this circular which contains its recommendation to the Independent Shareholders in relation to the adoption of the Co-Ownership Plan III Plus, the grant of the Scheme Mandate and the Connected Grant; (b) the letter from Altus Capital Limited set out on pages 26 to 44 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Co-Ownership Plan III Plus, the grant of the Scheme Mandate and the Connected Grant; and (c) additional information set out in the appendices to this circular.

WARNING: The information set out in this circular relating to the Co-Ownership Plan III Plus, including the proposed bases for determining whether the respective conditions for the granting and vesting of the RSUs are satisfied, are for the purpose of considering the resolutions to be presented at the Extraordinary General Meeting only. Nothing in this circular shall represent a forecast or projection of the Company's share price, future performance, cash flow or profitability. As the adoption of the Co-Ownership Plan III Plus is subject to approval by the Independent Shareholders, the Co-Ownership Plan III Plus may or may not be implemented and such bases for granting and vesting may or may not materialise. Accordingly, Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

9. ACTION TO BE TAKEN

A form of proxy at the Extraordinary General Meeting is enclosed herewith. Whether or not you intend to attend the Extraordinary General Meeting, you are requested to complete the form of proxy and return it to the office of the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Extraordinary General Meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting, or any adjournment thereof, should you so wish.

10. EXTRAORDINARY GENERAL MEETING

Notice of the Extraordinary General Meeting is set out on pages 68 to 69 of this circular. The Extraordinary General Meeting to be held on 19 August 2019, Monday at 10:00 a.m. is for the purpose of considering and, if thought fit, passing the resolutions set out therein.

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the Extraordinary General Meeting will be taken by way of poll.

LETTER FROM THE BOARD

Please refer to section 7(d) of this “Letter from the Board” for details on the number of Shares with which the holders thereof will be required to abstain from voting or will be restricted from voting (as the case may be) on the relevant resolutions put to vote at the Extraordinary General Meeting.

Yours faithfully,
For and on behalf of
HKBN Ltd.
Bradley Jay HORWITZ
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



HKBN Ltd.
香港寬頻有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1310

To the Independent Shareholders,

29 July 2019

Dear Sir or Madam,

**(1) PROPOSED ADOPTION OF THE CO-OWNERSHIP PLAN III PLUS;
(2) SCHEME MANDATE TO ISSUE NEW SHARES UNDERLYING
THE RSUS TO BE GRANTED UNDER THE CO-OWNERSHIP PLAN III PLUS;
AND
(3) PROPOSED CONNECTED TRANSACTIONS INVOLVING
THE POTENTIAL GRANT OF RSUS TO CONNECTED PARTICIPANTS**

We refer to the circular of the Company dated 29 July 2019 (the “**Circular**”) of which this letter forms part. Capitalised terms defined in the Circular have the same meanings when used herein unless the context otherwise requires.

We, being the independent non-executive Directors, have been appointed by the Board to form the Independent Board Committee and advise you in respect of the Co-Ownership Plan III Plus, the Scheme Mandate and the Connected Grant and to recommend whether or not the Independent Shareholders should vote on the resolutions in respect of the same to be proposed at the Extraordinary General Meeting.

Altus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the “Letter from the Board” set out on pages 9 to 24 of the Circular and the “Letter from the Independent Financial Adviser” set out on pages 26 to 44 of the Circular to the Independent Board Committee and the Independent Shareholders which contains its advice to you and us in relation to the Co-Ownership Plan III Plus, the Scheme Mandate, and the Connected Grant.

Having taken into account the principal reasons and factors considered by, and the advice of, Altus Capital Limited as set out in its letter of advice to you and us in the Circular, we are of the opinion that the adoption of the Co-Ownership Plan III Plus, the grant of the Scheme Mandate and the Connected Grant are in the ordinary and usual course of business of the Group and on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the Extraordinary General Meeting to approve the Co-Ownership Plan III Plus, grant the Scheme Mandate and approve the Connected Grant.

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. Bradley Jay HORWITZ, Mr. Stanley CHOW and Mr. Yee Kwan Quinn LAW, SBS, JP
Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of the letter from Altus Capital Limited to the Independent Board Committee and the Independent Shareholders in respect of the Connected Grant under the Co-Ownership Plan III Plus prepared for inclusion in this circular.

ALTUS

Altus Capital Limited

21 Wing Wo Street,
Central, Hong Kong

29 July 2019

To the Independent Board Committee and the Independent Shareholders

HKBN Ltd.

12th Floor, Trans Asia Centre
18 Kin Hong Street, Kwai Chung
New Territories
Hong Kong

Dear Sir or Madam,

PROPOSED CONNECTED TRANSACTIONS INVOLVING THE GRANT OF RSUS TO CONNECTED PARTICIPANTS UNDER THE CO-OWNERSHIP PLAN III PLUS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the potential connected transactions involving the Connected Grant, particular of which are set out in the “Letter from the Board” contained in the circular of the Company dated 29 July 2019 (the “**Circular**”) of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 21 June 2019, the Board considered and approved the conditional adoption of the Co-Ownership Plan III Plus (the “**Scheme**”) (of which terms include the proposed Grant of RSUs and the Connected Grant) as a replacement of the Co-Ownership Plan III in light of the change in the Group’s business and operational scale following the completion of the acquisition of the entire issued share capital in WTT Holdings Corp (the “**WTT Merger**”). Conditional upon the Scheme taking effect, the Board also resolved to terminate the Co-Ownership Plan III. If the Co-Ownership Plan III Plus cannot take effect for any reason, the Co-Ownership Plan III will remain in place and the Board will decide whether to take further action in relation to the Co-Ownership Plan III. The Eligible Talents of the Scheme include Connected Participants, being two Executive Directors of the Company, namely Mr.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Chu Kwong YEUNG and Mr. Ni Quiaque LAI, and six directors of the Company's subsidiaries, namely Mr. Tak Wa William YEUNG, Mr. Yue Kit Andrew WONG, Ms. Yan Fen LIU, Ms. Wing Sze CHAN, Ms. Wai Han Stella YU and Ms. Li Li DAI as at the Latest Practicable Date.

LISTING RULES IMPLICATION

Since each of the Connected Participants is a connected person of the Company, grant of RSUs to them will constitute connected transactions of the Company, which are subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the Executive Directors are Eligible Talents under the proposed Co-Ownership Plan III Plus, Mr. Chu Kwong YEUNG and Mr. Ni Quiaque LAI have abstained from voting on the relevant board resolutions of the Company approving the proposed adoption of the Co-Ownership Plan III Plus (including the Connected Grant) and the Scheme Mandate for new Shares to be allotted and issued as Award Shares (including the Connected Grant).

So far as the Company is aware, other than the Eligible Talents (including the Connected Participants) who are Shareholders and are required to abstain from voting on the resolutions (the "**Resolutions**") approving the adoption of the Co-Ownership Plan III Plus, the grant of the Scheme Mandate and the Connected Grant to be proposed at the Extraordinary General Meeting, as they may consider to be materially interested in the adoption of the Co-Ownership Plan III Plus, the grant of the Scheme Mandate and the Connected Grant to be proposed at the Extraordinary General Meeting, no other Shareholders are required to abstain from voting on the Resolutions to be proposed at the Extraordinary General Meeting.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Bradley Jay HORWITZ, Mr. Stanley CHOW, and Mr. Yee Kwan Quinn LAW, SBS, JP, has been formed to advise the Independent Shareholders in respect of the Co-Ownership Plan III Plus, the Scheme Mandate and the Connected Grant and to recommend whether or not the Independent Shareholders should vote on the Resolutions to be proposed at the Extraordinary General Meeting, taking into account the recommendation of the Independent Financial Adviser.

INDEPENDENT FINANCIAL ADVISER

As the Independent Financial Adviser to the Independent Board Committee, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to whether (i) the adoption of the Co-Ownership Plan III Plus, the grant of the Scheme Mandate and the Connected Grant are in the ordinary and usual course of business of the Group and on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) how to vote in respect of the Resolutions.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We had previously acted as the independent financial adviser to the Company with regards to the Co-Ownership Plan III, details of which are set out in the “Letter from the Independent Financial Adviser” contained in the Company’s circular dated 16 November 2017. Save for the aforesaid engagement, we have not acted as independent financial adviser in relation to any transactions of the Company in the last two years prior to the date of the Circular. Pursuant to Rule 13.84 of the Listing Rules, considering the remuneration for our engagement to opine on the connected transactions is at market level and not conditional upon the passing of the Resolutions at the Extraordinary General Meeting, and that our engagement is on normal commercial terms, we are independent of and not associated with the Company, its substantial Shareholder(s) or its connected person(s).

BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others (i) the rules of the Scheme (the “**Rules**”); (ii) the interim report of the Company for the six months ended 28 February 2019 (the “**2019 Interim Report**”); (iii) the annual reports of the Company for the years ended 31 August 2017 (the “**2017 Annual Report**”) and 2018 (the “**2018 Annual Report**”); (iv) the circular and announcement of the Company dated 26 October 2018 and 30 April 2019 respectively (the “**WTT Merger Circular and Announcement**”) in relation to the Company’s very substantial acquisition of the entire issued share capital in WTT Holding Corp; and (v) the announcement of the Company dated 21 June 2019 in relation to, amongst others, the proposed adoption of the Scheme, the proposed grant of RSUs thereunder, the terms and conditions of, the Scheme and the Scheme Mandate (the “**Announcement**”).

We have also relied on the statements, information, opinions and representations contained and referred to in the Circular and/or provided to us by the Company, the Directors and the management of the Company (the “**Management**”). We have assumed that all statements, information, opinions and representations for matters relating to the Group contained or referred to in the Circular and/or provided to us by the Company, the Directors and the Management were reasonably made after due and careful enquiry and were true, accurate and complete at the time they were made and continued to be so as at the date of the Circular. The Directors individually and collectively accept full responsibility, including particulars given in compliance with the Listing Rules for the purpose of giving information with regards to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement in the Circular misleading.

We have no reason to believe that any such statements, information, opinions or representations we relied on when forming our opinion are untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render them untrue, inaccurate or misleading. We have assumed that all the statements, information, opinions and representations for matters relating to the Group contained or referred to in the Circular and/or provided to us by the Company and the Management have been reasonably made after due and careful enquiry. We have relied on such statements, information, opinions and representations. We consider that we have been provided with, and have reviewed sufficient information to

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reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted an independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

1. Background and outlook of the Group

The Group is principally engaged in the provision of fixed telecommunications network services, international telecommunications services and mobile services to residential and enterprise customers in Hong Kong and product sales. It offers a wide range of telecommunications services and product sales encompassing broadband services, mobile services, Over-The-Top services, enterprise solutions and sales of smartphone related products. On 30 April 2019, the Board announced the completion of a very substantial acquisition of the entire issued share capital in WTT Holding Corp upon which WTT Holding Corp and its subsidiaries (the “**WTT Group**”) have become the wholly-owned subsidiaries of Metropolitan Light Company Limited, a wholly-owned subsidiary of the Company, and indirect wholly-owned subsidiaries of the Company. With reference to the WTT Merger Circular and Announcement, the WTT Merger affords the Company with the potential to more than double its scale in the enterprise solutions market, expand its network coverage and customer base, and realise synergies arising from cross-selling opportunities to the widened customers base as well as cost efficiency.

The Management considers that its Talents are fundamental to the Group’s long-term success. The Company had therefore introduced a co-ownership culture to align the interest of the Talents and the Shareholders since 2012 before its initial public offering in 2015. This was followed by the Co-Ownership Plan II in 2015 to provide additional means for the Company to incentivise its Talents and to recognise the continual support of the relevant Talents to the Group and their efforts in promoting the Group’s long-term development. Subsequently, the Company adopted the Co-Ownership Plan III on 15 December 2017, which in view of the change in business scale and outlook brought about by the WTT Merger, has been terminated. Meanwhile, through its HKBN Talent CSI Fund Limited (“**Charitable Fund**”), its independently operated charity organisation funded by co-owners, the Company leverages on its corporate strengths and talent expertise to help local communities, especially youths, connect to the world and evolve into informed and responsible global citizens.

According to the 2019 Interim Report, as the competition continues to be intense among the businesses of the key fixed and mobile telecommunications services providers in Hong Kong, going forward, the Group plans to continue to drive sustainable growth in revenue, EBITDA and Adjusted Free Cash Flow, through various initiatives, amongst others, continuing to cultivate its talent-oriented co-ownership culture that aligns risks and rewards with Shareholders including the enlarged Talent base after the WTT Merger through a new Co-Ownership Plan III Plus.

2. Reasons for and benefits of the adoption of the Scheme

We refer to the 2019 Interim Report and 2018 Annual Report which highlight that the co-ownership scheme fosters interest alignment for sustainable growth and service excellence. Through their dual roles as both investors and Talents, the co-owners are incentivised to watch over all aspects of the Group's performance and competitiveness. The Management is of the view that unlike the traditional approach of granting stock options to limited senior executives, the Company's co-owners covers a larger pool of Talents in that it is open to all Talents of supervisors and above level, spanning across the Group's operations in Hong Kong, Guangzhou and Shenzhen. In particular, under the Co-Ownership Plan II and Co-Ownership Plan III (the "**Earlier Schemes**"), the Company have over 340 co-owners constituting over 11.2% of the entire work force and approximately 680 co-owners representing approximately 22.0% of the entire work force respectively. The Management also considers that the issue of new Shares is more cost-effective as an employee incentive without imposing additional pressure on the Group's cash flow position. As at the Latest Practicable Date, no grant of RSU has been made or awarded by the Company under the Co-Ownership Plan III since it became effective. In view of the material impact the WTT Merger had on the Group and that the aspirational target of the Adjusted Available Cash per Share for Distribution is different for the enlarged Group after completion of the WTT Merger, the Board would like to propose certain amendments to the features provided in the Co-Ownership Plan III and to adopt a new RSU scheme for its Talents which incorporates such amended features to replace the Co-Ownership Plan III. In addition, the corporate social investment element of the Scheme by having the Charitable Fund as a Participant furthers the Company's commitment to create positive social impact in Hong Kong and elsewhere and will immerse Talents in a variety of corporate social investment projects.

Having considered that (i) after the WTT Merger, the terms under the Co-Ownership Plan III no longer reflect the enlarged business scale and combined financial results of the Group; (ii) the Management's view that aligning the interest of Talents and the Shareholder is important to the Group's long term success as detailed in the paragraph headed "1. Background and outlook of the Group" above; (iii) the Management's view that co-ownership can continue to motivate its Talents to perform which it had adopted since as early as 2012 prior to the Company's initial public offering and that it is more cost-effective; and (iv) that co-ownership forms part of the Management's strategy to drive sustainable growth as elaborated in the paragraph headed "1. Background and outlook of the Group" above, we consider that the adoption of the Scheme is in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

3. Particulars of the Scheme

To determine the fairness and reasonableness of the Connected Grant, we have considered the terms of the Scheme set out below:

3.1 Purposes of the Scheme

Similar to the Earlier Schemes, the purpose of the Scheme is to incentivise skilled and experienced Talents to remain with the Group and to motivate them to strive for the future development and expansion of the Group in order to create value to the Shareholders, by providing them with a co-investment opportunity to acquire equity interests in the Company, while encouraging them to be long-term holders of the Shares. As discussed in the paragraphs headed “2. Reasons for and benefits of the adoption of the Scheme” and “3.4 Scheme mandate limit”, we consider that the purpose of the Scheme is in the interests of the Company and its Shareholders as a whole.

3.1.1 Charitable Fund

In addition, the Scheme intends to make contributions to the Charitable Fund which has been set up for the purpose of supporting charitable projects or charitable/not-for-profit organisations for the better of Hong Kong (but not limited to Hong Kong), and is designed to immerse the Talents in a variety of corporate social investment projects to create long-term value for Hong Kong and elsewhere and support the Company’s core purpose of “*Make our Hong Kong a better place to live*”. It is intended that the Charitable Fund will grow together with the overall performance of the Group. In order to achieve this purpose,

- (i) Mr. Chu Kwong YEUNG and Mr. Ni Quiaque LAI, the Executive Directors, will donate a total of 4,000,000 Shares to the Charitable Fund and once such Shares are donated, they will be held by the Charitable Fund (or its custodian or nominee) and not by the Plan Trustee;
- (ii) the Scheme will reserve RSUs for the Company to contribute to the Charitable Fund with respect to the 4,000,000 Shares donated by the Executive Directors, and such RSUs will entitle the Charitable Fund to receive not more than 5,320,000 Award Shares, under the terms of the Scheme; and
- (iii) any Talents may, at their own discretion, make contributions to the Charitable Fund by directing the Plan Trustee to transfer any part of their Award Shares receivable upon the vesting of the RSUs to the Charitable Fund.

We note that this practice is in line with the Company’s social mission to make use of its corporate strengths and Talent expertise to help local communities as elaborated in the paragraph headed “1. Background and outlook of the Group” above.

3.2 *Invitation and Share purchasing under the Scheme*

3.2.1 *Eligible Talents*

Similar to the Earlier Schemes, the Eligible Talents include Executive Directors of the Company and any Talent or consultant of the Group that is Point 3 grade or above. Pursuant to the Scheme, the Board shall during each of the Invitation Periods, invite any Eligible Talent who has not been previously invited to participate in the Scheme to purchase Shares and agree to be granted with RSUs in accordance with the terms of the Scheme. As at the date of the Announcement, there were approximately 1,000 Eligible Talents, representing approximately 22% of the total number of existing Talents of the Group, which include certain Eligible Talents of WTT Group after the completion of WTT Merger.

As the Connected Participants are holding executive or management position within the Group, which is classified as Point 3 grade or above, they are therefore also included as Eligible Talents. We note that the eligibility criteria apply to all the Talents and that invitation applies to all the Eligible Talents regardless of whether he/she is a Connected Person or not. Taking into account the purpose of the Scheme (as discussed in the paragraph headed “3.1 Purpose of the Scheme”) to, amongst others, motivate skilled and experienced Talents, we consider that the eligibility criteria and coverage are fair and reasonable.

3.2.2 *Standardised invitation to purchase Shares*

Each Eligible Talent will be invited by the Board to participate in the Scheme (“**Invitation**”) by a letter in standardised prescribed form. All the invitations have an identical acceptance period and are subject to the same restrictions and conditions, amongst others, the Investment Amount in respect of each Talent being equal to or exceeding one sixth of, but not more than two times the Annual Remuneration Package of such Talent.

For the avoidance of doubt, the Charitable Fund will not be invited to purchase any Shares under the Co-Ownership Plan III Plus. The Plan Trustee will not hold any Purchased Share, RSU or Award Share for the Charitable Fund. They will be held by the Charitable Fund (or its custodian or nominee) directly.

3.2.3 *The Share purchases*

Upon the receipt of the Investment Amounts, the Company shall direct and procure the Plan Trustee, a third party independent from the Company and its connected persons, to endeavour to make on-market purchases of Shares over a reasonable period of time (“**Share Purchase Period**”) as is feasible to purchase the requisite number of Shares, on behalf of all new Participants who have accepted Invitations in the same Invitation Period at the prevailing market prices of the

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Shares until the aggregate Investment Amounts remitted by those new Participants during the same Invitation Period have been utilised. In determining each Share Purchase Period, the Management will take into account factors including (i) the aggregate number of Shares to be purchased on-market; (ii) the average daily trading volume of the Shares; and (iii) the market price of the Shares.

In order to avoid market instability arising from the large trading volume and to ensure the Shares are purchased at a fair and reasonable price for the benefit of Participants, the Management takes the view and we concur that, affording the Board with flexibility to determine the Share Purchase Period is appropriate and necessary. Further, as each Participant has the equal opportunity to be invited to purchase Shares and has absolute discretion over their own participation, the Board in effect have no discretion over which Participants would be affected by the timing and duration of any one Share Purchase Period. Moreover, as the Shares purchases will be conducted in the open market by an independent third party, such purchases will be on normal commercial terms.

3.2.4 The Allocation and Purchase Priority

The Shares purchased by the Plan Trustee during any one Share Purchase Period will be allocated among the new Participants who have accepted an Invitation in the same Invitation Period preceding that Share Purchase Period on a pro-rata basis, based on their respective Investment Amounts. Any individual surplus Investment Amounts will be refunded to the Participants pro-rata to their respective Investment Amounts.

The maximum number of Shares available for purchase by all Participants (excluding the Charitable Fund) shall not at any time exceed the Scheme Mandate Limit after deducting 5,320,000 Shares reserved for making award to the Charitable Fund.

In the event that the total Investment Amounts of the Talents shall result in the purchase of a total number of Shares exceeding the maximum number of Shares available for purchase by all Participants (excluding the Charitable Fund) as provided in the paragraph above, the allocation for the purchase of Shares shall be determined by the following priority:

- (a) to satisfy the Investment Amounts of up to 12 months of the Annual Remuneration Package of each Participant (excluding the Executive Directors), with each such Participant's entitlement determined on a pro-rata basis as amongst all such Participants;

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- (b) to satisfy the Investment Amounts of those who have become Eligible Talents of the Group on or prior to 31 August 2018 up to the remaining unsatisfied Investment Amounts of such Participants (excluding the Executive Directors), determined on a pro-rata basis;
- (c) to satisfy the Investment Amounts of those who have become Eligible Talents of the Group after 31 August 2018 up to the remaining unsatisfied Investment Amounts of such Participants (excluding the Executive Directors), determined on a pro-rata basis; and
- (d) to satisfy the Investment Amounts of the Executive Directors on a pro-rata basis.

Since (i) the Rules provide for invitation to all the Eligible Talents on the same terms and conditions and that the allocation of the Purchased Shares to all the Eligible Talents excluding the Executive Directors are on a pro-rata basis allowing other Talents to enjoy priority over the Executive Directors; and (ii) the donation of certain existing Shares owned by the Executive Directors to the Charitable Fund is in line with the Company's social mission to make contribution to local communities, we concur with the Management that the above provisions are fair and reasonable.

3.3 *Granting and Vesting Conditions under the Scheme*

3.3.1 *Granting conditions*

The number of RSUs to be granted to a Participant shall be determined on the Grant Date in accordance with the formula below:

$$A \times B$$

where:

$$A = \frac{AFF-2.53}{3.03-2.53};$$

AFF = the total cumulative Adjusted Available Cash per Share for Distribution of the Company during the period from 1 September 2018 to and including the date on which the Company publishes its annual results for the 2021 Financial Year; and

B = the Participant's total number of Purchased Shares x 1.33,

provided that:

- (i) where the value of A is less than 0, it shall be deemed to be 0; or
- (ii) where the value of A is more than 1, it shall be deemed to be 1.

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The formula above shows that the higher the **Adjusted Available Cash per Share for Distribution**, on a cumulative basis, over the 2019, 2020 and 2021 Financial Years (“**Reference Period**”) of the Company, the more RSUs will be granted, provided that cumulative Adjusted Available Cash per Share for Distribution is equal to or more than HK\$2.53 and up to HK\$3.03. For illustration, when cumulative Adjusted Available Cash per Share for Distribution:

- (i) reaches HK\$3.03, 1.33 RSUs will be granted for every Purchased Share;
- (ii) reaches a value in excess of HK\$2.53 but below HK\$3.03 (“**Range**”), RSUs will be granted to Participants on a pro-rata basis, and the number of RSUs to be granted will be determined on a linear scale between zero RSUs and 1.33 RSUs for every Purchased Share with more RSUs to be granted the closer the cumulative Adjusted Available Cash per Share for Distribution is to HK\$3.03;
- (iii) is in excess of HK\$3.03, it will not give rise to any further entitlement above 1.33 RSUs;
- (iv) is equal to or below HK\$2.53, zero RSUs will be granted.

For illustration purpose, the Adjusted Available Cash per Share for the 2017 and 2018 Financial Year was HK\$0.45 and HK\$0.57, accounting for 53.6% and 67.9% respectively of HK \$0.84 per Share, being the yearly average of the lower end of the Range of HK\$2.53. To this end, the Management is of the view that the Range can only be accomplished with sustained efforts to develop and expand the Group’s business.

Having considered the above, the Management takes the view, and we concur, that (i) the cumulative Adjusted Available Cash per Share for Distribution approach conforms to the purpose of the Scheme (as discussed in the paragraph headed “3.1 Purpose of the Scheme”) and is in the interests of the Company and its Shareholders as a whole; (ii) the Range is reasonable given the Group’s larger business scale going forward after the merger of WTT to the Company (as disclosed in “Appendix IV Unaudited Pro Forma Financial Information Of The Enlarged Group” of the WTT Merger Circular).

3.3.1.1 The occurrence of M&A

In the event of M&A, alternative measures for the determination of the number of RSUs to be granted would be adopted in relation to the timing of such event. In particular, (i) no RSU will be granted if an M&A Event occurs during the 2019 Financial Year; (ii) if an M&A Event occurs between the end of 2019 Financial Year and the publication of the Company’s 2020 annual financial results and the actual achieved cumulative Adjusted Available Cash per Share for Distribution is in excess of HK\$0.71 (but below HK\$0.81), the number of RSUs to be granted will be

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determined on a linear scale, with more RSUs to be granted the closer the actual achieved level is to HK\$0.81; (iii) if an M&A Event occurs between the date of the publication of the Company's 2020 annual financial results and the date of publication of the Company's 2021 annual financial results and the actual achieved cumulative Adjusted Available Cash per Share for Distribution is in excess of HK\$1.52 (but below HK\$1.82), the number of RSUs to be granted will be determined on a linear scale, with more RSUs to be granted the closer the actual achieved level is to HK\$1.82; and (iv) the number of RSUs to be granted is capped once the cumulative Adjusted Available Cash per Share for Distribution reaches HK\$0.81 and HK\$1.82 at the end of 2019 and 2020 Financial Year respectively.

Given the potential distortive effect of an M&A Event on the Adjusted Available Cash per Share for Distribution, we consider that such measures are reasonable and note that the abovementioned formulas apply to all the Participants regardless of whether they are Connected Persons or not.

3.3.1.2 Good leaver

For a Participant participates in the Scheme after the Commencement Date and leaves the Company prior to the Grant Date and is deemed as a Good Leaver (being a leaver who ceases to be employed or engaged by the Group, and ceases to be a Director or a director of any Group company, by reason of (i) death; (ii) retirement at or after the age of 60; (iii) permanent ill health which renders him/her incapable of continue employment in his/her current position; or (iv) deemed by the Board as a Good Leaver if such Participant is in financial difficulty or if there are exceptional circumstances as determined by the Board), the number of RSUs will be granted to him/her on a pro-rata basis with reference to the duration of his/her participation in the Scheme. Considering that the period of the Participants' participation reflects the period in which the Participant, in his/her position of responsibility, contributes to the Company since his/her participation, we are of the view that the pro-rating approach is fair and reasonable.

For the avoidance of doubt, this shall not apply to the Charitable Fund.

3.3.1.3 Grant to Connected Participants

As to grant of RSUs to Connected Participants, the Scheme provides that (i) where a Grant is proposed to be made to a Director or his/her associate, such Director shall not form part of any vote or resolution to determine whether such grant shall be made to him/her; and (ii) any Grant to any Executive Director, chief executive or any director of any member of the Group or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors. We take the view that such aforementioned approaches constitute good corporate governance and are in the interests of the Company and its Shareholders as a whole.

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3.3.2 Grant Date

The Grant Date is the earlier of (i) the date on which the cumulative Adjusted Available Cash per Share for Distribution since 1 September 2018 reaches HK\$3.03; (ii) upon occurrence of M&A during the Reference Period, the date on which the cumulative Adjusted Available Cash per Share for Distribution reaches HK\$0.81 and HK\$1.82 at the end of 2019 and 2020 Financial Year respectively; and (iii) the date on which the Company's results announcement for the 2021 Financial Year is published.

Considering that (i) the number of RSUs to be granted is capped once the cumulative Adjusted Available Cash per Share for Distribution reaches HK\$3.03 and HK\$0.81, HK\$1.82 at the end of 2019 and 2020 Financial Year respectively in the event of M&A; and (ii) the Reference Period ends on the date on which the Company publishes its annual results for the 2021 Financial Year and the Scheme would have served its purpose as set out in the paragraph headed "3.1 Purpose of the Scheme" above, we are of the view that the Grant Date is appropriate for the Scheme.

3.3.3 Vesting Conditions

Vesting of an RSU is conditional upon all of the following conditions being satisfied:

- (a) the average closing share price of the Shares for each of the 60 trading days of the Stock Exchange which immediately precedes the Vesting Date is greater than HK\$9.27; and
- (b) the cumulative capital expenditure of the Group during the 2019, 2020 and 2021 Financial Years is not less than HK\$1.6 billion (provided that the annual capital expenditure of the Group during each of the 2019, 2020 and 2021 Financial Years is not less than HK\$400 million).

Upon the vesting of one RSU, the Company shall promptly allot and issue one Award Share to the Grantee (excluding the Charitable Fund) directly or indirectly through the Plan Trustee, or to the Charitable Fund or a company, trust or charity which is wholly owned by the Charitable Fund upon the written direction of such Grantee. In respect of the Charitable Fund, the Company shall promptly allot and issue one Award Share to the Charitable Fund (or its custodian or nominee) upon the vesting of one RSU. The total number of Award Shares that are issuable to the Participants (including the Charitable Fund) shall be the Scheme Mandate Limit, provided that 5,320,000 Award Shares shall be reserved for making award to the Charitable Fund with respect to such not less than 4,000,000 Shares that the Executive Directors will contribute to the Charitable Fund.

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Through discussion with the Management, we understand that in determining the above, they have taken into account that (i) the final offer price per offer Share at the listing of the Company on the Stock Exchange (i.e. HK\$9.00) adjusting for the potential enlargement of the issued share capital of the Company upon the full utilisation of the Scheme Mandate and issue of the Award Shares under the Scheme Mandate Limit of 3.0% (i.e. HK\$9.27); and (ii) the capital expenditure of approximately HK\$394.5 million for the Financial Year 2018 as disclosed in the 2018 Annual Report adjusted upwards in view of the WTT Merger as well as the potential synergies to be realised by the enlarged Group after full integration, being approximately HK\$533.3 million if divided by three years.

Considering that (i) Vesting Condition (a) addresses the potential dilutive effect on existing Shareholder's interest arising from the issue of Shares under the Scheme; and (ii) the minimum capital expenditure HK\$1.6 billion during 2019, 2020 and 2021 Financial Years reflects the purpose of the Scheme to stimulate further growth of the Group whilst ensuring capital investment is maintained at a reasonable level to sustain long term development, we are of the opinion that the Vesting Conditions are fair and reasonable.

3.4 Scheme Mandate Limit

The Scheme Mandate Limit represents the total maximum number of Shares that may underlie the RSUs granted pursuant to the Scheme, being 3.0% of the Shares in Issue on the day of the Extraordinary General Meeting of the Company approving the Scheme (as may be adjusted in the event of a Reorganisation of Capital Structure), which has been enlarged after the WTT Merger and assumes the full conversion of the Vendor Loan Notes (as defined in the WTT Merger Announcement). In addition, no RSU will be granted where any Director is in possession of unpublished inside information in relation to the Group or where dealings by Directors are prohibited under any code or requirement of the Listing Rules and applicable laws.

Having considered (i) if the RSUs are vested (i.e. the aforesaid granting and vesting conditions have been met), the efforts of the Talents would have created value to the Shareholders; (ii) as demonstrated in the paragraph headed "4.1 Potential Shareholding impact of the scheme", the potential dilution is limited, we consider that, on balance, the Scheme Mandate Limit is fair and reasonable and beneficial to the Shareholders as a whole.

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3.5 The duration of the Scheme

Subject to any early termination of the Scheme, the Scheme shall be valid and effective for the period commencing on the Commencement Date and expiring on the earlier of,

- (a) the date falling four (4) years from the Commencement Date (provided that no RSU has been granted on or prior to such date);
- (b) the date on which all granted RSUs have either been vested or cancelled;
- (c) the date of termination of the Scheme as determined by the Board in the case where the Board in its absolute discretion resolves to terminate the Scheme upon the occurrence of an M&A Event; and
- (d) such earlier date as the Scheme is terminated in accordance with its terms.

We note that the Board's discretion to terminate the Scheme is limited to certain events, such as an M&A Event. As such, it does not have the general discretion to terminate the Scheme prematurely and thus preclude the Eligible Talents from participating in the Scheme. As discussed in the paragraph headed "3.3 Granting and Vesting Conditions under the Scheme", the Reference Period spans from the Commencement Date to the date on which the annual results for the 2021 Financial Year is published, which is below four years. In light of the above, we concur with the Management that the duration of the Scheme is fair and reasonable.

3.6 Section summary

Having considered that (i) the key terms set out above are fair and reasonable as far as the Independent Shareholders are concerned; (ii) the Rules and the key terms thereunder applicable to the Participants excluding the Connected Participants are identical to or no less favourable to those applicable to the Connected Participants; and (iii) any alterations to the terms and conditions of the Scheme which are of a material nature or any changes to the terms of the RSUs granted must be approved by the Shareholders in general meeting, we consider the Scheme to be fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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4. Potential effects of the Scheme

4.1 Potential shareholding impact of the Scheme

For illustrative purpose only, the following table sets out the shareholding structure of the Company as at the Latest Practicable Date and after the Purchased Shares have been purchased and immediately following full utilisation of the Scheme Mandate and issue of the Award Shares on the Vesting Date, assuming that (i) the Eligible Talents (including the Connected Participants) and the Charitable Fund identified as at the Latest Practicable Date will agree to participate, and do participate in the Co-Ownership Plan III Plus; (ii) all conditions to the grant of the RSUs are satisfied and the maximum entitlements to the RSUs have been granted; (iii) all the Eligible Talents (including the Connected Participants) and the Charitable Fund become Grantees of RSUs and are vested with the Award Shares upon satisfaction of the Vesting Conditions; (iv) no other Shares are issued or repurchased by the Company before full utilisation of the Scheme Mandate on the Vesting Date on the basis of the Scheme Mandate Limit determined by reference to the number of Shares in Issue as at the Latest Practicable Date; and (v) the Vendor Loan Notes (as defined in the WTT Merger Announcement) have not been converted in full:

	As at the Latest Practicable Date		After the Purchased Shares have been purchased and immediately upon full utilisation of the Scheme Mandate	
	Number of issued Shares ^(Note 1)	Approximate percentage	Number of issued Shares ^(Note 1)	Approximate percentage
Substantial Shareholder				
Bonderman David/ Coulter James George ^(Note 2)	152,966,345	11.66%	152,966,345	11.28%
Kim Michael ByungJu/ Kong Teck Chien ^(Note 3)	152,966,345	11.66%	152,966,345	11.28%
Canada Pension Plan Investment Board	182,405,000	13.91%	182,405,000	13.45%
Connected Participants	65,503,800 ^(Note 4)	4.99%	67,360,390 ^(Note 6)	4.97%
Other Eligible Talents (excluding the Charitable Fund)	12,725,794 ^(Note 5)	0.97%	45,916,851 ^(Note 7)	3.39%
Charitable Fund	–	–	9,320,000 ^(Note 8)	0.69%
Other public Shareholders	<u>745,032,072</u>	<u>56.80%</u>	<u>745,032,072</u>	<u>54.94%</u>
Total	<u><u>1,311,599,356</u></u>	<u><u>100.00%</u></u>	<u><u>1,355,967,003</u></u>	<u><u>100.00%</u></u>

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Notes:

1. It is assumed that the Vendor Loan Notes (as defined in the WTT Merger Circular and Announcement) has not been converted in full.
2. Mr. Bonderman David, through corporations directly and indirectly controlled by him, namely TPG Asia Advisors VI, Inc. and TPG Wireman, L.P., held 236,627,451 ordinary shares in the Company, in which 83,661,106 ordinary shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.

Mr. Coulter James George, through corporations directly and indirectly controlled by him, namely TPG Asia Advisors VI, Inc. and TPG Wireman, L.P., held 236,627,451 ordinary shares in the Company, in which 83,661,106 ordinary shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.

3. Mr. Kim Michael ByungJu, through corporations directly and indirectly controlled by him, namely MBK GP III, Inc., MBK Partners GP III, L.P., MBK Partners Fund III, L.P., MBK Partners JC, L.P. and Twin Holding Ltd held 236,627,451 ordinary shares in the Company, in which 83,661,106 ordinary shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.

Mr. Kong Teck Chien, through corporations directly and indirectly controlled by him, namely MBK Partners JC GP, Inc., MBK Partners JC GP, L.P., MBK Partners JC, L.P. and Twin Holding Ltd held 236,627,451 ordinary shares in the Company, in which 83,661,106 ordinary shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.

4. 65,503,800 Shares which the Connected Participants are personally interested in include the purchased Shares, the Shares underlying the RSUs that were granted and vested pursuant to the Co-Ownership Plan II, and the Shares otherwise personally held by the Connected Participants.
5. 12,725,794 Shares which the Eligible Talents (other than the Connected Participants) are personally interested in include the purchased Shares, and the Shares underlying the RSUs that were granted and vested pursuant to the Co-Ownership Plan II. The information in the above table assumes that the Eligible Talents (other than the Connected Participants) do not hold any other interest in any Share, as the Company does not have any information on whether any of the Eligible Talents (other than the Connected Participants) holds any Share.
6. This assumes that the Connected Participants will receive the maximum number of Award Shares that can be awarded to them under the Co-Ownership Plan III Plus (as explained in the sub-section headed "Connected Participants" in "Letter from the Board"), without taking into account any adjustment that may need to be made because there is an over-subscription under the Co-Ownership Plan III Plus by invitees who will be invited during the Invitation Period, and that the Connected Participants will hold in aggregate, through the Plan Trustee, such number of Purchased Shares by investing their respective maximum Investment Amount. The 4,000,000 Shares to be donated by the Executive Directors are also deducted. The description in Note 4 above also applies.
7. This assumes that the Eligible Talents (other than the Connected Participants) will receive the balance of the maximum number of Award Shares under the Scheme Mandate (after deducting the maximum entitlement of the Charitable Fund and the maximum entitlement of the Connected Participants), and that the Eligible Talents will hold in aggregate and through the Plan Trustee, such number of Purchased Shares by investing their respective maximum Investment Amount. The descriptions in Notes 5 and 6 above also apply.
8. In relation to the Charitable Fund, taking into account the 4,000,000 Shares to be donated by the Executive Directors and the maximum entitlement of the Charitable Fund under the Co-Ownership Plan III Plus.

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Please note that the potential grant of RSUs and issue and allotment of Award Shares to the Connected Participants would vary depending on the deviations from the assumptions stated above. Provided that the number of Award Shares that underlies the RSUs that may be granted to each Connected Participant under the Co-Ownership Plan III Plus shall not exceed the maximum number that he or she is entitled to, as disclosed in the table under section 3(b) of “Letter from the Board”. Accordingly, information contained in the above table is provided only for illustrative purpose and has been presented on the basis of the stated assumptions.

Of all the Eligible Talents identified as at the Latest Practicable Date, eight of them are connected persons of the Company. Assuming that (i) all the Connected Participants will agree to participate, and do participate, in the Co-Ownership Plan III Plus to the fullest extent; (ii) all conditions to the grant of the RSUs are satisfied and the maximum entitlements to the RSUs will be granted; and (iii) all the Connected Participants become Grantees of RSUs and are vested with the Award Shares upon satisfaction of the Vesting Conditions, and on the basis of the 3% limit by reference to the number of Shares in Issue as at the Latest Practicable Date, the maximum number of Award Shares that will be awarded to the Connected Participants is 5,856,590 in total (the maximum number of Award Shares that will be awarded to the Connected Participants was determined on 21 June 2019 based on the closing share price of the Company on the prior trading day).

Details of the Connected Participants as at the Latest Practicable Date and the maximum number of Award Shares underlying the RSUs that may be granted to these Connected Participants under the Connected Grant, based on the assumptions stated in the paragraph above, are set out in the table below.

Name	Position and connected relationship with the Group	Maximum number of Award Shares underlying the RSUs to be granted	Approximate % of total issued share capital of the Company assuming the maximum number of Award Shares has been issued ^(Note 1)
Mr. Chu Kwong YEUNG	Executive Director and director of subsidiaries of the Group	2,172,484	0.16%
Mr. Ni Quiaque LAI	Executive Director and director of subsidiaries of the Group	1,490,070	0.11%
Six Eligible Talents of the Group ^(Note 2)	directors of the subsidiaries of the Group	2,194,036	0.16%

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Notes:

1. It is assumed that the Vendor Loan Notes (as defined in the WTT Merger Circular and Announcement) has not been converted in full.
2. The six Eligible Talents are Mr. Tak Wa William YEUNG, Mr. Yue Kit Andrew WONG, Ms. Yan Fen LIU, Ms. Wing Sze CHAN, Ms. Wai Han Stella Yu and Ms. Li Li DAI and the maximum number of Award Shares underlying the RSUs to be granted to each aforesaid Eligible Talents are 1,016,199, 543,545, 125,574, 410,963, 72,548 and 25,207 respectively.

Please note that the potential grant of RSUs and issue and allotment of Award Shares to the Connected Participants would vary depending on the deviations from the assumptions stated above, provided that the number of Award Shares that underlies the RSUs that may be granted to each Connected Participant under the Co-Ownership Plan III Plus shall not exceed the maximum number that he or she is entitled to, as disclosed in the above table. Accordingly, information contained in the above table is provided only for illustrative purpose and has been presented on the basis of the stated assumptions.

As the maximum dilutive impact allowed is 3.0% under the Scheme Mandate Limit, we are of the view that the potential shareholding impact of the Scheme is acceptable as far as the Independent Shareholders are concerned and the benefits of the operational growth of the Group would likely outweigh the potential shareholding impact to the Company and its Shareholders as a whole.

4.2 Potential financial effect of the Company

The Management expects that the accounting treatment of the Scheme will be similar to that of the Earlier Schemes, whereby the estimated fair value of RSUs, taking into account the probability that the RSUs will be vested, will be recognised as Talent costs with a corresponding increase in capital reserve within equity from the date of allocation until the Vesting Date, when the amount recognised as expenses will be adjusted to reflect the actual number of RSUs that are vested (with a corresponding adjustment to the capital reserve). As such, we expect that the Company will incur non-cash Talent expenses upon the grant of RSUs, the amount of which will depend on various factors, including the number of Purchased Shares and fair value of each RSU as at the date of such Grant. For instance, the Group's equity-settled share-based payment expenses were approximately HK\$14.1 million, HK\$8.6 million, and HK\$1.4 million for the years ended 31 August 2017 and 2018 and the six months ended 28 February 2019, representing 3.6%, 5.0% and 0.7% of the net profit for the corresponding periods respectively.

Moreover, the Board expects that there will be no material impact on the net asset value of the Company following the allotment and issue of the Shares underlying the RSUs to be granted pursuant to the Scheme. Therefore, we do not expect that the Scheme will have any immediate material adverse effect on the Group at the time of its adoption or commencement. The Management takes the view, and we concur, that the recognition

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

of the equity-based share-based payment expenses upon the allocation, being essentially based on the probability of rewarding the Participants, including the Connected Participants, for their contribution to the development of the Company, is fair and reasonable.

5. RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that the adoption of the Co-Ownership Plan III Plus, the grant of the Scheme Mandate and the Connected Grant are in the ordinary and usual course of business of the Group and on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the Resolutions at the Extraordinary General Meeting.

Yours faithfully,
For and on behalf of
Altus Capital Limited

Charlotte Khoo
Executive Director

Ms. Charlotte Khoo (“Ms. Khoo”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. Ms. Khoo has over 7 years of experience in corporate finance and advisory in Hong Kong, in particular, she has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance transactions. Ms. Khoo is a certified public accountant of the Hong Kong Institute of Certified Public Accountants.

APPENDIX I PRINCIPAL TERMS OF THE CO-OWNERSHIP PLAN III PLUS

The following is a summary of the principal terms of the Co-Ownership Plan III Plus proposed to be approved at the Extraordinary General Meeting but does not form part of, nor was it intended to be, part of the Co-Ownership Plan III Plus nor should it be taken as affecting the interpretation of the Co-Ownership Plan III Plus.

THE CO-OWNERSHIP PLAN III PLUS AND ITS SUMMARY

The terms of the Co-Ownership Plan III Plus are not subject to the provisions of Chapter 17 of the Listing Rules as the Co-Ownership Plan III Plus does not involve the grant of options by the Company to subscribe for new Shares.

If the Co-Ownership Plan III Plus is approved by the Independent Shareholders at the Extraordinary General Meeting, the Company will appoint the Plan Trustee prior to the Commencement Date to assist with the administration and vesting of RSUs granted pursuant to the Co-Ownership Plan III Plus. The Company will direct and procure the Plan Trustee to endeavour to purchase Shares on-market over a reasonable period of time on behalf of all new Participants who have accepted invitations in the same Invitation Period at the prevailing market prices of the Shares. For the avoidance of doubt, the Charitable Fund will not be invited to purchase any Shares under the Co-Ownership Plan III Plus. The Plan Trustee will not hold any Purchased Share, RSU or Award Share for the Charitable Fund. They will be held by the Charitable Fund (or its custodian or nominee) directly.

The granting of the RSUs to the Participants will depend on the level of the Adjusted Available Cash per Share for Distribution achieved, on a cumulative basis, during the 2019, 2020 and 2021 Financial Years. Unless the Board resolves to early terminate the Co-Ownership Plan III Plus by reason of the occurrence of an M&A Event, the minimum level of the Adjusted Available Cash per Share for Distribution required to be achieved by the Company before any RSU will be granted is an amount in excess of HK\$2.53 on a cumulative basis over the 2019, 2020 and 2021 Financial Years of the Company. If the Adjusted Available Cash per Share for Distribution, on a cumulative basis, over the 2019, 2020 and 2021 Financial Years of the Company reaches HK\$3.03, RSUs will be granted to the Grantees on the basis that the Grantees would, subject to the satisfaction of the Vesting Conditions and on the Vesting Date, receive 1.33 Award Share for every Purchased Share (and this would represent the maximum entitlement of the Grantees, subject to (i) 5,320,000 Award Shares being reserved for making award to the Charitable Fund (refer to **paragraph 7** below) and (ii) an adjustment as a result of any Reorganisation of Capital Structure). The granting of the RSUs will occur earlier than the publication of the annual results of the Company for the 2021 Financial Year if the maximum targeted accumulated Adjusted Available Cash per Share for Distribution is achieved prior to the end of the 2021 Financial Year. A cumulated Adjusted Available Cash per Share for Distribution in excess of HK\$3.03 will not give rise to any further entitlement.

If the Adjusted Available Cash per Share for Distribution, on a cumulative basis, over the 2019, 2020 and 2021 Financial Years of the Company reaches a value in excess of HK\$2.53 and below HK\$3.03, RSUs will be granted to the Participants on a pro-rata basis, and the number of RSUs to be granted will be determined on a linear scale between zero RSU and 1.33 RSU for every Purchased Share (with more RSUs to be granted the closer the actual achieved level is to HK\$3.03).

APPENDIX I PRINCIPAL TERMS OF THE CO-OWNERSHIP PLAN III PLUS

The Company will allot and issue, upon the satisfaction of the Vesting Conditions and on the Vesting Date, up to such number (as may be adjusted in the event of a Reorganisation of Capital Structure) of Shares representing 3% of the Shares in Issue on the date of the general meeting of the Company approving the Co-Ownership Plan III Plus.

WARNING: The information set out in this circular relating to the Co-Ownership Plan III Plus, including the proposed bases for determining whether the respective conditions for the granting and vesting of the RSUs are satisfied, are for the purpose of considering the resolutions to be presented at the Extraordinary General Meeting only. Nothing in this circular shall represent a forecast or projection of the Company's share price, future performance, cash flow or profitability. As the adoption of the Co-Ownership Plan III Plus is subject to approval by the Independent Shareholders, the Co-Ownership Plan III Plus may or may not be implemented and such bases for granting and vesting may or may not materialise. Accordingly, Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

1. PURPOSE OF THE CO-OWNERSHIP PLAN III PLUS

The purposes of the Co-Ownership Plan III Plus are to:

- (i) incentivise skilled and experienced Eligible Talents to remain with the Group and to motivate them to strive for the future development and expansion of the Group in order to create value to the Shareholders, by providing them with a co-investment opportunity to acquire equity interests in the Company according to the Purchase Priority, while encouraging them to be long term holders of the Company's Shares; and
- (ii) make contributions to the Charitable Fund which has been set up for the purpose of supporting charitable projects or charitable or not-for-profit organisations for the better of Hong Kong (but not limited to Hong Kong), and is designed to immerse Eligible Talents in a variety of corporate social investment projects to create long-term value for Hong Kong and elsewhere and to support the Company's core purpose of "*Make our Hong Kong a better place to live*". It is intended that the Charitable Fund will grow together with the overall performance of the Group.

2. CORPORATE SOCIAL INVESTMENT ELEMENT

To support the Company's corporate social investment initiatives, the Executive Directors will donate a total of 4,000,000 Shares to the Charitable Fund and once such Shares are donated, they will be held by the Charitable Fund (or its custodian or nominee) and not by the Plan Trustee. As a contribution to the Charitable Fund by the Company, the Co-Ownership Plan III Plus will reserve RSUs entitling the Charitable Fund to receive not more than 5,320,000 Award Shares under the terms of the Co-Ownership Plan III Plus (being the maximum entitlement of the Charitable Fund when 1.33 RSU is given for every Purchased Share, refer to **paragraph 6(b)**). Any Eligible Talent may, at their own discretion, make contributions to the Charitable Fund by directing the Plan Trustee to transfer any part of their Award Shares receivable upon the vesting of the RSUs to the Charitable Fund.

3. RESTRICTED SHARE UNITS

An RSU is a contingent right to receive an Award Share which is awarded to a Participant pursuant to the Co-Ownership Plan III Plus. The granting of the RSUs to the Participants is subject to the cumulative level of the Adjusted Available Cash per Share for Distribution achieved during the term of the Co-Ownership Plan III Plus (with entitlements capped at a cumulative Adjusted Available Cash per Share for Distribution of HK\$3.03 since the beginning of the 2019 Financial Year until the expiry of the term of the Co-Ownership Plan III Plus). The RSUs granted under the Co-Ownership Plan III Plus will be subject to a vesting period and the satisfaction of the Vesting Conditions.

4. PARTICIPANTS OF THE CO-OWNERSHIP PLAN III PLUS AND BASIS FOR DETERMINING THE ELIGIBILITY OF THE PARTICIPANTS

The Board will grant RSUs pursuant to the Co-Ownership Plan III Plus to Participants upon the satisfaction of conditions set out in the terms of the Co-Ownership Plan III Plus. Any Executive Director of the Company, or any Talent or consultant of the Company or any member of the Group that is of Point 3 grade or above and whose probation period (if applicable) has expired and who has not given a notice of resignation to any member of the Group or who has not been given a notice of termination of employment by any member of the Group will be an Eligible Talent receiving an invitation from the Board during the relevant Invitation Period, and such person will become a Participant upon the acceptance of an invitation to participate in the Co-Ownership Plan III Plus in accordance with **paragraph 6(a)**.

5. STATUS OF THE CO-OWNERSHIP PLAN III PLUS

(a) Conditions of the Co-Ownership Plan III Plus

The adoption of the Co-Ownership Plan III Plus will take effect subject to (i) the approval by the Independent Shareholders at a general meeting of the Company of the terms and conditions of the Co-Ownership Plan III Plus and the proposed allotment and issuance of new Shares underlying the RSUs of the Company; and (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the new Shares underlying the RSUs of the Company (the “**Adoption Conditions**”).

(b) Term of the Co-Ownership Plan III Plus

Subject to the Adoption Conditions being satisfied, the Co-Ownership Plan III Plus shall be valid and effective for the period commencing on the Commencement Date and expiring on the earlier of (i) the date falling four years from the Commencement Date (provided that no RSU has been granted on or prior to such date); (ii) the date on which all granted RSUs have either been vested or cancelled; (iii) the date of termination of the Co-Ownership Plan III Plus as determined by the Board in the case where the Board in its absolute discretion resolves to terminate the Co-Ownership Plan III Plus upon the occurrence of an M&A Event; and (iv) such earlier date as the Co-Ownership Plan III Plus is terminated in accordance with its terms (the

“Term”), after which period no further RSUs shall be offered or granted but the provisions of the Co-Ownership Plan III Plus shall remain in full force and effect in all other respects with respect to any RSU granted and that remains outstanding.

6. PURCHASES OF SHARES AND GRANT OF RSUS

RSUs will only be granted on a matching basis to Participants who purchase Shares in accordance with the terms of the Co-Ownership Plan III Plus. The matching ratio shall be determined in accordance with the formula in **paragraph 6(e)(i)** below and the maximum entitlement (if any) is 1.33 RSU (representing a conditional entitlement to 1.33 Award Shares) for every one Purchased Share.

(a) Invitation to Purchase Shares and to be Granted RSUs

The Board will, within each of the Invitation Period, invite any Talent who, as at the start of each applicable Invitation Period, has not been previously invited to participate in the Co-Ownership Plan III Plus (including, for the avoidance of doubt, any individual who has joined the Group as a Talent, or has been promoted and has become a Talent, prior to the start of any Invitation Period) to purchase Shares and agree to be granted with RSUs in accordance with the terms of the Co-Ownership Plan III Plus.

To the extent that any Invitation Period has to be shortened or suspended, or has otherwise become not feasible or not available, by reason of the restrictions set out in **paragraph 6(g)** or otherwise, the Company may set other invitation period(s) as appropriate, expedient or desirable to invite Eligible Talents (who have not been invited to participate in the Co-Ownership Plan III Plus in any of the Invitation Periods) to participate in the Co-Ownership Plan III Plus, to the extent that the total Investment Amounts of the Eligible Talents who have accepted the purchase of Shares has not yet resulted in the purchase of a total number of Shares exceeding the maximum number of Shares available for purchase by all Participants as provided below.

The aggregate monetary amount for the purchase of Shares by any Eligible Talent must: (i) be equal to or exceed 1/6 of the Annual Remuneration Package of such invitee; and (ii) not more than two times the Annual Remuneration Package of such Eligible Talent. The maximum number of Shares available for purchase by all Participants (excluding the Charitable Fund) shall not at any time exceed the limit calculated in accordance with **paragraph 7** and after deducting 5,320,000 Shares reserved for making award to the Charitable Fund (refer to **paragraph 7** below). The number of Award Shares that the Company is obliged to allot and issue to Participants who are connected persons at the time of the Board’s acceptance of their purchase of Shares shall not exceed the maximum number of Shares which the Company is authorised to allot and issue under any valid mandate granted by the Shareholders at a general meeting of the Company from time to time in compliance with the Listing Rules. An Eligible Talent will need to specify the monetary amount for the purchase of Shares by him/her, being the Investment Amount, in the letter of acceptance to participate in the Co-Ownership Plan III Plus.

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The Board will accept the purchase of Shares by any Eligible Talent and will communicate such acceptance by notice to the Eligible Talent and will require the Eligible Talent to remit, within 15 Business Days of the issue of the acceptance notice, the Investment Amount to the Plan Trustee through the Company. The Board may, by reason of time required to comply with relevant foreign exchange regulations, at its discretion extend the period for the remittance of the Investment Amount to the Plan Trustee via the Company and, if it is so extended, the participation of the relevant Participants in the Co-Ownership Plan III Plus will be deemed to commence on the date of the remittance of their respective Investment Amount to the Plan Trustee via the Company.

(b) Purchase of Shares

After the receipt of the Investment Amounts, the Company will direct and procure the Plan Trustee to endeavour to purchase Shares on-market over a reasonable period of time as is feasible to purchase the requisite number of Shares on behalf of all new Participants who have accepted an invitation in the same Invitation Period at the prevailing market prices of the Shares until the aggregate Investment Amounts remitted by those new Participants have been utilised. The Shares purchased by the Plan Trustee (the “**Purchased Shares**”) during any one share purchase period will be allocated among the new Participants who have accepted an invitation in the same Invitation Period preceding that share purchase period on a pro-rata basis, based on their respective Investment Amounts, provided that the number of Purchased Shares allocated to each of those new Participants will be rounded down to the nearest number of Shares. In relation to the Charitable Fund as a Participant, its Purchased Shares shall refer to 4,000,000 Shares donated by the Executive Directors to the Charitable Fund. Any individual surplus Investment Amounts will be refunded to the Participants on a pro-rata basis to their respective Investment Amounts.

(c) Purchase Priority if there is an over-subscription of Shares

For any Invitation Period, if the total Investment Amounts of the Participants will result in the purchase of Shares exceeding the maximum number of Shares available for purchase by all Participants (i.e. the Scheme Mandate Limit taking into account the maximum number of Shares underlying the RSUs already granted pursuant to the scheme in accordance with **paragraph 7** and deducting 5,320,000 Award Shares reserved for making award to the Charitable Fund), the allocation for the purchase of Shares shall be determined in the following priority (the “**Purchase Priority**”):

- (a) to satisfy the Investment Amounts of up to 12 months of the Annual Remuneration Package of each Participant (excluding the Executive Directors), with each Participant’s entitlement determined on a pro-rata basis as amongst all such Participants;

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- (b) to satisfy the Investment Amounts of those who have become Eligible Talents of the Group on or prior to 31 August 2018 up to the remaining unsatisfied Investment Amounts of such Participants (excluding the Executive Directors), determined on a pro-rata basis;
 - (c) to satisfy the Investment Amounts of those who have become Eligible Talents of the Group after 31 August 2018 up to the remaining unsatisfied Investment Amounts of such Participants (excluding the Executive Directors), determined on a pro-rata basis; and
 - (d) to satisfy the Investment Amounts of the Executive Directors on a pro-rata basis.
- (d) Transfer of Purchased Shares and Purchased Shares Released on the Granting of RSUs**

The Plan Trustee will hold the relevant Purchased Shares on trust for each Participant until the issue of a valid transfer notice by the relevant Participant or deemed issue of a valid transfer notice on the Grant Date. For the avoidance of doubt, this arrangement does not apply to the Charitable Fund.

A Participant may only issue a transfer notice to the Plan Trustee in respect of the Purchased Shares to which the Participant holds the beneficial title.

A transfer notice which purports to require the Plan Trustee to transfer any Purchased Share prior to the Grant Date shall be valid but such Participant shall cease to participate in the Co-Ownership Plan III Plus and shall not be entitled to any grant of RSUs (this shall not, however, affect any rights such Participant may have in his/her Purchased Shares), provided that the Board shall have the power in its absolute discretion to designate such Participant as a Good Leaver if such Participant is in financial difficulty or if there are exceptional circumstances as determined by the Board. A Good Leaver who issues a transfer notice with respect to all his/her Purchased Shares shall still be entitled to the grant of RSUs pursuant to **paragraph 6(f)(ii)**.

Participants whose Purchased Shares are held by the Plan Trustee shall be entitled to cash dividends, distributions and bonus shares (but not other distributions such as nil-paid rights) made by the Company with respect to the Purchased Shares. Where there is a choice between scrip or cash dividends arising from such Purchased Shares, the Plan Trustee shall always elect cash dividends (and Participants shall have no right of election). The Plan Trustee shall not take voting instructions from the Participants with respect to their Purchased Shares held by the Plan Trustee and the Plan Trustee shall not exercise any voting rights attached to such Purchased Shares held by it.

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(e) Grant of RSUs

On and subject to the terms of the Co-Ownership Plan III Plus, where a Participant has Purchased Shares held by the Plan Trustee and all the Purchased Shares of such Participant remain continued to be held at all times by the Plan Trustee until the Grant Date, the Board shall make a Grant with respect to those Purchased Shares after the Grant Date in accordance with the following provisions. A Grant shall also be made to the Charitable Fund in relation to the 4,000,000 Shares donated by the Executive Directors after the Grant Date in accordance with the following provisions.

- (i) Subject to the adjustments set out in **paragraph 6(f)**, the number of RSUs to be granted to a Participant shall be determined on the Grant Date in accordance with the formula below:

$$A \times B$$

where:

$$A = \frac{AFF - 2.53}{3.03 - 2.53},$$

AFF = the total cumulative Adjusted Available Cash per Share for Distribution of the Company during the period from 1 September 2018 to and including the date on which the Company publishes its annual results for the 2021 Financial Year; and

B = the Participant's total number of Purchased Shares x 1.33

provided that:

- (a) where the value of A is less than 0, it shall be deemed to be 0; or
- (b) where the value of A is more than 1, it shall be deemed to be 1.
- (ii) If an M&A Event occurs prior to the Grant Date and the Board in its absolute discretion resolves to terminate the Co-Ownership Plan III Plus, the Board shall determine the number of RSUs to be granted in accordance with **paragraph 6(e)(iv)** and the following matters:
- (A) the time of Grant of any of the RSUs; and
- (B) the time of vesting of the RSUs and whether or not the Vesting Conditions shall apply in such a case and if so, to determine the reference time period for determining the satisfaction of such Vesting Conditions.

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- (iii) If an M&A Event occurs after the Grant Date but prior to the Vesting Date and the Board in its absolute discretion resolves to terminate the Co-Ownership Plan III Plus, the Board shall have absolute discretion to waive any or all Vesting Conditions (and upon the Board exercising such discretion to waive the relevant conditions to vesting, the RSUs shall vest in accordance with the other applicable terms and conditions of the Co-Ownership Plan III Plus).
- (iv) Subject to the adjustments set out in **paragraph 6(f)**, the number of RSUs to be granted by the Board upon the occurrence of an M&A Event pursuant to **paragraph 6(e)(ii)** shall be determined in accordance with the below formulas^(Note 1):
- (A) if the M&A Event occurs during the period from the Commencement Date to (and including) 31 August 2019, the number of RSUs to be granted to the Participants shall be zero;
- (B) if the M&A Event occurs during the period from 1 September 2019 to (and including) the date of publication of the Company's 2020 annual financial results, the Board shall determine the number of RSUs to be granted to the Participants in accordance with the formula below:

$$A \times B$$

where:

$$A = \frac{AFF - 0.71}{0.81 - 0.71} \times \frac{AFF}{3.03};$$

AFF = (i) if the M&A Event occurs during the period from 1 September 2019 to (and including) 31 August 2020, the total cumulative Adjusted Available Cash per Share for Distribution of the Company from and including 1 September 2018 up to and including 31 August 2019;

(ii) if the M&A Event occurs during the period from 1 September 2020 to (and including) the date of publication of the Company's 2020 annual financial results, the total cumulative Adjusted Available Cash per Share for Distribution of the Company from and including 1 September 2018 up to and including 31 August 2020; and

B = the Participant's total number of Purchased Shares x 1.33;

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provided that:

- (a) if the value of AFF is below 0.71^(Note 2), A shall be deemed to be 0;
- (b) if the value of AFF is 3.03 or above, A shall be deemed to be 1;
- (C) if the M&A Event occurs during the period from the date of publication of the Company's 2020 annual financial results to (and including) the date of publication of the Company's 2021 annual financial results, the Board shall determine the number of RSUs to be granted to the Participants in accordance with the formula below:

$$A \times B$$

where:

$$A = \frac{AFF - 1.52}{1.82 - 1.52} \times \frac{AFF}{3.03};$$

AFF = (i) if the M&A Event occurs during the period from the date of publication of the Company's 2020 annual financial results to (and including) 31 August 2021, the total cumulative Adjusted Available Cash per Share for Distribution of the Company from and including 1 September 2018 up to and including 31 August 2020;

(ii) if the M&A Event occurs during the period from 1 September 2021 to (and including) the date of publication of the Company's 2021 annual financial results, the total cumulative Adjusted Available Cash per Share for Distribution of the Company from and including 1 September 2018 up to and including 31 August 2021; and

B = the Participant's total number of Purchased Shares x 1.33;

provided that:

- (a) if the value of AFF is below 1.52^(Note 3), A shall be deemed to be 0;
- (b) if the value of AFF is 3.03 or above, A shall be deemed to be 1; or
- (D) if the M&A Event occurs after the Grant Date but prior to the Vesting Date, **paragraphs 6(e)(i) and 6(e)(iii)** shall apply.

APPENDIX I PRINCIPAL TERMS OF THE CO-OWNERSHIP PLAN III PLUS

Any Grant to any Connected Participant or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors.

Note 1: The objective of the Co-Ownership Plan III Plus is to make grants of RSUs if the minimum level of the Adjusted Available Cash per Share for Distribution required to be achieved by the Company before any RSU will be granted is an amount in excess of HK\$2.53 on a cumulative basis over the 2019, 2020 and 2021 Financial Years of the Company, and the Participants will receive the maximum entitlement of RSU (namely 1.33 RSU) for every Purchased Share if the Adjusted Available Cash per Share for Distribution reaches HK\$3.03 over the aforesaid period. With this objective in mind, if an M&A Event occurs during the aforesaid period and the Board resolves to early terminate the Co-Ownership Plan III Plus, it was considered appropriate to make early grants of RSUs if targets in relation to the Adjusted Available Cash per Share for Distribution for the relevant Financial Year was achieved. The relevant targets for each Financial Year are set out in the table below:

Targets for Adjusted Available Cash per Share for Distribution

	Adjusted Available Cash per Share for Distribution (HK\$)		
	2019 Financial Year	2020 Financial Year	2021 Financial Year
Annual minimum amount for receiving grant of RSUs if the Co-Ownership Plan III Plus is terminated early pursuant to an M&A Event	0.71	0.81	1.01
Cumulative minimum amount for receiving grant of RSUs if the Co-Ownership Plan III Plus is terminated early pursuant to an M&A Event	0.71	1.52	2.53
Annual target	0.81	1.01	1.21
Cumulative target	0.81	1.82	3.03

By way of comparison, the Adjusted Available Cash per Share for Distribution of the Company for the 2017 Financial Year and the 2018 Financial Year was approximately HK\$0.45 and HK\$0.57 respectively.

Note 2: If an M&A Event occurs during the period after the end of the 2019 Financial Year but before the end of the 2020 Financial Year and the Board resolves to early terminate the Co-Ownership Plan III Plus, HK\$0.81 is the optimal cumulative target of the Adjusted Available Cash per Share for Distribution for the 2019 Financial Year that needs to be met before RSUs can be granted. However, if the actual achieved cumulative Adjusted Available Cash per Share for Distribution is in excess of HK\$0.71 (but below HK\$0.81), as the achieved Adjusted Available Cash per Share for Distribution is sufficiently close to the optimal level, the Participants would also be entitled to be granted with some RSUs. The number of RSUs to be granted in this situation will be determined on a linear scale, with more RSUs to be granted the closer the actual achieved level is to HK\$0.81. If an M&A event occurs during the period between the end of the 2020 Financial Year and the date of publication of the Company's 2020 annual financial results, the cumulative target of the Adjusted Available Cash per Share for Distribution up to the 2020 Financial Year (refer to Note 3 below) will also be considered for the granting of RSUs.

Note 3: If an M&A Event occurs during the period from the date of publication of the Company's 2020 annual financial results but before the end of the 2021 Financial Year and the Board resolves to early terminate the Co-Ownership Plan III Plus, HK\$1.82 is the optimal cumulative target of the Adjusted Available Cash per Share for Distribution for the 2020 Financial Year that needs to be met before RSUs can be granted. However, if the actual achieved cumulative Adjusted Available Cash per Share for Distribution is in excess of HK\$1.52 (but below HK\$1.82), as the achieved Adjusted Available Cash per Share for Distribution is sufficiently close to the optimal level, the Participants would also be entitled to be granted with some RSUs. The number of RSUs to be granted in this situation will be determined on a linear scale, with more RSUs to be granted the closer the actual achieved level is to HK\$1.82. If an M&A event occurs during the period between the end of the 2021 Financial Year and the date of publication of the Company's 2021 annual financial results, the cumulative target of the Adjusted Available Cash per Share for Distribution up to the 2021 Financial Year will also be considered for the granting of RSUs.

(f) Adjustments

Subject to **paragraph 13** below and on the basis that the following shall not apply to the Charitable Fund:

- (i) if a Participant (who is not an invitee during the first Invitation Period, namely the period of 10 Business Days from the date of publication of the Company's annual results for the 2019 Financial Year, or whose period for remittance of Investment Amount has been extended pursuant to **paragraph 6(a)**) participates in the Co-Ownership Plan III Plus on a date falling after the Commencement Date and prior to the Grant Date, the number of RSUs to be granted to such Participant (if eligible) shall be determined in accordance with the formula in **paragraphs 6(e)(i) or 6(e)(iv)** (as the case may be) but pro-rated by dividing the number of calendar days during which such Participant has participated in the Co-Ownership Plan III Plus by the total number of calendar days in the period from and including the Commencement Date until and including the Grant Date; or
- (ii) if a Participant (for the avoidance of doubt, this shall not apply to the Charitable Fund) becomes a Good Leaver prior to the Grant Date, the number of RSUs to be granted shall be determined in accordance with the formula in **paragraphs 6(e)(i) or 6(e)(iv)** (as the case may be) but pro-rated by dividing the number of calendar days during which such Participant has participated in the Co-Ownership Plan III Plus by the total number of calendar days in the period from and including the Commencement Date until and including the Grant Date.

Upon the grant of the RSUs, if there is an occurrence of an M&A Event and the Board resolves to terminate the Co-Ownership Plan III Plus, the Participants shall have the right to issue the transfer notice to the Company in accordance with **paragraph 6(d)**.

(g) Timing Restrictions

The Company may not make an invitation to purchase Shares and any invitee may not accept any invitation during any of the following periods:

- (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of publication of the results;
- (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of publication of the results;

APPENDIX I PRINCIPAL TERMS OF THE CO-OWNERSHIP PLAN III PLUS

- (iii) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant Financial Year up to the date of publication of the results; and
- (iv) 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the date of publication of the results.

If the Company is in possession of unpublished inside information (as such term is defined in the SFO, it may not (i) make any invitation; (ii) accept an invitation; (iii) direct and procure the Plan Trustee to make on-market purchases of Shares; (iv) grant any RSU; or (v) allot and issue any Award Share, until that inside information is published in accordance with the SFO or ceases to be inside information.

7. MAXIMUM NUMBER OF SHARES UNDERLYING THE RSUs

At any time during the Term, the maximum aggregate number of new Shares that may underlie the RSUs granted pursuant to the Co-Ownership Plan III Plus shall be calculated in accordance with the following formula:

$$X = A - B$$

where:

- X** = the maximum aggregate number of Shares that may underlie the RSUs granted pursuant to the Co-Ownership Plan III Plus;
- A** = the Scheme Mandate Limit; and
- B** = the maximum aggregate number of Shares underlying the RSUs already granted pursuant to the Co-Ownership Plan III Plus.

Shares underlying the RSUs which have been cancelled or transferred to the Participants in accordance with the terms of the Co-Ownership Plan III Plus will not be counted for the purposes of determining the maximum aggregate number of Shares that may underlie the RSUs granted pursuant to the Co-Ownership Plan III Plus.

The total number of Award Shares that are issuable to the Participants (including the Charitable Fund) shall be the Scheme Mandate Limit, provided that 5,320,000 Award Shares shall be reserved for making award to the Charitable Fund with respect to such not less than 4,000,000 Shares that the Executive Directors will donate to the Charitable Fund.

8. RIGHTS ATTACHED TO THE RSUS

The RSUs do not carry any right to vote at general meetings of the Company, or any dividend, transfer or other rights (including those arising on the winding-up of the Company).

No Grantee shall enjoy any of the rights of a Shareholder by virtue of the Grant of an RSU pursuant to the Co-Ownership Plan III Plus, unless and until the legal and beneficial title of the Award Share underlying the RSU have been allotted and issued to the Grantee.

9. RIGHTS ATTACHED TO THE SHARES

Subject to the foregoing, the Purchased Shares and Award Shares will be subject to all the provisions of the Articles for the time being in force and shall rank *pari passu* in all respects with, and shall have the same voting, dividend, transfer and other rights (including those rights arising on a winding-up of the Company) as, the other fully paid Shares in issue on the date on which those Shares are released upon the vesting of the RSUs granted and, without prejudice to the generality of the foregoing, shall entitle the holders to participate in all dividends or other distributions paid or made on or after the date on which Shares are allotted and issued or transferred (as the case may be) other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be before the date on which the Shares are allotted and issued or transferred (as the case may be).

10. ASSIGNMENT OF RSUS

On the basis that this **paragraph 10** shall not apply to the Charitable Fund, an RSU shall be personal to the Grantee and shall not be assignable or transferable by the Grantee, provided that:

- (i) during the validity period of the RSU and with the prior written consent of the Board, the Grantee may transfer RSUs to his/her family members by gift or pursuant to a court order relating to the settlement of marital property rights; and
- (ii) subject to **paragraph 13** below, following the Grantee's death, RSUs may be transferred by will or by the laws of testacy and distribution.

Subject to the foregoing, a Grantee shall not in any way sell, transfer, charge, mortgage, encumber or create any interests in favour of any third party over or in relation to any RSU.

11. VESTING OF RSUS

(a) General

Subject to the terms of the Co-Ownership Plan III Plus, an RSU that has been granted shall vest on the Vesting Date in respect of the Shares underlying the RSU provided that the Vesting Conditions have been satisfied.

(b) Vesting Conditions

Vesting of an RSU is conditional upon the following conditions (the “**Vesting Conditions**”) being satisfied:

- (i) the arithmetic average of the closing share price of the Shares for each of the 60 trading days of the Stock Exchange which immediately precedes the Vesting Date is greater than HK\$9.27; and
- (ii) the cumulative capital expenditure of the Group during the 2019, 2020 and 2021 Financial Years is not less than HK\$1,600,000,000 (provided that the annual capital expenditure of the Group during each of the 2019, 2020 and 2021 Financial Years is not less than HK\$400,000,000), provided that the capital expenditure for the 2019 Financial Year shall be the aggregate of the capital expenditures of HKBN Ltd. and WTT Holding Corp as separate companies prior to the consolidation of WTT Holding Corp into the Group on 30 April 2019.

Upon the vesting of one RSU, the Company shall promptly allot and issue one Award Share to the Grantee (including the Charitable Fund or its custodian or nominee).

12. CORPORATE EVENTS

If:

- (a) a general offer by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to **paragraph 12(b)** below) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) by any person and such offer becomes or is declared unconditional prior to the granting of RSUs or the Vesting Date of any RSU, prior to the offer becoming or being declared unconditional; or
- (b) a general offer for Shares by way of a scheme of arrangement is made by any person to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings prior to the granting of RSUs or the Vesting Date of any RSU, prior to such meetings; or

APPENDIX I PRINCIPAL TERMS OF THE CO-OWNERSHIP PLAN III PLUS

- (c) pursuant to the Companies Law, a compromise or arrangement (other than a scheme of arrangement contemplated in **paragraph 12(b)** above) between the Company and the Shareholders and/or the creditors of the Company is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies prior to the granting of RSUs or the Vesting Date of any RSU; or
- (d) a notice is given by the Company to the Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company prior to the granting of RSUs or the Vesting Date of any RSU,

the Board shall determine at its absolute discretion but treating all Participants fairly and taking into account the number of calendar days during which such Participant has participated in the Co-Ownership Plan III Plus, whether the Participant is a Good Leaver or a Bad Leaver (where applicable) and the formula in **paragraph 6(e)(i)**, the number of RSUs that shall be granted or vest (as the case may be provided that a Grantee shall only be entitled to receive up to a maximum of one Award Share for each RSU granted to him/her), the period within which such RSUs shall be granted or vest (as the case may be) and the condition (if any) to vesting or the waiver of any or all such conditions, of any of the RSUs and shall notify the Participants of the same.

13. CANCELLATION AND CLAWBACK OF RSUs

A granted but unvested RSU shall be cancelled automatically upon the earliest of:

- (a) the date on which the Grantee becomes a Bad Leaver (for the avoidance of doubt, this shall not apply to the Charitable Fund):
- (b) the date on which the Grantee (whether intentionally or otherwise) commits a breach of **paragraph 10** or any other provision of the rules of the Co-Ownership Plan III Plus; and
- (c) any Vesting Condition becomes incapable of satisfaction.

The Board shall have the right to determine whether the Participant or Grantee is a Good Leaver or a Bad Leaver and such determination by the Board shall be final and conclusive. For the avoidance of doubt, this shall not apply to the Charitable Fund.

If a Grantee is a Good Leaver (for the avoidance of doubt, this shall not apply to the Charitable Fund) after the Grant Date but prior to the Vesting Date of any of his/her RSU, the Board shall notify the Grantee when such RSU shall vest.

14. REORGANISATION OF CAPITAL STRUCTURE

In the event of an alteration in the capital structure of the Company by way of a capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of shares or reduction of the share capital of the Company in accordance with applicable laws and the Listing Rules (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company or any of its subsidiaries is a party or in connection with any share option, restricted share or other equity-based incentive schemes of the Company) while any RSU has not been vested, such corresponding adjustments (if any) shall be made to: (i) the Scheme Mandate Limit; and (ii) the number or nominal value of Shares underlying the RSU so far as unvested (such adjustment shall be proportionate to the change in the share capital of the Company), provided that any such adjustments give a Grantee no less proportion of the share capital of the Company as that to which that Grantee was previously entitled. In respect of any such adjustments, the auditors or an independent financial adviser to the Company (as the case may be) must confirm to the Board in writing that the adjustments are in their opinion fair and reasonable.

15. ALTERATION OF THE CO-OWNERSHIP PLAN III PLUS

Subject to that provided in this **paragraph 15**, the Board may alter any of the terms of the Co-Ownership Plan III Plus at any time. Any changes to the authority of the Board in relation to any alteration of the terms of the Co-Ownership Plan III Plus shall not be made without the prior approval of Shareholders in general meeting. If any alteration may affect the power or authority of the Plan Trustee, or its role in the operation of the Co-Ownership Plan III Plus, it will require the prior written consent of the Plan Trustee.

Any alterations to the terms and conditions of the Co-Ownership Plan III Plus which are of a material nature or any changes to the terms of the RSUs granted must be approved by the Shareholders in general meeting, except where the alterations or changes take effect automatically under the existing terms of the Co-Ownership Plan III Plus. The Board's determination as to whether any proposed alteration to the terms and conditions of the Co-Ownership Plan III Plus is material shall be conclusive.

16. TERMINATION OF THE CO-OWNERSHIP PLAN III PLUS

The Company by ordinary resolution in general meeting may at any time terminate the Co-Ownership Plan III Plus and in such event, no further RSUs may be granted but in all other respects the terms of the Co-Ownership Plan III Plus shall remain in full force and effect in respect of RSUs which are granted during the Term and which remain unvested immediately prior to the termination of the Co-Ownership Plan III Plus.

Upon termination of the Co-Ownership Plan III Plus, the Plan Trustee shall return all Purchased Shares to the Participants. RSUs granted during the Term shall continue to be valid in accordance with their terms of Grant after the end of the Term.

17. ADMINISTRATION OF THE CO-OWNERSHIP PLAN III PLUS

The Co-Ownership Plan III Plus shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Co-Ownership Plan III Plus or its interpretation or effect shall (save as otherwise provided herein) be final and binding on all parties.

18. GENERAL

As of the Latest Practicable Date, no RSU had been granted or agreed to be granted by the Company pursuant to the Co-Ownership Plan III Plus.

Details of the Co-Ownership Plan III Plus, including particulars and movement of the RSUs granted on the Grant Date, and its employee costs arising from the grant of the RSUs will be disclosed in the Company's annual report.

1. RESPONSIBILITY OF THE DIRECTORS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors and Chief Executive

As at the Latest Practicable Date, the interests and short positions, if any, of each Director and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were deemed or taken to have under provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies adopted by the Company were as follows:

Long Position

Name of Director	Number of Shares held	Percentage of the issued share capital of the Company
Mr. Bradley Jay HORWITZ	450,000	0.03%
Mr. Chu Kwong YEUNG	27,086,427	2.07%
Mr. Ni Quiaque LAI	32,997,122	2.52%
Mr. Teck Chien KONG ^(Note 1)	236,627,451	18.04%

Note:

- Mr. Kong Teck Chien, through corporations directly and indirectly controlled by him, namely MBK Partners JC GP, Inc., MBK Partners JC GP, L.P., MBK Partners JC, L.P. and Twin Holding Ltd held 236,627,451 ordinary shares in the Company, in which 83,661,106 ordinary shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.

(b) Substantial Shareholders

So far as is known to any Director or the chief executive of the Company, as at the Latest Practicable Date, Shareholders who had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long Position

Name of Shareholder	<i>Note</i>	Number of Shares beneficially held	Percentage of the issued voting shares of the Company
Bonderman David	<i>(a)</i>	236,627,451	18.04%
Coulter James George	<i>(b)</i>	236,627,451	18.04%
Kim Michael ByungJu	<i>(c)</i>	236,627,451	18.04%
Kong Teck Chien	<i>(d)</i>	236,627,451	18.04%
Canada Pension Plan Investment Board	<i>(e)</i>	182,405,000	13.91%
GIC Private Limited	<i>(f)</i>	87,284,797	6.65%
The Capital Group Companies, Inc. Matthews International Capital Management, LLC	<i>(g)</i>	72,989,500	5.57%
	<i>(h)</i>	71,121,908	5.42%

Notes:

- (a) Mr. Bonderman David, through corporations directly and indirectly controlled by him, namely TPG Asia Advisors VI, Inc. and TPG Wireman, L.P., held 236,627,451 ordinary shares in the Company, in which 83,661,106 ordinary shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.
- (b) Mr. Coulter James George, through corporations directly and indirectly controlled by him, namely TPG Asia Advisors VI, Inc. and TPG Wireman, L.P., held 236,627,451 ordinary shares in the Company, in which 83,661,106 ordinary shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.
- (c) Mr. Kim Michael ByungJu, through corporations directly and indirectly controlled by him, namely MBK GP III, Inc., MBK Partners GP III, L.P., MBK Partners Fund III, L.P., MBK Partners JC, L.P. and Twin Holding Ltd held 236,627,451 ordinary shares in the Company, in which 83,661,106 ordinary shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.
- (d) Mr. Kong Teck Chien, through corporations directly and indirectly controlled by him, namely MBK Partners JC GP, Inc., MBK Partners JC GP, L.P., MBK Partners JC, L.P. and Twin Holding Ltd held 236,627,451 ordinary shares in the Company, in which 83,661,106 ordinary shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.
- (e) Canada Pension Plan Investment Board is the beneficial owner of 182,405,000 ordinary shares of the Company.
- (f) 87,284,797 ordinary shares are held by GIC Private Limited in the capacity of investment manager.

- (g) The Capital Group Companies, Inc. through its subsidiaries, namely Capital International, Inc., Capital International Sarl, and Capital Research and Management Company held 4,139,000 ordinary shares, 6,664,500 ordinary shares and 62,186,000 ordinary shares in the Company respectively, and is accordingly deemed to be interested in the respective shares held by the aforesaid companies.
- (h) 71,121,908 ordinary shares are controlled by Matthews International Capital Management, LLC in the capacity of investment manager.

Save as disclosed above, so far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, no other person (other than a Director or chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.

As at the Latest Practicable Date, Ms. Deborah Keiko ORIDA is the Senior Managing Director & Global Head of Active Equities at Canada Pension Plan Investment Board, a substantial shareholder (as defined in Part XV of the SFO) of the Company.

3. MATERIAL ADVERSE CHANGES

The Directors confirm that, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since the date to which the latest published audited accounts for the twelve months ended 31 August 2018 of the Group were made up.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which will not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTEREST IN THE GROUP'S ASSETS

As at the Latest Practicable Date, none of the Directors had any interest in any assets which have been, since 31 August 2018 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors had any material interest in any contract or arrangement which was subsisting and significant in relation to the business of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, the Directors were not aware that any of them had interests in any business which competes or was likely to compete, either directly or indirectly, with the business of the Group which would fall to be discloseable under the Listing Rules.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and, so far as the Directors are aware, no litigation, arbitration or claim of material importance was pending or threatened against any member of the Group.

8. EXPERT AND CONSENT

The following is the qualifications of the expert who has given opinion or advice, which is contained or referred to in this circular:

Name	Qualification
Altus Capital Limited	A licensed corporation to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

Altus Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusions of its letter dated 29 July 2019 and references to its name, in the form and context in which it appears.

As at the Latest Practicable Date, Altus Capital Limited did not have (i) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and (ii) any direct or indirect interest in any assets which have, since 31 August 2018 (being the date to which the latest published audited consolidated financial statements of the Company were made up), been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

9. MATERIAL CONTRACTS

In the two years immediately preceding the date of this circular and up to the Latest Practicable Date, the following contracts, not being contracts entered into in the ordinary course of business, were entered into by the Company or any of its subsidiaries which are or may be material:

- (a) the sale and purchase agreement entered into on 8 May 2018 between HKBN Group Limited, Lau Wing Keung, Andy and Leung Ya Kan, Eric in relation to the purchase of the shares in I Consulting Group Limited at the consideration not more than HK\$200,000,000;
- (b) the sale and purchase agreement entered into on 16 July 2018 between Crown Master Enterprises Limited and EMWELL Limited in relation to the purchase of the Workshops 1-4, 5&6 (each with flat roof) and 7-23 on the Fourth Floor of Block B, Shatin Industrial Centre, Nos. 5-7 Yuen Shun Circuit, Shatin, New Territories, Hong Kong at the consideration of HK\$209,840,000;
- (c) the sale and purchase agreement dated 7 August 2018 and entered into among the Company, Metropolitan Light Company Limited, TPG Wireman, L.P. and Twin Holding Ltd in respect of the proposed sale of the entire issued share capital of WTT Holding Corp at the consideration of HK\$5,489,756,860;
- (d) the instrument constituting the HK\$1,940,937,656 zero coupon subordinated unsecured perpetual convertible loan of the Company to satisfy part of the consideration of the WTT Merger;
- (e) the memorandum of understanding with respect to the proposed acquisition of the entire issued shares of Cosmo True Limited at the consideration of HK\$328,281,166 dated 17 August 2018 entered into between HKBN Group Limited and Hong Kong Television Network Limited; and
- (f) the sale and purchase agreement with respect to the proposed acquisition of the entire issued shares of Cosmo True Limited at the consideration of HK\$329,218,608.55 dated 26 September 2018 entered into between HKBN Group Limited and Hong Kong Television Network Limited.

10. MISCELLANEOUS

- (a) The registered office of the Company is situated at P.O. Box 309, Uglan House, Grand Cayman KY1-1104, Cayman Islands and the principal place of business in Hong Kong at 12th Floor, Trans Asia Centre, 18 Kin Hong Street, Kwai Chung, New Territories, Hong Kong.
- (b) The Company's Hong Kong branch share registrar and transfer office is Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) The company secretary of the Company is Mr. Yue Kit Andrew WONG, the Chief Financial Officer of the Group.
- (d) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text prevails.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by Shareholders during normal business hours at the principal place of business of the Company in Hong Kong at 12th Floor, Trans Asia Centre, 18 Kin Hong Street, Kwai Chung, New Territories, Hong Kong for a period of 14 days from the date of this circular:

- (a) the Articles;
- (b) the Rules of the Co-Ownership Plan III Plus;
- (c) the material contracts referred to in the section headed "MATERIAL CONTRACTS" in this appendix;
- (d) this circular;
- (e) the Letter from the Independent Financial Adviser, the text of which is set out on pages 26 to 44 of this circular; and
- (f) the written consent from Altus Capital Limited referred to in the section headed "EXPERT AND CONSENT" in this appendix.

NOTICE OF EXTRAORDINARY GENERAL MEETING



HKBN Ltd.
香港寬頻有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1310

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Meeting**”) of HKBN Ltd. (the “**Company**”) will be held at 10:00 a.m., on 19 August 2019, Monday at WOW Land, 16th Floor, Trans Asia Centre, 18 Kin Hong Street, Kwai Chung, New Territories, Hong Kong for the following purposes.

Unless otherwise indicated, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 29 July 2019.

ORDINARY RESOLUTIONS

1. “**That:**

- (a) the Co-Ownership Plan III Plus of the Company constituted by the rules adopted by the board of Directors of the Company be and is hereby approved;
- (b) a specific mandate be and is hereby granted to the Directors of the Company to exercise all the powers of the Company to allot and issue and otherwise deal with the new Shares underlying the RSUs to be granted to the Participants pursuant to the terms and conditions of the Co-Ownership Plan III Plus provided that the number of new Shares allotted and issued does not exceed the Scheme Mandate Limit; and
- (c) any one or more of the Directors be and are hereby authorised to sign or execute such other documents or supplemental agreements or deeds on behalf of the Company and to do all such things and take all such actions as considered to be necessary or desirable for the purpose of giving effect to the implementation of the Co-Ownership Plan III Plus.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

2. “**That** conditional upon ordinary resolution designated “1” set out above being duly passed, the grant of RSUs to the Connected Participants in accordance with the terms of the Co-Ownership Plan III Plus be and is hereby approved and any Director be and is hereby authorised to take any step and execute such other documents as he/she consider necessary or desirable to carry out or give effect to or otherwise in connection with the grant of RSUs to the Connected Participants.”

By Order of the Board
HKBN Ltd.
Bradley Jay HORWITZ
Chairman

Hong Kong, 29 July 2019

Principal Place of Business in Hong Kong:

12th Floor, Trans Asia Centre
18 Kin Hong Street, Kwai Chung
New Territories
Hong Kong

Notes:

- (1) Any member of the Company entitled to attend and vote at the Meeting may appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A member may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of the Company.
- (2) Where there are joint registered holders of any share, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such share of the Company as if he/she/it were solely entitled thereto; but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof to the exclusion of the votes of the other joint holders.
- (3) The register of members of the Company will be closed from Wednesday, 14 August 2019 to Monday, 19 August 2019, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 13 August 2019.
- (4) In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof or, in the case of a member which is a corporation, under its seal or the hand of an officer or attorney duly authorised, must be delivered to the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.