

---

## 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 the Company, 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.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

This circular does not constitute an offer to sell or the solicitation of an offer to buy any share or securities of the Company in the People's Republic of China (excluding Hong Kong, the Macau Special Administrative Region or Taiwan) (the "PRC") to any person to whom it is unlawful to make the offer or solicitation in the PRC.

The Co-Ownership Plan IV does not, and is not intended to, constitute an offer within the meaning of the Macau Financial System Act. This circular and any other document or material in connection with the Co-Ownership Plan IV, or invitation for subscription or purchase, have not been, and will not be, registered or subject to any approval in Macau and may not be circulated or distributed, nor may the RSUs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Macau other than to a Eligible Participant.

This circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Shares in connection with the Co-Ownership Plan IV may not be circulated or distributed, nor may the Shares in connection with the Co-Ownership Plan IV be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than to a qualifying person (as defined in Section 273(4) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 273(1)(i) of the SFA.

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

---



**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 IV;  
(2) SCHEME MANDATE TO ISSUE NEW SHARES UNDERLYING  
THE RSUS TO BE GRANTED UNDER THE CO-OWNERSHIP PLAN IV;  
(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 15 October 2021, Friday at WOW Land, 16th Floor, Trans Asia Centre, 18 Kin Hong Street, Kwai Chung, New Territories, Hong Kong is set out on pages 65 to 66 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 Company's Hong Kong branch share registrar and transfer office, 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 11 to 26 of this circular, a letter from the Independent Board Committee is set out on page 27 of this circular and a letter from Altus Capital Limited containing its recommendation to the Independent Shareholders is set out on pages 28 to 42 of this circular.

21 September 2021

---

## CONTENTS

---

	<i>Page</i>
<b>PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING . . . . .</b>	ii
<b>DEFINITIONS . . . . .</b>	1
<b>LETTER FROM THE BOARD . . . . .</b>	11
<b>LETTER FROM THE INDEPENDENT BOARD COMMITTEE . . . . .</b>	27
<b>LETTER FROM THE INDEPENDENT FINANCIAL ADVISER . . . . .</b>	28
<b>APPENDIX I – PRINCIPAL TERMS OF THE CO-OWNERSHIP PLAN IV . . . . .</b>	43
<b>APPENDIX II – GENERAL INFORMATION . . . . .</b>	59
<b>NOTICE OF EXTRAORDINARY GENERAL MEETING . . . . .</b>	65

*This circular is published in both English and Chinese. Where the English and the Chinese texts conflict, the English text prevails.*

---

## PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

---

With the outbreak and spreading of the COVID-19 pandemic and the heightened requirements for the prevention and control of its spreading, to safeguard the health and safety of Shareholders who might be attending the EGM in person, the Company will implement the following precautionary measures at the EGM.

**Voting by proxy in advance of the EGM:** The Company does not in any way wish to diminish the opportunity available to Shareholders to exercise their rights and to vote, however, for the health and safety of Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the EGM by appointing the chairman of the EGM as their proxy instead of attending the EGM in person. Physical attendance is not necessary for the purpose of exercising Shareholder rights. **Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the EGM or any adjournment thereof should they subsequently so wish.**

**The deadline to submit completed proxy forms is Wednesday, 13 October 2021 at 10:00 a.m..** Completed proxy forms must be returned to the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

**Shareholders are strongly encouraged to cast their votes by submitting a proxy form appointing the chairman of the EGM as their proxy.**

To safeguard the health and safety of Shareholders who might be attending the EGM in person, the Company will also implement the following measures at the EGM:

- (1) Compulsory temperature screening/checks will be carried out on every attendee at the EGM venue. Every attendee will be required to submit a completed health declaration form prior to entry into the EGM venue. Any person with a body temperature above the reference range quoted by the Department of Health from time to time, or is exhibiting flu-like symptoms may be denied entry into the EGM venue and be requested to leave the EGM venue.
- (2) Every attendee will be required to wear a surgical face mask throughout the EGM and sit at a distance from other attendees. Please note that no masks will be provided at the EGM venue and attendees should wear their own masks.
- (3) No refreshments or drinks will be provided to attendees at the EGM.

Attendees are in addition requested to observe and practise good personal hygiene at all times. To the extent permitted by law, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue so as to ensure the health and safety of the attendees at the EGM.

---

## PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

---

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the EGM arrangements at short notice. Shareholders should check the Company's website at [www.hkbnltd.net](http://www.hkbnltd.net) for future announcements and updates on the EGM arrangements.

**Appointment of proxy by non-registered Shareholders:** Non-registered Shareholders whose Shares are held through banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited should consult directly with their banks or brokers or custodians (as the case may be) to assist them in the appointment of proxy.

If Shareholders have any questions relating to the EGM, please contact Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, as follows:

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong  
Telephone: +852 2862 8555  
Facsimile: +852 2865 0990  
Enquiries: [www.computershare.com/hk/en/online\\_feedback](http://www.computershare.com/hk/en/online_feedback)

---

## DEFINITIONS

---

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

- |  |   |
|--|---|
| “Additional Investment Amount(s)”                    | has the meaning ascribed to it in paragraph 5(a) of Appendix I  |
| “Adjusted Available Cash per Share for Distribution” | <p>in respect of a Financial Period, a pro forma amount equal to the “Adjusted Free Cash Flow” amount as determined based on the information in the Company’s latest published interim or annual results (as appropriate) for such Financial Period on a consistent basis as compared to the determination of this amount in prior Financial Periods, as adjusted by:</p> <ul style="list-style-type: none"><li>(i) excluding any non-cash accounting adjustment, loss, expense or cost arising from or in connection with the Co-Ownership Plan IV;</li><li>(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, or the proceeds arising from the sale and purchase 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;</li><li>(iii) excluding the transaction costs and expenses associated with any successful acquisition of companies or business by the Group;</li><li>(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; and</li></ul> |

---

## DEFINITIONS

---

- (v) excluding the costs of relocating and moving the Group's Central offices if required due to the termination or non-renewal of relevant long-term leases,

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

“Adoption Conditions”	has the meaning ascribed to it in paragraph 4(a) of Appendix I, being the conditions for the adoption of the Co-Ownership Plan IV 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 local tax department or authority 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 12
“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(s)”	new Share(s) 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 authorize
“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 III Plus”	the restricted share unit scheme adopted by the Company and approved by the Shareholders at the extraordinary general meeting of the Company convened and held on 19 August 2019
“Co-Ownership Plan IV”	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
“CO3+ Share(s)”	any Share(s) purchased by or on behalf of any Eligible Talent or received by the Charitable Fund pursuant to and in accordance with the terms of the Co-Ownership Plan III Plus
“CO4 Qualifying Share(s)”	Rollover Share(s) and Purchased Share(s) under the Co-Ownership Plan IV
“Commencement Date”	the date on which the Co-Ownership Plan IV becomes effective upon 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 (stock code: 1310)
“Connected Grant”	the proposed grant of RSUs to the Connected Participants who will become Grantees under the Co-Ownership Plan IV and the issuance of Award Shares to the Connected Participants

---

## DEFINITIONS

---

“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
“Director”	a director of the Company
“Eligible Talent”	(i) an Executive Director of the Company; (ii) an employee or consultant of the Company or any member of the Group that is of Point 3 grade (supervisory level or equivalent) or above 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; or (iii) any individual who, at the start of an Invitation Period, is reasonably contemplated by the Company to become an employee or consultant of the Company or any member of the Group that is of Point 3 grade (supervisory level or equivalent) or above during such Invitation Period, on the basis that the acceptance by the Company of the response to the invitation letter submitted by such Eligible Talent shall be conditional upon such Eligible Talent becoming an employee or consultant of the Company or any member of the Group that is of Point 3 grade (supervisory level or equivalent) or above during the relevant Invitation Period
“Eligible Participant”	any Eligible Talent or the Charitable Fund
“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 15 October 2021, Friday 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 65 to 66 of this circular
“Financial Period”	the Company’s first six month period in a Financial Year beginning on the first day of September and ending on the last day of February or second six month period in a Financial Year beginning on the first day of March and ending on the last day of August



---

## DEFINITIONS

---

“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 or as required by the relevant local regulation; (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 IV
“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 IV
“Grant Date”	the earlier of: (i) the date on which the cumulative Adjusted Available Cash per Share for Distribution since 1 September 2021 reaches HK\$3.01; and (ii) the date on which the Company’s annual results for the 2024 Financial Year is published, subject to the requirements and terms of the Co-Ownership Plan IV
“Grantee”	any Participant to whom a Grant is made in accordance with the terms of the Co-Ownership Plan IV or, where the context so permits, any person entitled to any RSU in consequence of the death of the original Grantee as a Good Leaver or the legal personal representative of such person
“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

---

## DEFINITIONS

---

“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 IV, which was established to advise the Independent Shareholders in relation to the Connected Grant
“Independent Financial Adviser”	Altus Capital Limited, a corporation licensed 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 Connected Grant
“Independent Shareholders”	Shareholders other than those who have a material interest in the adoption of the Co-Ownership Plan IV, 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
“Invitation”	has the meaning ascribed to it in paragraph 5(a) of Appendix I
“Invitation Period”	each of the following periods: (i) the period of ten (10) Business Days from the date of publication of the Company’s annual results for 2021 Financial Year; (ii) the period of ten (10) Business Days from the date of publication of the Company’s annual results for 2022 Financial Year; and (iii) the period of ten (10) Business Days from the date of publication of the Company’s annual results for 2023 Financial Year, subject to the Company’s discretion to set other invitation period(s) as appropriate as provided in the Co-Ownership Plan IV provided that (subject to the next paragraph) such period may be varied to a reasonable time after the date of the publication of the relevant results by the Company (and which shall not be more than 60 calendar days after the publication of the relevant results by the Company) to cater for, among others, the inclusion of Eligible Talents and the period required to make payment of the Additional Investment Amount or purchase the Purchased Shares

---

## DEFINITIONS

---

	To the extent that any Invitation Period has to be shortened or suspended, or has otherwise become not feasible or not available, the Company may set other invitation period(s) as appropriate, expedient or desirable
“Invitee”	has the meaning ascribed to it in paragraph 5(a) of Appendix I
“Latest Practicable Date”	15 September 2021, 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 in Issue by the Company
“M&A Termination Date”	the date of termination of the Co-Ownership Plan IV as determined by the Board in its absolute discretion pursuant to the terms of the Co-Ownership Plan IV
“Off-Market Purchased Share(s)”	has the meaning ascribed to it in paragraph 5(b) of Appendix I
“On-Market Purchased Share(s)”	has the meaning ascribed to it in paragraph 5(b) of Appendix I
“Participant”	an Invitee who has accepted an Invitation to participate in the Co-Ownership Plan IV and whose proposed rollover of the CO3+ Shares and/or (in the case of an Invitee who is an Eligible Talent only) purchase of Shares has been accepted by the Board pursuant to the terms thereof. For the avoidance of doubt, the Charitable Fund may be one of the Participants
“Plan Trustee”	the professional trustee appointed by the Company from time to time of the Co-Ownership Plan IV

---

## DEFINITIONS

---

“Priority”	has the meaning ascribed to it in paragraph 5(c) of Appendix I
“Purchased Share(s)”	means the On-Market Purchased Share(s) and/or the Off-Market Purchased Share(s)
“Reorganisation of Capital Structure”	an alteration in the capital structure of the Company as described in paragraph 13 of Appendix I
“Relevant Period”	has the meaning ascribed to it in paragraph 5(e)(v) of Appendix I
“Rollover Share(s)”	the CO3+ Share(s) elected by an Eligible Talent to be rolled over to the Co-Ownership Plan IV (on a one-to-one share basis)
“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 IV
“Scheme Mandate”	a mandate to be sought from the Independent Shareholders at a general meeting of the Company to authorise the Directors to allot and issue new Shares under the Co-Ownership Plan IV upon the vesting of the RSUs pursuant to the terms and conditions of the Co-Ownership Plan IV up to the Scheme Mandate Limit
“Scheme Mandate Limit”	the total maximum number of Shares that may underlie the RSUs to be granted pursuant to the Co-Ownership Plan IV, being 2.50% of the Shares in Issue on the day of the general meeting of the Company approving the Co-Ownership Plan IV (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)
“Share Purchase Period”	has the meaning ascribed to it in paragraph 5(b) of Appendix I
“Shareholder(s)”	holder(s) of Shares

---

## DEFINITIONS

---

“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 IV and any rights or options issued by the Company under any other employee incentive plan or scheme)
“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 4(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 Award Shares underlying the RSU(s) granted to him/her/it in accordance with the terms of the RSU and the Co-Ownership Plan IV
“Vesting Conditions”	has the meaning ascribed to it in paragraph 10(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 (1) year from the Grant Date in respect of such RSU subject to satisfaction of the Vesting Conditions

---

## DEFINITIONS

---

“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. Suyi KIM

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

21 September 2021

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSED ADOPTION OF THE CO-OWNERSHIP PLAN IV;  
(2) SCHEME MANDATE TO ISSUE NEW SHARES UNDERLYING  
THE RSUS TO BE GRANTED UNDER THE CO-OWNERSHIP PLAN IV;  
(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 IV and the grant of the Scheme Mandate to issue new Shares underlying the RSUs to be granted under the Co-Ownership Plan IV; and
- (b) the potential grant of RSUs and issuance of the Award Shares to the Connected Participants under the Co-Ownership Plan IV, namely the Connected Grant.

---

## LETTER FROM THE BOARD

---

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 Connected Grant.

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

Reference is made to the announcement of the Company dated 19 August 2021, in relation to, among other things, the proposed adoption of the Co-Ownership Plan IV and the Proposed Grant of RSUs under, and pursuant to the terms and conditions of, the Co-Ownership Plan IV under the Scheme Mandate.

#### **a. Proposed adoption of the Co-Ownership Plan IV**

On 19 August 2021, the Board approved the conditional adoption of the Co-Ownership Plan IV (which terms include the Proposed Grant of RSUs (including the Connected Grant)), subject to the Independent Board Committee reaching a positive view on the Connected Grant and obtaining the requisite shareholders' approval for the matters stated in section 1 above. A summary of the principal terms of the Co-Ownership Plan IV is set out in Appendix I to this circular.

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

- (a) the obtaining of the requisite shareholders' approval of the Company at a general meeting to approve the adoption of the Co-Ownership Plan IV and to grant a specific mandate to the Directors to allot and issue Shares of the Company under the Co-Ownership Plan IV up to 2.50% 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 IV 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 IV; and
- (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 36,973,039 Shares to be issued on the Vesting Date pursuant to the Scheme Mandate.



---

## LETTER FROM THE BOARD

---

The Company intends to allow the Co-Ownership Plan III Plus to lapse naturally at the end of its term, whilst it is not expected that any RSU will be granted under Co-Ownership Plan III Plus as the granting conditions are not expected to be met. Accordingly, no Award Share will be issued under the Co-Ownership Plan III Plus.

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

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 IV, 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 IV. 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 IV shall not exceed such number of Shares representing 2.50% 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 IV. Further details of the conditions of grant are set out in the section headed "5. Rollover and Purchase 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 is 1,311,599,356, and the number of the total issued Shares 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 resolution approving the granting of the Scheme Mandate at the Extraordinary General Meeting, up to 36,973,039 new Shares may be allotted and issued as Award Shares underlying the RSUs to be granted under the Co-Ownership Plan IV 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 IV

#### a. Eligible Talents

Pursuant to the Co-Ownership Plan IV, Eligible Talents under the Co-Ownership Plan IV currently include the Connected Participants. As at the Latest Practicable Date, the total number of Eligible Talents under the Co-Ownership Plan IV is approximately 2,100, representing approximately 40.0% of the total number of existing Talents of the Group.

#### b. Connected Participants

Of all the Eligible Talents identified as at the Latest Practicable Date, twelve (12) of them are currently connected persons of the Company. Assuming that: (i) all the Connected Participants will agree to participate, and do participate, in the Co-Ownership Plan IV to the fullest extent by maximising their Rollover Shares and their Additional Investment Amounts; (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 Scheme Mandate Limit, the maximum number of Award Shares that will be awarded to the Connected Participants is 9,731,319 in total (the maximum number of Award Shares that will be awarded to the Connected Participants was determined on 19 August 2021 based on the closing share price of the Company on the same trading day).

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

Details of the Connected Participants 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 paragraphs 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 maximum 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 <sup>(Note 1)</sup>
1	Mr. Chu Kwong YEUNG	Executive Director and director of subsidiaries of the Group	3,388,226	9.16%	0.25%

---

## LETTER FROM THE BOARD

---

Number	Name	Position and connected relationship with the Group	Maximum number of Award Shares underlying the RSUs to be granted	Approximate % of the total maximum 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 <sup>(Note 1)</sup>
2	Mr. Ni Quiaque LAI	Executive Director and director of subsidiaries of the Group	2,250,793	6.09%	0.17%
3	Ten (10) Eligible Talents of the Group <sup>(Note 2)</sup>	directors of subsidiaries of the Company	4,092,300	11.07%	0.30%

*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 ten (10) Eligible Talents of the Group are Ms. Wing Yee CHAN, Mr. Man Hong FUNG, Mr. Leong Kim HUI, Mr. Qi Biao Benny DENG, Ms. Yan Fen LIU, Ms. Wing Sze CHAN, Mr. Tiam Wah SOO, Mr. Ho Man Patrick NG, Mr. Zhi Feng LI and Ms. Lubna Mohammedi MANASAWALA, and the maximum number of Award Shares underlying the RSUs to be granted to each aforesaid Eligible Talent are 824,575, 403,977, 752,437, 303,220, 322,289, 674,918, 213,499, 264,522, 147,601 and 185,261 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 IV 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 purposes 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 IV represents approximately 2.50% 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 36,973,039 new Shares. If the Scheme Mandate is utilised to the fullest extent, the 36,973,039 new Shares issued under the Co-Ownership Plan IV will represent approximately 2.50% of the total number of issued Shares as enlarged by and immediately following the full conversion of the Vendor Loan Notes (as defined in the WTT Merger Announcement), 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.

---

## LETTER FROM THE BOARD

---

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

For any Invitation Period, if the total number of Rollover Shares of all Participants (including, for the avoidance of doubt, the Connected Participants and the Charitable Fund) for the time being and the total Additional Investment Amounts of all Participants (including the Connected Participants but excluding the Charitable Fund) who have accepted the Invitation shall result in the total number of CO4 Qualifying Shares exceeding the maximum number of Award Shares (as determined by reference to the CO4 Qualifying Shares) that may underlie the RSUs to be granted pursuant to the Co-Ownership Plan IV, calculated in accordance with paragraph 6 of Appendix I to this circular, the allocation of the CO4 Qualifying Shares shall be determined by the following priorities:

- (a) first, to satisfy the total number of Rollover Shares of all Participants for the time being;
- (b) second, to satisfy the Additional Investment Amounts of all Participants (excluding the Charitable Fund) for up to one time of the Annual Remuneration Package of each such Participant, and the entitlement of each such Participant shall be determined on a pro-rata basis as amongst all such Participants; and
- (c) third, to satisfy the remaining Additional Investment Amounts of all Participants (excluding the Charitable Fund), and the entitlement of each such Participant shall be determined on a pro-rata basis as amongst all such Participants.

## LETTER FROM THE BOARD

### 4. POTENTIAL SHAREHOLDING IMPACT OF THE CO-OWNERSHIP PLAN IV

The following table sets out the shareholding structure of the Company (a) as at the Latest Practicable Date; and (b) immediately upon the issuance of the Award Shares on the Vesting Date, assuming (i) the full utilisation of the Scheme Mandate (except for any remaining unallocated Shares arising as a result of the pro-rata allocation of Award Shares using the Additional Investment Amounts of all Participants other than the Charitable Fund); and that (ii) all Eligible Talents (including the Connected Participants) as at the Latest Practicable Date will agree to participate, and do participate, in the Co-Ownership Plan IV; (iii) all conditions to the grant of the RSUs are satisfied and the maximum entitlements to the RSUs have been granted; (iv) the Eligible Talents (including the Connected Participants) become grantees of RSUs and are vested with the Award Shares upon satisfaction of the Vesting Conditions; (v) 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 (vi) the Vendor Loan Notes (as defined in the WTT Merger Announcement) have not been converted:

	As at the Latest Practicable Date		Immediately upon the issuance of Award Shares on the Vesting Date	
	Number of issued Shares	Approximate percentage (%)	Number of issued Shares (Note 1)	Approximate percentage (%)
<b>Substantial Shareholder</b>				
Mr. David BONDERMAN/Mr. James George COULTER <sup>(Note 2)</sup>	144,966,345	11.05%	144,966,345	10.75%
Mr. Michael ByungJu KIM/Mr. Teck Chien KONG <sup>(Note 3)</sup>	144,966,345	11.05%	144,966,345	10.75%
Canada Pension Plan Investment Board	182,405,000	13.91%	182,405,000	13.53%
The Capital Group Companies, Inc.	97,671,140	7.45%	97,671,140	7.24%
Connected Participants	59,515,790 <sup>(Note 4)</sup>	4.54%	62,736,744 <sup>(Notes 6 and 9)</sup>	4.65%
Other Eligible Talents	15,139,953 <sup>(Note 5)</sup>	1.15%	60,290,529 <sup>(Notes 7 and 9)</sup>	4.47%
Charitable Fund	4,000,000	0.30%	8,000,000 <sup>(Note 8)</sup>	0.59%
<b>Other public Shareholders</b>	662,934,783	50.54%	647,536,292	48.02%
<b>Total</b>	1,311,599,356	100.00%	1,348,572,395	100.00%

*Notes:*

- It is assumed that the Vendor Loan Notes (as defined in the WTT Merger Announcement) have not been converted.
- Mr. David BONDERMAN, through corporations directly and indirectly controlled by him, namely TPG Asia Advisors VI, Inc. and TPG Wireman, L.P., held 228,627,451 Shares in the Company, in which 83,661,106 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. James George COULTER, through corporations directly and indirectly controlled by him, namely TPG Asia Advisors VI, Inc. and TPG Wireman, L.P., held 228,627,451 Shares in the Company, in which 83,661,106 Shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.

3. Mr. Michael ByungJu KIM, 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., Twin Holding Ltd and Twin Telecommunication Ltd held 228,627,451 Shares in the Company, in which 83,661,106 Shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.

Mr. Teck Chien KONG, 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., Twin Holding Ltd and Twin Telecommunication Ltd held 228,627,451 Shares in the Company, in which 83,661,106 Shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.

4. 59,515,790 Shares in which the Connected Participants are personally interested include their CO3+ Shares (being 2,283,809) and the Shares otherwise personally held by the Connected Participants.
5. To the knowledge and information of the Company, the Eligible Talents (other than the Connected Participants) are personally interested in a total of 15,139,953 Shares, which are CO3+ Shares held by such Eligible Talents.
6. This assumes that, taking into account the priority in the event of an over-subscription of Shares under the Co-Ownership Plan IV by all Eligible Talents (as explained in the sub-section headed "Priority if there is an over-subscription of Shares" in this "Letter from the Board"), the Connected Participants will receive a total number of Award Shares under the Co-Ownership Plan IV corresponding to the total maximum number of Rollover Shares of all such Connected Participants and a total number of Purchased Shares determined on a pro-rata basis using the Additional Investment Amounts of all Participants (excluding the Charitable Fund) up to the Scheme Mandate Limit (except for any remaining unallocated Shares arising as a result of the pro-rata allocation of Award Shares using the Additional Investment Amounts of all Participants other than the Charitable Fund). This also takes into account the Shares (other than the CO3+ Shares) personally held by the Connected Participants.
7. This assumes that, taking into account the priority in the event of an over-subscription of Shares under the Co-Ownership Plan IV by all Eligible Talents (as explained in the sub-section headed "Priority if there is an over-subscription of Shares" in this "Letter from the Board"), the other Eligible Talents (other than the Connected Participants) will receive a total number of Award Shares under the Co-Ownership Plan IV corresponding to the total maximum number of Rollover Shares of all such other Eligible Talents and a total number of Purchased Shares determined on a pro-rata basis using the Additional Investment Amounts of all Participants (excluding the Charitable Fund) up to the Scheme Mandate Limit (except for any remaining unallocated Shares arising as a result of the pro-rata allocation of Award Shares using the Additional Investment Amounts of all Participants other than the Charitable Fund).
8. In relation to the Charitable Fund, 4,000,000 Shares have been donated by the Executive Directors to the Charitable Fund under the Co-Ownership Plan III Plus, and which CO3+ Shares are expected to become Rollover Shares under the Co-Ownership Plan IV.
9. The number of Award Shares are determined by reference to the total maximum number of Rollover Shares and Purchased Shares of the Connected Participants and the other Eligible Talents, and the total maximum number of Purchased Shares of such Participants are determined based on the closing share price of the Company on 19 August 2021, being HK\$8.90, for illustrative purposes.
10. The percentage of the Shares are rounded to the nearest 2 decimal places, and the total number of the percentages may not add up to 100% due to rounding.

---

## LETTER FROM THE BOARD

---

Please note that the potential grant of RSUs and issue and allotment of Award Shares to the Connected Participants and the other Eligible Talents 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 IV 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.

### **5. REASONS FOR AND BENEFITS OF THE ADOPTION OF THE CO-OWNERSHIP PLAN IV, THE GRANT OF THE SCHEME MANDATE AND THE PROPOSED GRANT OF RSUS TO THE CONNECTED PARTICIPANTS**

#### **a. Overview of the Group and the purpose of the Co-Ownership Plan IV**

The Company is an investment holding company. Headquartered in Hong Kong with operations spanning across Hong Kong, Macau, mainland China, Singapore and Malaysia, and the Group is a leading integrated telecom and technology solutions provider. Operating through three core brands, namely Hong Kong Broadband Network, HKBN Enterprise Solutions and HKBN JOS, the Group offers a comprehensive range of solutions that include broadband, data connectivity, cloud and data centre, managed Wi-Fi, business continuity services, system integration, cybersecurity, mobile services, roaming solutions, digital solutions, voice and collaboration, stationery and supplies that are cumulative to its one-stop-shop offering of Transformation as a Service (TaaS) and Over-The-Top (“OTT”) entertainment.

The Co-Ownership Plan III Plus was adopted in 2019 to incentivise participating Talents to achieve a cumulative performance target over the 2019 – 2021 financial years of the Company. The ability of the Company to meet the performance target set down by the Co-Ownership Plan III Plus was significantly impacted by the unforeseen social unrest in 2019 and outbreak of the COVID-19 pandemic from 2020 onwards. COVID-19 has adversely affected the business and economic environment in which many businesses around the world operate and the Group is no exception. The Company considers that it is of utmost importance to re-align the performance target of the Group with the incentives of its Talents so that the Group could be better positioned to seize opportunities and benefits in the post COVID-19 time of the economy and the world at large.

As it is not expected that the conditions for granting of restricted share units under the Co-Ownership Plan III Plus would be met by the end of the 2021 financial year, the Board has proposed to adopt the Co-Ownership Plan IV which sets down the performance target over the 2022 – 2024 financial years of the Company.

---

## LETTER FROM THE BOARD

---

After considering (i) the recent development of the COVID-19 pandemic; (ii) the potential lingering effect of the COVID-19 pandemic and uncertain economic outlook; and (iii) historical performance and development of the Group since the adoption of the Co-Ownership Plan III Plus, the Directors believe that the adjustments on both (i) the performance target in respect of the Adjusted Available Cash per Share for Distribution; and (ii) the number of the Award Shares in the Co-Ownership Plan IV from the Co-Ownership Plan III Plus, are fair and reasonable, and in the interests of the Company and Shareholders as a whole.

The Co-Ownership Plan IV forms part of the incentive schemes of the Group. The Co-Ownership Plan IV, when adopted, would provide an additional means for the Company to incentivise its Eligible Talents and would effectively extend the timeframe over which the Company would achieve a similar performance target as that set down by the Co-Ownership Plan III Plus. The Co-Ownership Plan IV 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.

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 IV.

### **b. Key features of the Co-Ownership Plan IV**

The key differences in the terms of the Co-Ownership Plan IV from the Co-Ownership Plan III Plus are (i) the performance target in respect of the Adjusted Available Cash per Share for Distribution; (ii) the number of the Award Shares; and (iii) the Eligible Talents under the Co-Ownership Plan IV could roll over the investment that they made in the Shares through the purchases made under the Co-Ownership Plan III Plus to receive Award Shares under the Co-Ownership Plan IV. Save for the above, the other key features of the Co-Ownership Plan IV are substantially similar to those of the Co-Ownership Plan III Plus. The following paragraphs set out the key features of the Co-Ownership Plan IV and the reasons and/or benefits for making these changes. For more details of the principal terms of the Co-Ownership Plan IV, please refer to Appendix I to this circular.

- **Proposed term of approximately four (4) years from the Commencement Date:** The term of the Co-Ownership Plan IV incentivises Eligible Talents to achieve the cumulative target of Adjusted Available Cash per Share for Distribution during the 2022 – 2024 Financial Years, as well as one (1) year of vesting of the RSUs (see below). This duration replicates the original term under the Co-Ownership Plan III Plus. The Co-Ownership Plan IV promotes alignment of interest between the Eligible Talents and the Company by encouraging Eligible Talents to purchase Shares of the Company and receive Award Shares in accordance with the terms of the Co-Ownership Plan IV.



---

## LETTER FROM THE BOARD

---

- **Qualifying shares of Eligible Talents:** An Eligible Talent may choose to roll over the number of the CO3+ Shares purchased or received on his/her/its behalf under the Co-Ownership Plan III Plus for the purpose of Co-Ownership Plan IV. In addition, an Eligible Talent may also make further investment in the Shares by purchasing additional Shares under the Co-Ownership Plan IV. The Additional Investment Amounts that any Eligible Talent pays for making purchases of additional Shares through the Plan Trustee must be: (A) equal to or exceed one-sixth (1/6th) of the Annual Remuneration Package of such Eligible Talent; and (B) not more than two times the Annual Remuneration Package of such Eligible Talent, encouraging Eligible Talents to invest in the Company and benefit from value growth of the Company along with other Shareholders. Accordingly, the CO4 Qualifying Shares will comprise the Purchased Shares and any Rollover Shares. As at the Latest Practicable Date, a total of 21,423,762 Shares under the Co-Ownership Plan III Plus were purchased for and on behalf of the participants thereunder, out of which 2,283,809 Shares were purchased for and on behalf of the Connected Participants.
- **Continuation of the corporate social element:** The Charitable Fund had received a donation of 4,000,000 Shares from the Executive Directors under the Co-Ownership Plan III Plus. It is intended that the Charitable Fund will be permitted to roll over such Shares to the Co-Ownership Plan IV to enable it to receive Award Shares under the Co-Ownership Plan IV if the performance target for the Adjusted Available Cash per Share for Distribution and the Vesting Conditions are met. However, the Charitable Fund will not be entitled to purchase additional Shares under the Co-Ownership Plan IV.
- **Basis for determining number of RSUs:** If the Adjusted Available Cash per Share for Distribution, on a cumulative basis, over the 2022 – 2024 Financial Years reaches HK\$3.01, the Participants (including the Charitable Fund) would be granted with one RSU for every CO4 Qualifying Share of each Participant, and each Participant would, subject to the satisfaction of the Vesting Conditions and on the Vesting Date, receive one new Award Share for every RSU that he/she/it is granted. A cumulative Adjusted Available Cash per Share for Distribution in excess of HK\$3.01 will not give rise to any further entitlement. Therefore, the maximum entitlement of a Participant is to receive one new Share for every CO4 Qualifying Share under the terms of the Co-Ownership Plan IV. If the Adjusted Available Cash per Share for Distribution, on a cumulative basis, over the 2022 – 2024 Financial Years reaches a value in excess of HK\$2.70 but below HK\$3.01, 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 one RSU for every CO4 Qualifying Share of each Participant (with more RSUs to be granted the closer the actual achieved level is to HK\$3.01) (for further details, please refer to **paragraph 5(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.

---

## LETTER FROM THE BOARD

---

- **Early termination due to an M&A Event:** Under the terms of the Co-Ownership Plan IV, the Board has the discretion to terminate the Co-Ownership Plan IV 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 hence, the target Adjusted Available Cash per Share for Distribution. If the Board resolves to early terminate the Co-Ownership Plan IV, the number of RSUs to be granted to the Participants would be calculated on a pro-rata basis by reference to the level of cumulative Adjusted Available Cash per Share for Distribution achieved during the Financial Period(s) prior to termination as compared to the cumulative target range of Adjusted Available Cash per Share for Distribution (namely, HK\$2.70 to HK\$3.01) (for details of the entitlement in such a case, please refer to **paragraph 5(e) of Appendix I**). No RSUs will be granted if an M&A Event occurs and the Co-ownership Plan IV is terminated during the first half of the 2022 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 IV is met.
- **Scheme Mandate Limit:** The Scheme Mandate Limit is set at 2.50% by reference to the Shares in Issue on the day of the Extraordinary General Meeting (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).
- **Over-subscription of the Shares:** If the total number of Rollover Shares of all Participants for the time being and the total Additional Investment Amounts of all Participants who have accepted the Invitation shall result in the total number of CO4 Qualifying Shares exceeding the maximum number of Award Shares (as determined by reference to the CO4 Qualifying Shares) that may underlie the RSUs granted pursuant to the Co-Ownership Plan IV calculated in accordance with **paragraph 6 of Appendix I** to this circular, the priority will be first to satisfy the total number of Rollover Shares of all Participants for the time being. Then, to satisfy the Additional Investment Amounts of all Participants (excluding the Charitable Fund) for up to one time of the Annual Remuneration Package of each such Participant, and the entitlement of each such Participant shall be determined on a pro-rata basis as amongst all such Participants. Finally, to satisfy the remaining demand of all Participants (excluding the Charitable Fund) and the entitlement of each such Participant shall be determined on a pro-rata basis as amongst all such Participants.
- **RSU Grant Date:** RSUs will be granted to Participants on the date of publication of the Company's annual results for the 2024 Financial Year if the minimum level of the cumulative Adjusted Available Cash per Share for Distribution (namely, HK\$2.70) is achieved. The granting of RSUs will occur earlier than such date if the cumulative target of the Adjusted Available Cash per Share for Distribution (namely, HK\$3.01) is achieved prior to the end of the 2024 Financial Year. If the minimum level of the cumulative Adjusted Available Cash per Share for Distribution is not

---

## LETTER FROM THE BOARD

---

met, no RSUs will be granted and accordingly, no new Shares will be allotted and issued. This is subject to the requirements in an early termination of the Co-ownership Plan IV pursuant to the occurrence of an M&A Event.

- **Vesting of the RSUs and issuance of the Award Shares:** Vesting of RSUs granted should occur one year from the Grant Date, subject to the satisfaction of the Vesting Conditions (as stated in **paragraph 10(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 relevant RSUs. The Company will allot and issue, upon the satisfaction of the Vesting Conditions, the Award Shares to the Participants (including the Charitable Fund) under the Co-Ownership Plan IV on the vesting date. The total maximum number of Award Shares that are issuable to the Participants (including the Charitable Fund) shall be the Scheme Mandate Limit.

### **6. IMPLICATIONS UNDER THE LISTING RULES**

#### **a. Proposed adoption of the Co-Ownership Plan IV**

The Co-Ownership Plan IV 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 IV.

#### **b. Scheme Mandate to issue new Shares underlying the RSUs to be granted under the Co-Ownership Plan IV**

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 IV 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.

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 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.

---

## LETTER FROM THE BOARD

---

### **d. Extraordinary General Meeting**

The adoption of the Co-Ownership Plan IV, 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 of the Stock Exchange in respect of the new Shares underlying the RSUs which may be granted pursuant to the Co-Ownership Plan IV.

Pursuant to the Co-Ownership Plan III Plus, the plan trustee holds, as at the Latest Practicable Date, a total of 21,423,762 Shares, representing Shares purchased or held by the participants under the Co-Ownership Plan III Plus through the plan trustee. Such 21,423,762 Shares represent approximately 1.63% 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 III Plus, the plan trustee is restricted by the scheme rules from exercising the voting rights attached to the aforesaid total number of 21,423,762 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 IV). As at the Latest Practicable Date, no RSU had been granted by the Company pursuant to the Co-Ownership Plan III Plus.

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 IV, 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) and the Charitable Fund who are Shareholders and are required to abstain from voting on the resolutions approving the adoption of the Co-Ownership Plan IV, 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 IV, 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 IV, the grant of the Scheme Mandate and the Connected Grant to be proposed at the Extraordinary General Meeting.

So far as the Company is aware, as at the Latest Practicable Date, (i) the Connected Participants are interested in a total of 59,515,790 Shares (among which 2,283,809 Shares are held by the plan trustee on their respective behalf pursuant to the Co-Ownership Plan III Plus); (ii) the other Eligible Talents (other than the Connected Participants) are interested in a total of 15,139,953 Shares (all of which are held by the plan trustee on their respective behalf pursuant to the Co-Ownership Plan III Plus); (iii) the Charitable Fund is interested in a total of 4,000,000 Shares (all of which are held by the Plan Trustee on its behalf pursuant to the Co-Ownership Plan III Plus); (iv) with respect to the voting rights attached to the aforesaid 21,423,762 Shares held by the plan trustee pursuant to the Co-Ownership Plan III Plus (representing 1.63% of the total issued share capital of the Company as at the Latest

---

## LETTER FROM THE BOARD

---

Practicable Date), the plan trustee is restricted by the scheme rules from exercising such voting rights; and (v) the Connected Participants hold a total of 57,231,981 Shares (representing 4.36% 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 III Plus and they are entitled to exercise the voting rights with respect to their respective Shares.

As the above total number of 78,655,743 Shares (representing 6.00% 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 (including the Connected Participants) and the Charitable Fund 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 IV, the grant of the Scheme Mandate and the Connected Grant to be proposed at the Extraordinary General Meeting. As 21,423,762 Shares are held by the plan trustee pursuant to the Co-Ownership Plan III Plus (representing 1.63% 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 all of such Shares held by the Connected Participants, the other Eligible Talents and the Charitable Fund (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. As at the Latest Practicable Date, the Company is not aware of associates or close associates of the Connected Participants, the other Eligible Talents and the Charitable Fund respectively being Shareholders and being required to abstain from voting at the Extraordinary General Meeting.

### 7. RECOMMENDATIONS

The Directors are of the view that the terms of the Co-Ownership Plan IV, 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.

Your attention is drawn to (a) the letter from the Independent Board Committee set out on page 27 of this circular which contains its recommendation to the Independent Shareholders in relation to the Connected Grant; (b) the letter from Altus Capital Limited set out on pages 28 to 42 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of 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 IV, 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**

---

## LETTER FROM THE BOARD

---

performance, cash flow or profitability. As the adoption of the Co-Ownership Plan IV is subject to approval by the Independent Shareholders, the Co-Ownership Plan IV 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.

### 8. 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 Company's Hong Kong branch share registrar and transfer office, 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.

### 9. EXTRAORDINARY GENERAL MEETING

Notice of the Extraordinary General Meeting is set out on pages 65 to 66 of this circular. The Extraordinary General Meeting to be held on 15 October 2021, Friday 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.

Please refer to section 6(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,*

21 September 2021

Dear Sir or Madam,

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

We refer to the circular of the Company dated 21 September 2021 (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 Connected Grant and to recommend whether or not the Independent Shareholders should vote on the resolution(s) 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 11 to 26 of the Circular and the “Letter from the Independent Financial Adviser” set out on pages 28 to 42 of the Circular to the Independent Board Committee and the Independent Shareholders which contains its advice to you and us in relation to 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 Connected Grant is in the ordinary and usual course of business of the Group and on normal commercial terms, and is 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 resolution(s) to be proposed at the Extraordinary General Meeting to 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 IV prepared for inclusion in this circular.*

# ALTUS

**Altus Capital Limited**

21 Wing Wo Street,  
Central, Hong Kong

21 September 2021

*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 POTENTIAL GRANT OF RSUS TO CONNECTED PARTICIPANTS**

#### **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 21 September 2021 (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 otherwise requires.

On 19 August 2021, the Board approved the conditional adoption of the Co-Ownership Plan IV (which terms include the Proposed Grant of RSUs (including the Connected Grant), subject to the Independent Board Committee reaching a positive view on the Co-Ownership Plan IV and obtaining the approval of the Independent Shareholders for adoption of the Co-Ownership Plan IV, the grant of the Scheme Mandate and the Connected Grant. A summary of the principal terms of the Co-Ownership Plan IV is set out in Appendix I to the Circular.

The Eligible Talents of the Co-Ownership Plan IV include Connected Participants, being two executive Directors of the Company, namely Mr. Chu Kwong YEUNG and Mr. Ni Quiaque LAI, and ten directors of the Company’s subsidiaries, namely Ms. Wing Yee CHAN, Mr. Man Hong FUNG, Mr. Leong Kim HUI, Mr. Qi Biao Benny DENG, Ms. Yan Fen LIU, Ms. Wing Sze CHAN, Mr. Tiam Wah SOO, Mr. Ho Man Patrick NG, Mr. Zhi Feng LI and Ms. Lubna Mohammedi MANASAWALA as at the Latest Practicable Date.



---

## **LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

---

### **LISTING RULES IMPLICATION**

The Co-Ownership Plan IV 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 IV.

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 IV pursuant to Rule 13.36(1) of the Listing Rules.

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.

So far as the Company is aware, other than the Eligible Talents (including the Connected Participants) and the Charitable Fund who are Shareholders and are required to abstain from voting on the resolutions approving the adoption of the Co-Ownership Plan IV, 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 IV, 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 IV, the grant of the Scheme Mandate and the Connected Grant to be proposed at the Extraordinary General Meeting.

### **THE INDEPENDENT BOARD COMMITTEE**

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 Connected Grant and to recommend how the Independent Shareholders should vote on the resolution(s) in respect of the same to be proposed at the Extraordinary General Meeting.

### **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 (i) whether the Connected Grant is in the ordinary and usual course of business of the Group and on normal commercial terms, and is 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 resolution(s) in respect of the same to be proposed at the Extraordinary General Meeting.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

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 resolution(s) to be proposed 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 Co-Ownership Plan IV (the “**Rules**”); (ii) the interim report of the Company for the six months ended 28 February 2021 (the “**2021 Interim Report**”); (iii) the annual report of the Company for the year ended 31 August 2020 (the “**2020 Annual Report**”); (iv) circular published by the Company regarding the adoption of the Co-Ownership Plan III Plus dated 29 July 2019; and (v) the announcement of the Company dated 19 August 2021 in relation to, amongst others, the proposed connected transactions involving the potential grant of RSUs to Connected Participants under the Co-Ownership Plan IV (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 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 an integrated telecom and technology solutions provider headquartered in Hong Kong with operations spanning across Hong Kong, Macau, mainland China, Singapore and Malaysia. Operating through three core brands, namely Hong Kong Broadband Network, HKBN Enterprise Solutions and HKBN JOS, the Group offers a comprehensive range of solutions that include broadband, data connectivity, cloud and data centre, managed Wi-Fi, business continuity services, system integration, cybersecurity, mobile services, roaming solutions, digital solutions, voice and collaboration, stationery and supplies that are cumulative to its one-stop-shop offering of Transformation as a Service (TaaS) and OTT entertainment.

The outbreak of the COVID-19 pandemic has adversely affected the business and economic environment in which many businesses around the world operate and the Group is no exception. The Group's profit for the year ended 31 August 2020 decreased by approximately 55.0% as compared to that from the previous year. The Group's profit continued to be negatively affected during the six months ended 28 February 2021, decreased by approximately 63.1% as compared to the previous period.

Despite the challenging environment, the Group continued to deliver solid operational results. As set out in the 2020 Annual Report, on 30 April 2019, the Group acquired WTT Holding Corp (“WTT”), and on 13 December 2019, the Group completed the acquisition of HKBN JOS Holdings (C.I.) Limited (formerly known as Jardine OneSolution Holdings (C.I.) Limited) (“JOS”). Through these mergers and acquisitions and integrations afterward, the Group has evolved from a traditional telecom company in Hong Kong into a leading information and communications technology provider across Asia. As a result, the Group's revenue and EBITDA for the year ended 31 August 2020 increased year-on-year by approximately 85.1% and 46.6% respectively. The Group's revenue for the six months ended 28 February 2021 increased by approximately 39.8% as compared to the previous period.

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 interests 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, has been terminated and replaced by the Co-Ownership Plan III Plus on 21 June 2019.

According to the 2021 Interim Report, market competition continues to be intense and the Group shall focus on harvesting its substantially invested network and its monthly billing relationships by upselling more services by collaborating with new partnerships through its well established digital platforms. The Group will also drive sustainable growth through various initiatives, with the Co-Ownership culture continue to be the centrepiece in order to retain the Talents and capture opportunities during the recovery from the COVID-19 pandemic.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### 2. Reasons for and benefits of the adoption of the Co-Ownership Plan IV

We refer to the 2020 Annual Report which highlighted that the Group is the only telecom carrier in Hong Kong driven by Co-Owners who have a vested financial interest to grow the business. Since the management buy-out of the Company in 2012, the Company has supported the culture of co-ownership, and adopted various co-ownership plans including the Co-Ownership Plan II, Co-ownership Plan III Plus and Beyond-HK pain/GAIN Co-Ownership programme. In line with the Company's values and culture, the Co-Ownership Plan IV 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 talents, spanning across the Group's operations in Hong Kong, Macau, mainland China, Singapore and Malaysia. Furthermore, the Co-Ownership Plan IV better aligns the interests of the Talents and the Company as compared to normal stock options as it creates additional motivation for the participating Talents to grow the Company given their commitment and own investments in the Company's Shares. 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 stated in the 2021 Interim Report, under all the previous Co-Ownership plans of the Company, the Company had 938 Co-Owners, which covered 100% of the Group's management committee executives and senior executives, approximately 80% of the Group's managers and approximately 35% of the Group's supervisors as at 28 February 2021.

Subsequent to the adoption of the Co-Ownership Plan III Plus on 21 June 2019, the social unrest in Hong Kong and the outbreak of COVID-19 pandemic had adversely impacted the overall economy. The unforeseen effects on the economy has significantly damaged the Group's ability to meet the performance target set down by the Co-Ownership Plan III Plus adopted beforehand. As at the Latest Practicable Date, no grant of RSU has been made or awarded by the Company under the Co-Ownership Plan III Plus since it became effective.

In view of the Group's development and transformation during the COVID-19 pandemic, the Management believes it is critical to retain its Talents to continue the Group's resilience and growth during the past years. Further, the Company considers that it is of utmost importance to re-align the performance target of the Group with the incentives of its Talents so that the Group could be better positioned to seize opportunities and benefits in the post COVID-19 time of the economy and the world at large.

Having considered that (i) the ability of the Company to meet the performance target set down by the Co-Ownership Plan III Plus was significantly impacted by the unforeseen social unrest in 2019 and outbreak of the COVID-19 pandemic from 2020 onwards; (ii) the Management's view that aligning the interests of the Talents and the Shareholders 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

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

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 Co-Ownership Plan IV 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. Adoption of the Co-Ownership Plan IV

The key differences in the terms of the Co-Ownership Plan IV from the Co-Ownership Plan III Plus are (i) the performance target in respect of the Adjusted Available Cash per Share for Distribution; (ii) the number of the Award Shares; and (iii) the Eligible Talents under the Co-Ownership Plan IV could roll over the investment that they made in the Shares through the purchases made under the Co-Ownership Plan III Plus to receive Award Shares under the Co-Ownership Plan IV. Save for the above, the other key features of the Co-Ownership Plan IV, including the purpose, duration, administration and vesting, are substantially similar to those of the Co-Ownership Plan III Plus. For more details of the principal terms of the Co-Ownership Plan IV, please refer to Appendix I to this Circular.

The performance target of the Co-Ownership Plan IV, being the cumulative Adjusted Available Cash per Share for Distribution, had been adjusted as compared to that of the Co-Ownership Plan III Plus with a narrower range. The range of the performance target for Co-Ownership Plan IV is HK\$2.70 – HK\$3.01, whereas the performance target for Co-Ownership Plan III Plus was HK\$2.53 – HK\$3.03. The Directors believe it is a more reasonable target to meet after considering (i) the recent development of the COVID-19 pandemic; (ii) the potential lingering effect of the COVID-19 pandemic and uncertain economic outlook; and (iii) historical performance and development of the Group since the adoption of the Co-Ownership Plan III Plus. Separately, the number of Award Shares for every CO4 Qualifying Share in Co-Ownership Plan IV (representing the maximum entitlement of the Grantees) is lower than that of the Co-Ownership Plan III Plus. We have considered (i) the growth of the Company prior to the outbreak of the COVID-19 pandemic; and (ii) the Company's resilience during the COVID-19 pandemic (i.e. maintaining similar levels of profit from operations and recorded revenue growth despite the challenging economic environment), we believe it is in the interests of the Company and its Shareholders to try to recapture the original targeted growth that was not achieved mainly due to the COVID-19 pandemic. Hence the performance target under the Co-Ownership Plan IV, being within the performance target range of the Co-Ownership Plan III Plus, is fair and reasonable. Furthermore, we believe the narrower range of the performance target under the Co-Ownership Plan IV represents a more realistic target for the Participants and therefore is in the interests of the Company and its Shareholders as a whole.

Under the Co-Ownership Plan IV, the number of Award Shares was adjusted from 1.33 Award Share for each CO3+ Qualifying Share to 1 Award Share for each CO4 Qualifying Share. The total number of Award Shares to be granted to the Participants is therefore equal to the number of CO4 Qualifying Shares. As the award to the Participants is directly equivalent to their investment commitment, we believe it is a fair and reasonable method to calculate the number of Award Shares.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

While the performance target and the number of the Award Shares differ from the Co-Ownership Plan III Plus, we noted that the rules and the key terms under the Co-Ownership Plan IV applicable to the Participant(s) excluding the Connected Participants are identical to or no less favourable to those applicable to the Connected Participants.

We noted that the Eligible Talents under the Co-Ownership Plan IV could roll over the investment that they made in the Shares through the purchases made under the Co-Ownership Plan III Plus to receive award Shares under the Co-Ownership Plan IV. As the performance target under the Co-Ownership Plan III Plus was set prior to the beginning of the COVID-19 pandemic and the negative impact on the economy described under the section headed “2. Reasons for and benefits of the adoption of the Co-Ownership Plan IV” above in this letter, the Management believes, and we concur, that it is fair and reasonable to provide another opportunity for the Eligible Talents to hit the performance target and meet the conditions for granting of RSUs under the Co-Ownership Plan IV. Furthermore, we noted that the roll over arrangements for the Eligible Talents applicable to the Participants excluding the Connected Participants are identical to or no less favourable to those applicable to the Connected Participants.

Having considered the above, the Directors are of the view and we concur that the adoption of the Co-Ownership Plan IV is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

#### **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 2.50% of the Shares in issue (on a fully diluted basis) on the day of the Extraordinary General Meeting of the Company approving the Co-Ownership Plan IV (as may be adjusted in the event of a Reorganisation of Capital Structure). 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 “6.1 Potential shareholder impact of the Co-Ownership Plan IV”, the potential dilution is limited, the Directors are of the view and we concur that, on balance, the Scheme Mandate Limit is fair and reasonable and beneficial to the Shareholders as a whole.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### 5. Analysis on the Connected Grant

#### 5.1 The Connected Grant

Pursuant to the Co-Ownership Plan IV, Eligible Talents under the Co-Ownership Plan IV currently include the Connected Participants. As at the Latest Practicable Date, the total number of Eligible Talents under the Co-Ownership Plan IV is approximately 2,100, representing approximately 40.0% of the total number of existing Talents of the Group.

Of all the Eligible Talents identified as at the Latest Practicable Date, twelve (12) of them are currently connected persons of the Company. Assuming that: (i) all the Connected Participants will agree to participate, and do participate, in the Co-Ownership Plan IV to the fullest extent by maximising their Rollover Shares and their Additional Investment Amounts; (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 Scheme Mandate Limit, the maximum number of Award Shares that will be awarded to the Connected Participants is 9,731,319 in total (being the maximum number of Award Shares that will be awarded to the Connected Participants, which was determined on 19 August 2021 based on the closing share price of the Company on the same trading day).

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

Details of the Connected Participants 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 paragraphs 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 <sup>(Note 1)</sup>
Mr. Chu Kwong YEUNG	Executive Director and director of subsidiaries of the Group	3,388,226	0.25%
Mr. Ni Quiaque LAI	Executive Director and director of subsidiaries of the Group	2,250,793	0.17%
Ten (10) Eligible Talents of the Group <sup>(Note 2)</sup>	directors of subsidiaries of the Company	4,092,300	0.30%

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

*Notes:*

1. It is also assumed that the Vendor Loan Notes (as defined in the WTT Merger Announcement) have not been converted in full.
2. The ten (10) Eligible Talents of the Group are Ms. Wing Yee CHAN, Mr. Man Hong FUNG, Mr. Leong Kim HUI, Mr. Qi Biao Benny DENG, Ms. Yan Fen LIU, Ms. Wing Sze CHAN, Mr. Tiam Wah SOO, Mr. Ho Man Patrick NG, Mr. Zhi Feng LI and Ms. Lubna Mohammedi MANASAWALA, and the maximum number of Award Shares underlying the RSUs to be granted to each aforesaid Eligible Talent are 824,575, 403,977, 752,437, 303,220, 322,289, 674,918, 213,499, 264,522, 147,601 and 185,261 respectively.

For illustration purpose, the market values of the maximum number of Award Shares underlying the RSUs to be granted (calculated using the price of the Shares on 19 August 2021 of HK\$8.90), are approximately HK\$30.2 million, HK\$20.0 million and HK\$36.4 million for Mr. Chu Kwong YEUNG, Mr. Ni Quiaque LAI and the 10 other Connected Participants respectively. Such amount represents the theoretical maximum entitlement for each of the Connected Participants respectively, which include the Rollover Shares (being the CO3+ Shares purchased by the Eligible Talent and elected to be rolled over), and assuming (i) the Adjusted Available Cash per Share for Distribution, on a cumulative basis, over the 2022 – 2024 Financial Years of the Company reaches HK\$3.01 (i.e. the upper end benchmark for determining the number of RSUs to be granted); and (ii) all of the Connected Participants will commit the maximum Additional Investment Amounts (being two times the Annual Remuneration Package of the Connected Participant) to purchase additional Shares. Therefore, such market values of the maximum number of Award Shares underlying the RSUs to be granted only represent the theoretical maximum values that the Connected Participants shall be entitled.

As the maximum number of Award Shares underlying the RSUs to be granted also include the Rollover Shares, it represents the share-based remuneration to the Connected Participants over the term of Co-Ownership Plan III Plus and Co-Ownership Plan IV, covering 2019 – 2024 financial years of the Company.

**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 IV 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 purposes and has been presented on the basis of the stated assumptions.**



## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### 5.2 Comparable analysis

In order to assess the fairness and reasonableness of the Connected Grant, in particular for the executive Directors, we reviewed compensation data for other companies for their latest financial year as a benchmark to compare remuneration packages for the executive Directors. Based on our best knowledge and information available, we have reviewed and considered comparable companies that (i) are listed on the Main Board of the Stock Exchange; (ii) are principally engaged in the provision of information and communications technology services; and (iii) had market capitalisation of approximately HK\$5 billion to HK\$15 billion. On such basis, we have identified two comparable companies (the “**Comparable Companies**”) which we consider to be an exhaustive list of relevant comparable companies based on the abovementioned criteria and a fair and representative list of sample for our analysis.

It should be noted that these comparable companies have different revenue, market capitalisation, profitability and financial position as compared with those of the Company.

Set out below are the ranges of remuneration (including share-based payments, if any) for the executive directors of the Comparable Companies for their latest financial year:

Company name	Stock code	Emoluments <sup>(Note 1)</sup> HK\$'000	Share-based payments emoluments <sup>(Note 2)</sup> HK\$'000	Total emoluments <sup>(Note 2)</sup> HK\$'000
CITIC Telecom International Holdings Limited <sup>(Note 3)</sup>	1883	8,460 – 9,090	110 – 130	8,570 – 9,220
SmartTone Telecommunications Holdings Limited	315	6,899 – 11,939	480 – 821	7,379 – 12,760
<b>The Company</b>	1310	8,052 – 12,052	–	8,052 – 12,052

*Notes:*

1. Emoluments include directors' fees, salaries, allowances and benefits in kind, discretionary bonuses and retirement scheme contributions.
2. Only directors that served the company for an entire financial year have been taken into account.
3. The unpaid portion of performance bonuses for the year ended 31 December 2020 has not been determined yet. For illustrative purposes, the directors' emoluments for the year ended 31 December 2019 have been presented.

The range of remuneration (including share-based payment, if any) for the executive Directors is within the range and generally comparable to the remuneration for the executive directors of the Comparable Companies. We have also considered other factors including (i) the executive Directors' stewardship that leads to the resilience and growth of the Group during the uncertain market environment; and (ii) their contributions towards recent milestones of the Group including the merger and acquisition of WTT and JOS in 2019, and the launch of the

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

e-commerce platform HOME+ in 2020. Based on these factors, the Management believes, and we concur, that the remuneration packages of the executive Directors appropriately reflect their contribution to the Group, and are in line with the market norm.

We have considered the Company's approach to the total compensation packages for the other Connected Participants and noted that the total compensation packages for the other Connected Participants are generally comparable to historical benchmarks for the Group, including those of non-connected Participants, indicating that the other Connected Participants are not subject to treatment more favourable than non-connected Participants.

For illustration purpose and as disclosed under the section headed "5.1 The Connected Grant" of this letter, the market values of the maximum number of Award Shares underlying the RSUs to be granted, are approximately HK\$30.2 million, HK\$20.0 million and HK\$36.4 million for Mr. Chu Kwong YEUNG, Mr. Ni Quiaque LAI and the 10 other Connected Participants respectively. Considering such values are subject to (i) the Company's Adjusted Available Cash per Share for Distribution over 2022 – 2024 Financial Years; (ii) each Connected Participants' total number of CO4 Qualifying Shares; and (iii) price of the Shares on the Grant Date, they are conceptually different from the Comparable Companies' share-based payments and therefore cannot be compared directly. As such, we have not included such theoretical maximum market values of the Award Shares underlying the RSUs to be granted in the above comparable analysis.

To further elaborate, the maximum entitlement is calculated based on the annual remuneration of each eligible talent, being two times of their respective annual remuneration. Considering (i) the annual compensation package for the Directors are fair and reasonable from the comparable analysis perspective (as discussed above), and (ii) the maximum theoretical entitlement for each Participant (connected and non-connected) is calculated on the same basis, we are of the view that the maximum entitlement is fair and reasonable.

Additionally, for illustration purpose, the low end of the performance target under the Co-Ownership Plan IV is HK\$2.70 Adjusted Available Cash per Share for Distribution for 2022 – 2024 Financial Years, which is on average HK\$0.9 for each Financial Year. If the Company is able to meet such performance target, it will represent an increase of approximately 20.0% as compared to the Adjusted Available Cash per Share for Distribution of approximately HK\$0.75 for the year ended 31 August 2020.

Despite there is no meaningful estimation on the future share-based payments of the Connected Participants as a result of the Co-Ownership Plan IV, taking into account the above analysis and the fact that no cash outlay from the Company is required for the grant of RSUs, we are of the view that the Connected Grant, as part of the Connected Participants' remuneration packages, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### 6. Potential effects of the Co-Ownership Plan IV

#### 6.1 Potential shareholding impact of the Co-Ownership Plan IV

The following table sets out the shareholding structure of the Company (a) as at the Latest Practicable Date; and (b) immediately upon the issuance of the Award Shares on the Vesting Date, assuming (i) the full utilisation of the Scheme Mandate (except for any remaining unallocated Shares arising as a result of the pro-rata allocation of Award Shares using the Additional Investment Amounts of all Participants other than the Charitable Fund); and that (ii) all Eligible Talents (including the Connected Participants) as at the Latest Practicable Date will agree to participate, and do participate, in the Co-Ownership Plan IV; (iii) all conditions to the grant of the RSUs are satisfied and the maximum entitlements to the RSUs have been granted; (iv) the Eligible Talents (including the Connected Participants) become grantees of RSUs and are vested with the Award Shares upon satisfaction of the Vesting Conditions; (v) 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 (vi) the Vendor Loan Notes (as defined in the WTT Merger Announcement) have not been converted:

	As at the Latest Practicable Date		Immediately upon the issuance of Award Shares on the Vesting Date	
	Number of issued Shares	Approximate percentage	Number of issued Shares <sup>(Note 1)</sup>	Approximate percentage
<b>Substantial Shareholder</b>				
Mr. David BONDERMAN/ Mr. James George COULTER <sup>(Note 2)</sup>	144,966,345	11.05%	144,966,345	10.75%
Mr. Michael ByungJu KIM/Mr. Teck Chien KONG <sup>(Note 3)</sup>	144,966,345	11.05%	144,966,345	10.75%
Canada Pension Plan Investment Board	182,405,000	13.91%	182,405,000	13.53%
The Capital Group Companies, Inc.	97,671,140	7.45%	97,671,140	7.24%
Connected Participants	59,515,790 <sup>(Note 4)</sup>	4.54%	62,736,744 <i>(Notes 6 and 9)</i>	4.65%
Other Eligible Talents	15,139,953 <sup>(Note 5)</sup>	1.15%	60,290,529 <i>(Notes 7 and 9)</i>	4.47%
Charitable Fund	4,000,000	0.30%	8,000,000 <sup>(Note 8)</sup>	0.59%
<b>Other public Shareholders</b>	662,934,783	50.54%	647,536,292	48.02%
<b>Total</b>	<u>1,311,599,356</u>	<u>100.00%</u>	<u>1,348,572,395</u>	<u>100.00%</u>

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

*Notes:*

1. It is assumed that the Vendor Loan Notes (as defined in the WTT Merger Announcement) have not been converted.
2. Mr. David BONDERMAN, through corporations directly and indirectly controlled by him, namely TPG Asia Advisors VI, Inc. and TPG Wireman, L.P., held 228,627,451 Shares in the Company, in which 83,661,106 Shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.  
  
Mr. James George COULTER, through corporations directly and indirectly controlled by him, namely TPG Asia Advisors VI, Inc. and TPG Wireman, L.P., held 228,627,451 Shares in the Company, in which 83,661,106 Shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.
3. Mr. Michael ByungJu KIM, 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., Twin Holding Ltd and Twin Telecommunication Ltd held 228,627,451 Shares in the Company, in which 83,661,106 Shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.  
  
Mr. Teck Chien KONG, 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., Twin Holding Ltd and Twin Telecommunication Ltd held 228,627,451 Shares in the Company, in which 83,661,106 Shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.
4. 59,515,790 Shares in which the Connected Participants are personally interested in include their CO3+ Shares being 2,283,809 and the Shares otherwise personally held by the Connected Participants.
5. To the knowledge and information of the Company, the Eligible Talents (other than the Connected Participants) are personally interested in a total of 15,139,953 Shares, which are CO3+ Shares held by such Eligible Talents.
6. This assumes that, taking into account the priority in the event of an over-subscription of Shares under the Co-Ownership Plan IV by all Eligible Talents (as explained in the sub-section headed “Priority if there is an over-subscription of Shares” in “Letter from the Board”), the Connected Participants will receive a total number of Award Shares under the Co-Ownership Plan IV corresponding to the total maximum number of Rollover Shares of all such Connected Participants and a total number of Purchased Shares determined on a pro-rata basis using the Additional Investment Amounts of all Participants (excluding the Charitable Fund) up to the Scheme Mandate Limit (except for any remaining unallocated Shares arising as a result of the pro-rata allocation of Award Shares using the Additional Investment Amounts of all Participants other than the Charitable Fund). This also takes into account the Shares (other than the CO3+ Shares) personally held by the Connected Participants.
7. This assumes that, taking into account the priority in the event of an over-subscription of Shares under the Co-Ownership Plan IV by all Eligible Talents (as explained in the sub-section headed “Priority if there is an over-subscription of Shares” in “Letter from the Board”), the other Eligible Talents (other than the Connected Participants) will receive a total number of Award Shares under the Co-Ownership Plan IV corresponding to the total maximum number of Rollover Shares of all such other Eligible Talents and a total number of Purchased Shares determined on a pro-rata basis using the Additional Investment Amounts of all Participants (excluding the Charitable Fund) up to the Scheme Mandate Limit (except for any remaining unallocated Shares arising as a result of the pro-rata allocation of Award Shares using the Additional Investment Amounts of all Participants other than the Charitable Fund).
8. In relation to the Charitable Fund, 4,000,000 Shares have been donated by the Executive Directors to the Charitable Fund under the Co-Ownership Plan III Plus, and which CO3+ Shares are expected to become Rollover Shares under the Co-Ownership Plan IV.
9. The number of Award Shares are determined by reference to the total maximum number of Rollover Shares and Purchased Shares of the Connected Participants and the other Eligible Talents, and the total maximum number of Purchased Shares of such Participants are determined based on the closing share price of the Company on 19 August 2021, being HK\$8.90, for illustrative purposes.
10. The percentage of the Shares are rounded to the nearest 2 decimal places, and the total number of the percentages may not add up to 100% due to rounding.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

**Please note that the potential grant of RSUs and issue and allotment of Award Shares to the Connected Participants and the other Eligible Talents 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 IV shall not exceed the maximum number that he or she is entitled to, as disclosed in the table under section 3(b) of the “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.**

As the maximum dilutive impact allowed is 2.50% under the Scheme Mandate Limit, we are of the view that the potential shareholding impact of the Co-Ownership Plan IV 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.

### *6.2 Potential financial effect of the Company*

The Management expects that the accounting treatment of the Co-Ownership Plan IV will be similar to that of the other Co-Ownership schemes adopted by the Company before, 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 CO4 Qualifying 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\$1.5 million and HK\$0.3 million for the year ended 31 August 2020 and the six months ended 28 February 2021, representing 1.5%, and 0.6% 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 Co-Ownership Plan IV. Therefore, we do not expect that the Co-Ownership Plan IV 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 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.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### 7. RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that the Connected Grant is in the ordinary and usual course of business of the Group and on normal commercial terms, and is 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 resolution(s) in respect of the same to be proposed at the Extraordinary General Meeting.

Yours faithfully,  
For and on behalf of  
**Altus Capital Limited**

**Jeanny Leung**  
Executive Director

*Ms. Jeanny Leung (“Ms. Leung”) is a Responsible Officer of Altus Capital licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. She is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Ms. Leung has over 30 years of experience in corporate finance advisory and commercial field in Greater China, 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.*

The following is a summary of the principal terms of the Co-Ownership Plan IV 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 IV nor should it be taken as affecting the interpretation of the Co-Ownership Plan IV.

### **THE CO-OWNERSHIP PLAN IV AND ITS SUMMARY**

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

If the Co-Ownership Plan IV is approved by the Independent Shareholders at the Extraordinary General Meeting, the Company will appoint the Plan Trustee to assist with the administration and vesting of RSUs granted under the Co-Ownership Plan IV. The Company will direct and procure the Plan Trustee to hold or continue to hold the CO3+ Shares which are being rolled over (on a one-to-one share basis) to the Co-Ownership Plan IV by all Participants and to endeavour to purchase additional Shares over a reasonable period of time on behalf of the Participants (excluding, for the avoidance of doubt, the Charitable Fund) who have accepted Invitations in the same Invitation Period.

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, over the 2022 – 2024 Financial Years. Unless the Board resolves to early terminate the Co-Ownership Plan IV 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\$2.70 on a cumulative basis over the 2022 – 2024 Financial Years of the Company. If the Adjusted Available Cash per Share for Distribution, on a cumulative basis, over the 2022 – 2024 Financial Years of the Company reaches HK\$3.01, 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 one (1) Award Share for every CO4 Qualifying Share (and this would represent the maximum entitlement of the Grantees, subject to 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 2024 Financial Year if the maximum targeted accumulated Adjusted Available Cash per Share for Distribution is achieved prior to the end of the 2024 Financial Year. A cumulative Adjusted Available Cash per Share for Distribution in excess of HK\$3.01 will not give rise to any further entitlement.

If the Adjusted Available Cash per Share for Distribution, on a cumulative basis, over the 2022 – 2024 Financial Years of the Company reaches a value in excess of HK\$2.70 and below HK\$3.01, 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 (0) RSU and one (1) RSU for every CO4 Qualifying Share of each Participant (with more RSUs to be granted the closer the actual achieved level is to HK\$3.01).

The Company will allot and issue, upon the satisfaction of the Vesting Conditions, to the Participants (including the Charitable Fund) and on the Vesting Date, up to such number (as may be adjusted in the event of a Reorganisation of Capital Structure) of Award Shares as representing 2.50% of the Shares in Issue on the date of the Extraordinary General Meeting. The total number of Award Shares that are issuable to the Participants (including the Charitable Fund) shall be the Scheme Mandate Limit.

**WARNING: The information set out in this circular relating to the Co-Ownership Plan IV, 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 IV is subject to approval by the Independent Shareholders, the Co-Ownership Plan IV 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. Purposes of the Co-Ownership Plan IV**

The purposes of the Co-Ownership Plan IV 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 the post COVID-19 time 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 Company's Shares; and (ii) continue to 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 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 home 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, the Charitable Fund will be given the opportunity to rollover its CO3+ Shares to the Co-Ownership Plan IV as Rollover Shares.

## **2. Restricted Share Units**

An RSU is a contingent right to receive an Award Share which is awarded to a Participant under the Co-Ownership Plan IV. The granting of the RSUs to the Participants is subject to the Company achieving the cumulative targeted level of the Adjusted Available Cash per Share for Distribution over the 2022-2024 Financial Years (with entitlements of RSUs capped at the Company achieving a cumulative Adjusted Available Cash per Share for Distribution of HK\$3.01 since the beginning of the 2022 Financial Year until the end of the 2024 Financial Year). The RSUs granted under the Co-Ownership Plan IV will be subject to a vesting period and the satisfaction of the Vesting Conditions.



### 3. Participants of the Co-Ownership Plan IV and Basis for Determining the Eligibility of the Participants

The Board will grant RSUs to Participants under the Co-Ownership Plan IV upon the satisfaction of conditions set out in the Co-Ownership Plan IV. Any Eligible Talent or the Charitable Fund will be an Eligible Participant 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 IV in accordance with **paragraph 5(a)**.

### 4. Status of the Co-Ownership Plan IV

#### *(a) Conditions of the Co-Ownership Plan IV*

The adoption of the Co-Ownership Plan IV will take effect subject to (i) obtaining the requisite shareholders' approval at a general meeting of the Company of the terms and conditions of the Co-Ownership Plan IV 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 approval for the listing of, and permission to deal in, all the new Shares which may be allotted and issued under the Scheme Mandate (the "**Adoption Conditions**").

#### *(b) Term of the Co-Ownership Plan IV*

Subject to the Adoption Conditions being satisfied, the Co-Ownership Plan IV shall be valid and effective for the period commencing on the Commencement Date and expiring on the earlier of (i) the date falling four (4) 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 M&A Termination Date; (iv) the date of termination of the Co-Ownership Plan IV as determined by the Board in the case where the Board in its absolute discretion resolves that the target of the Adjusted Available Cash per Share for Distribution over the 2022 to 2024 Financial Years is not able to be achieved; and (v) such earlier date as the Co-Ownership Plan IV 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 IV shall remain in full force and effect in all other respects with respect to any RSU granted and that remains outstanding.

### 5. Rollover and Purchase of Shares and Grant of RSUs

RSUs will only be granted on a matching basis to Participants who hold CO4 Qualifying Shares in accordance with the terms of the Co-Ownership Plan IV. The matching ratio shall be determined in accordance with the formula in **paragraph 5(e)(i)** below and the maximum entitlement (if any) is one (1) RSU (representing a conditional entitlement to one (1) Award Share) for every one (1) CO4 Qualifying Share of each Participant.

*(a) Invitation to Participate in the Co-Ownership Plan IV and to be Granted RSUs*

The Board will, within each of the Invitation Period, invite (i) any Eligible Talent who, as at the start of each applicable Invitation Period, has not been previously invited to participate in the Co-Ownership Plan IV (including, for the avoidance of doubt, any individual who has joined the Group as an Eligible Talent, or has been promoted and has become an Eligible Talent prior to the start of any Invitation Period, or is reasonably contemplated by the Company to become an Eligible Talent during the relevant Invitation Period) or (ii) the Charitable Fund (each an “**Invitee**”) to enroll and participate in the Co-Ownership Plan IV by way of (A)(i) rolling over any CO3+ Shares to the Co-Ownership Plan IV as Rollover Shares (on a one-to-one share basis) and/or (ii) (in the case of an Invitee who is an Eligible Talent only) purchasing Shares and (B) agreeing to be granted with RSUs (together, an “**Invitation**”), in accordance with the terms of the Co-Ownership Plan IV.

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 5(g)** or otherwise, the Company may set other invitation period(s) as appropriate, expedient or desirable to invite Eligible Talents (who have not previously been invited to participate in the Co-Ownership Plan IV in any of the Invitation Periods) and the Charitable Fund to participate in the Co-Ownership Plan IV, to the extent that the CO4 Qualifying Shares of the Invitees who have accepted the Invitation will not exceed the maximum number of Shares that may underlie the RSUs granted pursuant to the Co-Ownership Plan IV to all Participants as provided below.

An Invitee will be invited to specify (i) the number of CO3+ Shares which such Invitee elects to roll over to the Co-Ownership Plan IV as Rollover Shares and (ii) (in the case of an Invitee who is a Talent only) the cash monetary amount such Invitee wishes to invest (being the “**Additional Investment Amount(s)**” in respect of such Invitee) for his/her purchase of Shares pursuant to the Invitation, in the letter of acceptance to participate in the Co-Ownership Plan IV.

The Additional Investment Amounts of any Invitee (excluding the Charitable Fund) must be: (i) equal to or exceed one-sixth (1/6th) of the Annual Remuneration Package of such Invitee; and (ii) not more than two times the Annual Remuneration Package of such Invitee. The maximum number of Shares available for purchase by all Participants (excluding the Charitable Fund) with the Additional Investment Amounts shall not at any time exceed the maximum number of Award Shares as determined by reference to the CO4 Qualifying Shares that may underlie the RSUs to be granted under the Co-Ownership Plan IV and calculated in accordance with **paragraph 6**, after taking into account the total number of Rollover Shares of all Participants for the time being. The number of Award Shares that the Company may be required to allot and issue to Participants who are connected persons at the time of the Board’s acceptance of their participation in the Co-Ownership Plan IV 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.

The Board will accept an Eligible Talent's enrolment and participation in the Co-Ownership Plan IV and his/her/its instructions to (i) roll over the CO3+ Shares to the Co-Ownership Plan IV as Rollover Shares and/or (ii) (in the case of an Invitee who is a Talent only) purchase Shares under the Co-Ownership Plan IV and will require the Eligible Talent to, in each case within 15 Business Days of the issue of the acceptance notice, (i) transfer the legal title to the Rollover Shares to the Plan Trustee (to the extent not already held by the Plan Trustee) and/or (ii) (in the case of an Invitee who is a Talent only) remit the Additional 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 Additional 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 IV will be deemed to commence on the date of the remittance of their respective Additional Investment Amount to the Plan Trustee via the Company.

*(b) Rollover and Purchase of Shares*

After the receipt of the Additional Investment Amounts, the Company will direct and procure the Plan Trustee to endeavour to purchase Shares on behalf of all Participants who have accepted Invitations in the same Invitation Period, as far as reasonably practicable in accordance with the pricing guidelines set forth in the Co-Ownership Plan IV unless the Board otherwise determines in its absolute discretion, until the aggregate Additional Investment Amounts remitted by those Participants have been utilised using either or both of the following purchase methods over a reasonable period of time as is feasible to purchase the requisite number of Shares (each a "**Share Purchase Period**"):

- (i) on-market purchase at the market price (taking into account factors including but not limited to the aggregate number of Shares to be purchased on-market, the average daily trading volume of the Shares, and the prevailing market price of the Shares) (Shares purchased using such a method are the "**On-Market Purchased Shares**"); and
- (ii) off-market purchase at the market price or at a discount to market price of the Shares to be determined by the Plan Trustee (Shares purchased using such a method are the "**Off-Market Purchased Shares**").

The Additional Investment Amounts received from the Participants (excluding the Charitable Fund) who have accepted an Invitation in the same Invitation Period shall be utilised to purchase Shares in the same Share Purchase Period and the Purchased Shares purchased by the Plan Trustee during any one Share Purchase Period will be allocated among such Participants on a pro-rata basis, based on their respective Additional Investment Amounts, provided that the number of Purchased Shares allocated to each of those Participants will be rounded down to the nearest number of Shares.

If and to the extent there are any remaining Additional Investment Amounts after the end of each Share Purchase Period (after taking into account the purchase of Shares in accordance with the pricing guidelines as set forth in the Co-Ownership Plan IV, unless the Board otherwise determines in its absolute discretion), or any surplus Additional Investment Amounts that would or would expect to result in the Award Shares (as determined by reference to the CO4 Qualifying Shares) exceeding the Scheme Mandate Limit, such remaining or surplus Additional Investment Amounts shall be refunded to the relevant Participants by the Plan Trustee through the Company, on a pro rata basis to their respective Additional Investment Amounts.

*(c) Priority if there is an over-subscription of CO4 Qualifying Shares*

For any Invitation Period, if the total number of Rollover Shares of all Participants (including, for the avoidance of doubt, the Charitable Fund) for the time being and the total Additional Investment Amounts of the Participants (excluding the Charitable Fund) who have accepted the Invitations shall or is expected to result in the total number of CO4 Qualifying Shares for all Participants exceeding the maximum number of Award Shares (as determined by reference to the CO4 Qualifying Shares) that may underlie the RSUs to be granted under the Co-Ownership Plan IV as calculated in accordance with **paragraph 6**, the allocation of the CO4 Qualifying Shares shall be determined in the following priorities (the “**Priority**”):

- (i) first, to satisfy the total number of Rollover Shares of all Participants for the time being;
- (ii) second, to satisfy the Additional Investment Amounts of all Participants (excluding the Charitable Fund) for up to one time of the Annual Remuneration Package of each such Participant, and the entitlement of each such Participant shall be determined on a pro-rata basis as amongst all such Participants; and
- (iii) third, to satisfy the remaining Additional Investment Amounts of all Participants (excluding the Charitable Fund), and the entitlement of each such Participant shall be determined on a pro-rata basis as amongst all such Participants.

*(d) Transfer of CO4 Qualifying Shares and CO4 Qualifying Shares Released on the Granting of RSUs*

The Plan Trustee will hold the relevant CO4 Qualifying Shares on trust for each Participant until the said Shares have been duly transferred to the relevant Participant following the issue of a valid transfer notice by the relevant Participant or deemed issue of a valid transfer notice.

A Participant may only issue a transfer notice to the Plan Trustee in respect of the CO4 Qualifying Shares to which the Participant holds the beneficial title.

A transfer notice which purports to require the Plan Trustee to transfer any CO4 Qualifying Share prior to the Grant Date shall be valid but such Participant shall cease to participate in the Co-Ownership Plan IV and shall not be entitled to any grant of RSUs (this shall not, however, affect any rights such Participant may have in his/her/its CO4 Qualifying 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 CO4 Qualifying Shares shall still be entitled to the grant of RSUs pursuant to **paragraph 5(f)(ii)**.

Participants whose CO4 Qualifying 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 CO4 Qualifying Shares. Where there is a choice between scrip or cash dividends arising from such CO4 Qualifying 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 CO4 Qualifying Shares held by the Plan Trustee and the Plan Trustee shall not exercise any voting rights attached to such CO4 Qualifying Shares held by it.

*(e) Grant of RSUs*

On and subject to the terms of the Co-Ownership Plan IV, where a Participant has CO4 Qualifying Shares held by the Plan Trustee and all the CO4 Qualifying 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 CO4 Qualifying Shares after the Grant Date in accordance with the following provisions.

- (i) Subject to the adjustments set out in **paragraph 5(f)**, the number of RSUs to be granted to a Participant shall be determined on the Grant Date in accordance with the formula below:

$$\text{Number of RSUs to be granted to a Participant} = A \times B$$

where:

$$A = \frac{AFF - 2.70}{3.01 - 2.70};$$

**AFF** = the total cumulative Adjusted Available Cash per Share for Distribution of the Company over the 2022 – 2024 Financial Years, namely during the period from and including the first day of the 2022 Financial Year (being, 1 September 2021) to and including the last day of the 2024 Financial Year (being, 31 August 2024); and

**B** = the Participant's total number of CO4 Qualifying Shares

provided that where:

- (a) the value of A is less than 0, it shall be deemed to be 0; or
  - (b) 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 may, in its absolute discretion, resolve to terminate or continue the Co-Ownership Plan IV.
- (iii) 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 IV, the Board shall determine the number of RSUs to be granted in accordance with **paragraph 5(e)(v)** and the following matters:
- (A) the time of Grant of any of the RSUs;
  - (B) the time of vesting of the RSUs and whether or not the Vesting Conditions shall apply in such a case and if so, the reference time period for determining the satisfaction of such Vesting Conditions; and
  - (C) the date of termination of the Co-Ownership Plan IV (being, the “**M&A Termination Date**”).
- (iv) 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 IV, 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 IV).
- (v) Subject to the adjustments set out in **paragraph 5(f)**, the number of RSUs to be granted by the Board, upon the termination of the Co-Ownership Plan IV pursuant to **paragraph 5(e)(iii)** as a result of the occurrence of an M&A Event shall be determined in accordance with the following principles:
- (A) if the M&A Termination Date falls on any day within the period from (and including) the Commencement Date to (and including) the first Financial Period in the 2022 Financial Year (being, 28 February 2022), the number of RSUs to be granted to the Participants shall be zero (0);

- (B) if the M&A Termination Date falls on any day within the period from the first day of the second Financial Period in the 2022 Financial Year (being, 1 March 2022) to (and including) the last day of the 2024 Financial Year (being, 31 August 2024), the number of RSUs to be granted to the Participants based on the following formula:

$$\text{Number of RSUs to be granted to a Participant} = A \times B$$

where:

$$A = \left[ \frac{AFF - y}{x - y} \right]^{Note} \times \frac{AFF}{3.01};$$

*Note: where this value is more than 1, it shall be deemed to be 1*

**AFF** = the total cumulative Adjusted Available Cash per Share for Distribution for all of the completed Financial Periods during the period from 1 September 2021 to the M&A Termination Date (both dates inclusive) (the “**Relevant Period**”);

**x** = \$3.01 x [the number of full completed Financial Periods during the Relevant Period / 6]

**y** = \$2.70 x [the number of full completed Financial Periods during the Relevant Period / 6]; and

**B** = the Participant’s total number of CO4 Qualifying Shares;

- (C) if the M&A Termination Date falls on any day which is after the Grant Date but prior to the Vesting Date, **paragraphs 5(e)(i) and 5(e)(iii)** shall apply.

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.

*(f) Adjustments*

Subject to **paragraph 12** below, and for the avoidance of doubt, 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 ten (10) Business Days from the date of publication of the Company's annual results for the 2021 Financial Year, or whose period for remittance of Additional Investment Amount has been extended pursuant to **paragraph 5(a)**) participates in the Co-Ownership Plan IV on a date falling after the first Invitation Period 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 5(e)(i) or 5(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 IV by the total number of calendar days in the period from and including the date of publication of the annual results for the Company's 2021 Financial Year until and including the Grant Date; or
- (ii) if a Participant 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 5(e)(i) or 5(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 IV by the total number of calendar days in the period from and including the date of publication of the annual results for the Company's 2021 Financial Year 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 IV, the Participants shall have the right to issue the transfer notice to the Company in accordance with **paragraph 5(d)**.

*(g) Timing Restrictions*

The Company may not make any Invitation for the contribution of Additional Investment Amounts 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;



- (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 acquire On-Market Purchased Shares; (iv) grant any RSU; or (v) allot and issue any Award Share, until such inside information is published in accordance with the SFO or ceases to be inside information.

#### **6. Maximum Number of Shares Underlying the RSUs**

At any time during the Term, the maximum aggregate number of Award Shares that may underlie the RSUs granted or to be granted pursuant to the Co-Ownership Plan IV 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 to be granted pursuant to the Co-Ownership Plan IV;
- A** = the Scheme Mandate Limit; and
- B** = the maximum aggregate number of Shares underlying the RSUs already granted pursuant to the Co-Ownership Plan IV.

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

The total number of Award Shares that are issuable to the Participants shall be the Scheme Mandate Limit.

#### **7. 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 IV, unless and until the legal and beneficial title of the Award Share underlying the RSU have been allotted and issued to the Grantee.

#### **8. Rights Attached to the Shares**

Subject to the foregoing, the CO4 Qualifying Shares and Award Shares will be subject to all the provisions of the Articles of the Company 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 allotted and issued or transferred (as the case may be) 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).

#### **9. Assignment of RSUs**

On the basis that this **paragraph 9** 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 12** 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.

#### **10. Vesting of RSUs**

##### **(a) General**

Subject to the terms of the Co-Ownership Plan IV, 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 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\$9.23; and
- (ii) the cumulative capital expenditure of the Group during the 2022, 2023 and 2024 Financial Years is not less than HK\$1.6 billion (provided that the annual capital expenditure of the Group during each Financial Year is not less than HK\$400 million, excluding any capital expenditure relating to the costs of relocating and moving the Group’s Central Offices if required due to the termination or non-renewal of relevant long-term leases).

Upon the vesting of one RSU subject to the satisfaction of the above Vesting Conditions, the Company shall promptly allot and issue one Award Share to the Grantee directly or indirectly through the Plan Trustee. The total maximum number of Award Shares that are issuable to the Participants (including the Charitable Fund) shall be the Scheme Mandate Limit.

## 11. Corporate Events

If:

- (a) a general offer by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to **paragraph 11(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
- (c) pursuant to the Companies Law, a compromise or arrangement (other than a scheme of arrangement contemplated in **paragraph 11(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 IV, whether the Participant is a Good Leaver or a Bad Leaver (where applicable) and the formula in **paragraph 5(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.

## 12. 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;
- (b) the date on which the Grantee (whether intentionally or otherwise) commits a breach of **paragraph 9** or any other provision of the rules of the Co-Ownership Plan IV; 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.

If a Grantee is a Good Leaver 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.

For the avoidance of doubt, this **paragraph 12** shall not apply to the Charitable Fund.

## 13. 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.

#### **14. Alteration of the Co-Ownership Plan IV**

Subject to that provided in this **paragraph 14**, the Board may alter any of the terms of the Co-Ownership Plan IV at any time. Any changes to the authority of the Board in relation to any alteration of the terms of the Co-Ownership Plan IV 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 IV, it will require the prior written consent of the Plan Trustee.

Any alterations to the terms and conditions of the Co-Ownership Plan IV 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 IV. The Board's determination as to whether any proposed alteration to the terms and conditions of the Co-Ownership Plan IV is material shall be conclusive.

#### **15. Termination of the Co-Ownership Plan IV**

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

Upon termination of the Co-Ownership Plan IV, the Plan Trustee shall return all CO4 Qualifying Shares to the Participants. RSUs granted during the term of the Co-Ownership Plan IV shall continue to be valid in accordance with their terms of Grant after the end of the term of the Co-Ownership Plan IV.

#### **16. Administration of the Co-Ownership Plan IV**

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

**17. General**

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

Details of the Co-Ownership Plan IV, 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	<i>Note</i>	Number of Shares held	Percentage of the issued share capital of the Company
Mr. Bradley Jay HORWITZ	<i>(a)</i>	1,000,000	0.08%
Mr. Chu Kwong YEUNG	<i>(b)</i>	26,234,429	2.00%
Mr. Ni Quiaque LAI	<i>(c)</i>	31,553,129	2.41%
Mr. Teck Chien KONG	<i>(d)</i>	228,627,451	17.43%
Mr. Stanley CHOW	<i>(e)</i>	234,500	0.02%

#### *Notes:*

- (a) Mr. Bradley Jay HORWITZ held 1,000,000 Shares in the Company.
- (b) Mr. Chu Kwong YEUNG held 26,234,429 Shares in the Company, in which 848,002 Shares were held by the plan trustee under Co-Ownership Plan III Plus.
- (c) Mr. Ni Quiaque LAI held 31,553,129 Shares in the Company, in which 556,007 Shares were held by the plan trustee under Co-Ownership Plan III Plus.

- (d) Mr. Teck Chien KONG, 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., Twin Holding Ltd and Twin Telecommunication Ltd held 228,627,451 Shares in the Company, in which 83,661,106 Shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.
- (e) Mr. Stanley CHOW held 234,500 Shares in the Company jointly with his spouse, Ms. Frances WOO.

## (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	Note	Number of Shares beneficially held	Percentage of the issued voting shares of the Company
Mr. David BONDERMAN	<i>(a)</i>	228,627,451	17.43%
Mr. James George COULTER	<i>(b)</i>	228,627,451	17.43%
Mr. Michael ByungJu KIM	<i>(c)</i>	228,627,451	17.43%
Mr. Teck Chien KONG	<i>(d)</i>	228,627,451	17.43%
Canada Pension Plan Investment Board	<i>(e)</i>	182,405,000	13.91%
The Capital Group Companies, Inc.	<i>(f)</i>	97,671,140	7.45%

### *Notes:*

- (a) Mr. David BONDERMAN, through corporations directly and indirectly controlled by him, namely TPG Asia Advisors VI, Inc. and TPG Wireman, L.P., held 228,627,451 Shares in the Company, in which 83,661,106 Shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.
- (b) Mr. James George COULTER, through corporations directly and indirectly controlled by him, namely TPG Asia Advisors VI, Inc. and TPG Wireman, L.P., held 228,627,451 Shares in the Company, in which 83,661,106 Shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.
- (c) Mr. Michael ByungJu KIM, 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., Twin Holding Ltd and Twin Telecommunication Ltd held 228,627,451 Shares in the Company, in which 83,661,106 Shares are under convertible instruments, and is accordingly deemed to be interested in the shares held by the aforesaid companies.
- (d) Mr. Teck Chien KONG, 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., Twin Holding Ltd and Twin Telecommunication Ltd held 228,627,451 Shares in the Company, in which 83,661,106 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 Shares of the Company.
- (f) The Capital Group Companies, Inc. through its subsidiaries, namely Capital Research and Management Company, Capital International Sarl, Capital International, Inc., Capital Group Private Client Services, Inc. and Capital Bank and Trust Company directly held 70,221,000 Shares, 7,926,500 Shares, 18,785,000 Shares, 606,140 Shares and 132,500 Shares in the Company respectively, and is accordingly deemed to be interested in the respective shares held by the aforesaid companies.

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.

### **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 financial year ended 31 August 2020 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 2020 (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:

<b>Name</b>	<b>Qualification</b>
Altus Capital Limited	A corporation licensed 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 21 September 2021 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 2020 (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 share purchase agreement entered into on 20 February 2020 between the plan trustee appointed by the Company for the Co-Ownership Plan III Plus and TPG Wireman, L.P. in relation to the purchase of 8,000,000 Shares by the plan trustee for and on behalf of the Co-Ownership Plan III Plus at the consideration of HK\$114,080,000;
- (b) the share purchase agreement entered into on 20 February 2020 between the plan trustee appointed by the Company for the Co-Ownership Plan III Plus and Twin Holding Ltd in relation to the purchase of 8,000,000 Shares by the plan trustee for and on behalf of the Co-Ownership Plan III Plus at the consideration of HK\$114,080,000; and
- (c) the HK\$5,500,000,000 term loan facility agreement entered into on 26 November 2020 between, among others, HKBN Group Limited as borrower, the Company as original guarantors, Crédit Agricole Corporate and Investment Bank, Hong Kong Branch, JPMorgan Chase Bank, N.A., acting through its Hong Kong Branch, and China Construction Bank (Asia) Corporation Limited as mandated lead arrangers and as bookrunners, and Crédit Agricole Corporate and Investment Bank, Hong Kong Branch as facility agent for a period of five years and fully repayable on 24 November 2025.

**10. MISCELLANEOUS**

- (a) The registered office of the Company is situated at P.O. Box 309, Ugland 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 Ms. Chung Man CHENG.
- (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 scheme rules of the Co-Ownership Plan IV;
- (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 28 to 42 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 IS HEREBY GIVEN** that the extraordinary general meeting (the “**Meeting**”) of HKBN Ltd. (the “**Company**”) will be held at 10:00 a.m., on 15 October 2021, Friday 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 21 September 2021.

## **ORDINARY RESOLUTIONS**

1. “**That:**
  - (a) the Co-Ownership Plan IV 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 IV 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 IV.”
2. “**That** conditional upon ordinary resolution designated “1” set out above being duly passed, the grant of RSUs to the Connected Participants and the issuance of Award Shares to the Connected Participants in accordance with the terms of the Co-Ownership Plan IV 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, 21 September 2021

*Principal Place of Business in Hong Kong:*  
12th Floor, Trans Asia Centre  
18 Kin Hong Street, Kwai Chung  
New Territories  
Hong Kong

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

*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 8 October 2021, Friday to 15 October 2021, Friday, 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 and transfer office, 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 7 October 2021, Thursday.
- (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 and transfer office, 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.