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For Immediate Release



HKBN Ltd. Announces Proposed Listing

on the Main Board of The Hong Kong Stock Exchange

Global Offering of 644,866,500 Offer Shares

(excluding the Shares to be offered pursuant to the exercise of the Over-allotment Option)

At a Price Range of Between HK\$8.00 and HK\$9.00 per Offer Share

Hong Kong, February 26, 2015 – HKBN Ltd. ("HKBN" or the "Company"; stock code: 1310), the largest provider of residential fibre broadband services in Hong Kong by number of residential subscriptions, today announced its proposed listing on the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK") and a global offering of shares (the "Global Offering") of approximately HK\$5,804 million (or US\$748 million¹; assuming the Maximum Offer Price and the Over-allotment Option is not exercised). At the mid-point of the price range, the Company's equity value is HK\$8,551 million (or US\$1,103 million¹).

The Company, which operates in the residential and enterprise markets, owns one of the most extensive fibre networks in Hong Kong, offering a diversified portfolio of residential broadband and Wi-Fi access, communication and entertainment services, as well as an array of world-class enterprise solutions, including broadband and data connectivity, voice communication, managed Wi-Fi solutions, Cloud solutions and IT advisory services.

The Global Offering will consist of a total of 644,866,500 shares, comprising 80,608,000 shares being offered in Hong Kong for subscription under the Hong Kong Public Offering inclusive of 6,448,500 Shares being offered to HKBN's Talents and 564,258,500 shares being offered by way of placement under the International Offering, subject to reallocation and the Over-allotment Option. The Underwriters are expected to grant an over-allotment option of up to 96,729,500 shares, representing approximately 15% of the base offering size.

The offer price range is between HK\$8.00 and HK\$9.00 per share. It is estimated that the Selling Shareholders will receive net proceeds from the Global Offering of approximately HK\$5,659 million (or US\$730 million¹) after deduction of underwriting fees and commissions (assuming the Maximum Offer

¹ Based on an exchange rate of US\$1 = HK\$7.75468

Price and before exercise of the Over-allotment Option). The Company will not receive any proceeds from the Global Offering.

Mr. William Yeung, Chief Executive Officer of HKBN, said, "As an organisation, HKBN is dedicated to making our Hong Kong a better place to live by providing high speed broadband access to the residential and business market. We consistently push boundaries and pioneer disruptive innovations in everything that we do. Our ability to think outside the box and our tenacious approach have paid off, and today, we have one of the most advanced and extensive fibre networks in Hong Kong. We are excited to take the next step in our corporate development and are proud to be listing in Hong Kong, our home."

One of the most extensive networks in Hong Kong

Since 2000, HKBN has made significant investments to build and develop one of the most extensive fibre networks in Hong Kong. HKBN has invested a total of approximately HK\$4.1 billion in fixed assets over 14 years, demonstrating its commitment to its mission. Today, the Company is the largest provider of residential fibre broadband services in Hong Kong by number of residential subscriptions, with a 53.7% market share, and the second largest residential broadband Internet service provider in Hong Kong, with a 34.2% market share as at 31 August 2014, according to Media Partners Asia, Ltd.

HKBN's network covers over 2.10 million residential homes passed, or approximately 79% of Hong Kong's total residential units, and more than 1,900 commercial buildings in Hong Kong, which represents a majority of the high-end commercial buildings targeted by the Company.

Unique Talent culture

HKBN believes that its Talents are the core of its business and as such, has established a number of continuing education and development programs, and regularly organizes teambuilding activities and annual overseas experiential management trips. The Company will continue to invest in its Talents as it believes that this enhances the Company's ability to motivate and retain top-performing individuals, and better prepare them to meet the challenges of the rapidly changing telecommunications network services industry environment in Hong Kong.

Further to this belief, HKBN has a unique Co-Ownership culture, which it sees as being fundamental to its past and future success. With 87 Talents having invested approximately US\$23 million in aggregate as Co-Owners in the Company under the Co-Ownership Plan I since 2012, representing an average of approximately two times their total annual compensation, HKBN's business has taken on the structure of an entrepreneurial partnership which aligns Talents' long-term goals with the success of the Company. As such, the Company has adopted the Co-Ownership Plan II under which over 400 of its Talents will be invited to invest in Shares of the Company at market price and be granted the right to receive additional shares at no additional consideration on a 3-for-7 matching basis.

Strong operational and financial performance

HKBN primarily generates its revenue through its residential and enterprise businesses.

Under the strong and creative leadership of the Company's management team, the Company's business has grown considerably over the years. The number of residential broadband Internet subscriptions increased from approximately 626,000 as at 31 August 2012 to approximately 715,000 as at 31 December 2014. The Enterprise business has also expanded significantly, with the number of enterprise customers increasing from approximately 27,000 as at 31 August 2012 to approximately 35,000 as at 31 December 2014.

A cornerstone of HKBN's strategy of growing revenues and improving margins is to capture growing customer demand for fibre broadband and up-sell its services by offering higher internet speed

packages. As a result of successfully executing this strategy, the Company increased its residential ARPU from HK\$158 for the year ended 31 August 2013 to HK\$183 for the period ended 30 November 2014.

The Company's total revenue grew from HK\$1,949.4 million in the financial year ended 31 August 2013, to HK\$2,131.6 million for the year ended 31 August 2014, a year-on-year increase of 9.3%. Revenue from the Residential business grew from HK\$1,489.8 million in the financial year ended 31 August 2013, to HK\$1,630.5 million for the year ended 31 August 2014, while revenue from the Enterprise business grew from HK\$370.8 million in the financial year ended 31 August 2013, to HK\$423.0 million for the year ended 31 August 2014.

The Company is focused on a number of key initiatives to continue driving its growth, including (i) capturing demand by offering a superior value proposition to customers that provides better services at an attractive value while selectively expanding its residential homes passed to reach a larger market; (ii) enhancing its customer yield through segmentation and up-selling initiatives; and (iii) further penetrating the enterprise market by strategically extending network coverage, cross-selling services and employing a differentiated sales strategy to cater to the underserved small business segment.

Mr. NiQ Lai, Head of Talent Engagement and Chief Financial Officer, noted, "HKBN is a well-known, well-respected name in the Hong Kong market. Our success has been a direct result of our Talents and our relentless focus on disruptive innovation. We believe that, due to our unique corporate culture and our industry standing, we are exceptionally positioned to achieve significant revenue growth by capturing the growing customer demand for fibre broadband and through our further penetration of the enterprise market. The Hong Kong telecommunications environment is very attractive for HKBN."

The Hong Kong Public Offer

The Hong Kong public offering of HKBN shares will open at 9:00 a.m. (Hong Kong Time) on Friday, 27 February 2015 and end at 12:00 noon (Hong Kong Time) on Wednesday, 4 March 2015. The final offer price and allotment results are expected to be announced on Wednesday, 11 March 2015. Trading of HKBN's shares on the Main Board of the SEHK is expected to commence on Thursday, 12 March, 2015 under the stock code 1310. The shares will be traded in board lots of 500 shares each.

Rothschild is the Financial Advisor. Goldman Sachs (Asia) LLC, J.P. Morgan and UBS AG are the Joint Sponsors, Joint Global Coordinators and Joint Bookrunners. CLSA and HSBC are the Joint Bookrunners, and Bank of East Asia, BNP Paribas and Sun Hung Kai Financial are the Co-Lead Managers.

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THIS IS NOT AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES. SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES EXCEPT PURSUANT TO REGISTRATION OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. NO PUBLIC OFFER OF SECURITIES WILL BE MADE IN THE UNITED STATES.

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HKBN Offering Summary

Global Offering	:	644,866,500 Offer Shares (Subject to the Over-allotment Option)	
Offering Structure	:		
- Hong Kong Public Offering		80,608,000 Offer Shares (Subject to reallocation)	
- International Offering		564,258,500 Offer Shares (Subject to reallocation and the Over-allotment Option)	
- Talent Offering		up to 6,448,500 Offer Shares (of the 80,608,000 Offer Shares being offered under the Hong Kong Public Offering)	
Proposed Offer Price Range	:	HK\$8.00 to HK\$9.00 per share	
		Based on an Offer Price of HK\$8.00:	Based on an Offer Price of HK\$9.00:
Market Capitalisation (Post-IPO)	:	HK\$8,051 million	HK\$9,051 million
Expected Listing Date	:	12 March 2015 (Thursday)	
Stock Code	:	1310	
No. of Shares per board lot	:	500	

Financial Information

In HK\$ '000, except percentages

	For the years ended 31 August		For the three months ended 30 November	
	2013	2014	2013 (unaudited)	2014
Turnover	1,949,434	2,131,581	497,436	553,780
Residential revenue	1,489,829	1,630,472	392,997	425,500
Enterprise revenue	370,763	422,975	99,270	111,663
(Loss) / profit before taxation	(109,960)	105,038	19,479	58,468
(Loss) / profit for the period / year	(138,998)	53,550	8,807	39,167
EBITDA ¹	740,589	845,281	211,355	235,571
EBITDA margin ¹	38.0%	39.7%	42.5%	42.5%
Adjusted Net Profit ¹	201,110	253,940	63,848	80,081

Forward-looking Statements

All statements other than statements of historical fact contained in this release, including, without limitation, (a) the discussions of our business strategies, objectives and expectations regarding our future operations, margins, profitability, liquidity and capital resources, (b) the future development of, and trends and conditions in, the telecommunications industry and the general economy of the countries in which we operate or plan to operate, (c) our ability to control costs, (d) the nature of, and potential for, the future development of our business and (e) any statements preceded by, followed by or that include words and expressions such as “expect”, “believe”, “plan”, “intend”, “estimate”, “forecast”, “project”, “anticipate”, “seek”, “may”, “will”, “ought to”, “would”, “should” and “could” or similar words or statements, as they relate to the Group or our management, are intended to identify forward-looking statements.

These statements are based on assumptions regarding our present and future business, our business strategies and the environment in which we will operate. These forward-looking statements reflect our current views as to future events and are not a guarantee of our future performance. Forward-looking statements are subject to certain known and unknown risks, uncertainties and assumptions, which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements.

¹ A non-HKFRS financial measure

About HKBN Ltd.

Hong Kong Broadband Network Limited (“HKBN”) is the largest provider of residential symmetric 100 Mbps and above fibre broadband services in Hong Kong with a core purpose to “Make Our Hong Kong a Better Place to Live”. HKBN offers an array of world-class enterprise solutions, including broadband and data connectivity, voice communication, managed Wi-Fi solutions, Cloud solutions and IT advisory services, as well as a diversified portfolio of residential broadband and Wi-Fi access, communication and entertainment services. HKBN owns an extensive fibre network in Hong Kong, which covers over 2.1 million residential homes passed, representing approximately 79% of Hong Kong’s total residential units, and more than 1,900 commercial buildings.

HKBN takes great pride in developing its 2,400 plus Talents into a competitive advantage. In May 2012, the company underwent a management buy-out and is now majority-owned by funds advised by CVC Capital Partners and 87 HKBN managers.