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HKBN Ltd.

香港寬頻有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1310)

UPDATE ON DISCLOSEABLE TRANSACTION COMPLETION OF ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF COSMO TRUE LIMITED

Reference is made to the announcement made by HKBN Ltd. (the “**Company**”) on 17 August 2018 in relation to the entering into of the legally binding memorandum of understanding (the “**MOU**”) between Hong Kong Television Network Limited (as the seller) and HKBN Group Limited, a wholly-owned subsidiary of the Company (as the buyer) in relation to the proposed acquisition of the entire issued share capital of Cosmo True Limited (the “**Announcement**”). Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those terms are defined in the Announcement.

On 26 September 2018 (after trading hours), the Buyer and the Seller have entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) pursuant to which, the Buyer has acquired and the Seller has sold the Target Shares at the consideration of HK\$329,218,608.55 (the “**Consideration**”), subject to any adjustment after completion of the Proposed Acquisition pursuant to the terms of the Sale and Purchase Agreement (the “**Completion**”). The Consideration is arrived at based on the sum of the headline price of HK\$328,281,166.00 (the “**Headline Price**”) and the estimated net debt and estimated working capital adjustment amount of HK\$937,442.55 (the “**Estimated Adjustment Amount**”).

Completion has taken place upon the signing of the Sale and Purchase Agreement on 26 September 2018.

After the signing of the MOU, the Seller and the Buyer have further negotiated the terms and conditions for the Proposed Acquisition with the following principal changes.

Pursuant to the terms of the Sale and Purchase Agreement, the Consideration has been satisfied in the following manner:

- (a) 10% of the Headline Price (being HK\$32,828,116.60) was paid by the Buyer to the Seller on the date of the signing of the MOU as the initial deposit; and
- (b) the Estimated Adjustment Amount and 90% of the Headline Price (being a total of HK\$296,390,491.95) have been paid by the Buyer to the Seller at Completion.

During the period from the signing of the MOU to the Sale and Purchase Agreement, considering the conditions precedent stated in the Announcement, the Company was not aware of any matter which would prevent it from entering into the Sale and Purchase Agreement or from proceeding to Completion.

Upon the occurrence of Completion, the Target has become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the Group's consolidated financial statements.

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

Hong Kong, 26 September 2018

As at the date of this announcement, the Board comprises:

Executive Directors

Mr. William Chu Kwong YEUNG

Mr. Ni Quiaque LAI

Non-executive Director

Ms. Deborah Keiko ORIDA

Independent Non-executive Directors

Mr. Bradley Jay HORWITZ (*Chairman*)

Mr. Stanley CHOW

Mr. Quinn Yee Kwan LAW, SBS, JP

Where the English and the Chinese texts conflict, the English text prevails.