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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)

VOLUNTARY ANNOUNCEMENT

REFINANCING AND REDEMPTION OF 5.5% SENIOR NOTES DUE 2022

HKBN Ltd. (the “**Company**”) announces that HKBN Group Limited (the “**Borrower**”), an indirect wholly-owned subsidiary of the Company, has entered into a facility agreement between, among others, the 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 (the “**Facility Agreement**”). Pursuant to the Facility Agreement, a term loan facility of HK\$5,500,000,000 will be provided to the Borrower for a period of five years and fully repayable on 24 November 2025 (the “**Facility**”).

The Company will use the Facility to redeem all of the 5.5% Senior Notes Due 2022 (“**Senior Notes**”) which were issued by Metropolitan Light Company Limited (as successor to WTT Investment Ltd) (the “**Issuer**”) pursuant to the indenture dated 21 November 2017, as amended by a supplemental indenture dated 28 May 2019, among others, the Issuer and The Bank of New York Mellon as trustee. HK\$5,500,000,000 raised by the Facility will be used to repay the outstanding Senior Note of US\$548,525,738 (including the premium) and the short-term facility of the Company. The incurrence of the Facility and the application of proceeds from the Facility towards the redemption of all the Senior Notes are collectively referred to as the “**Transaction**”. The Issuer is a wholly-owned subsidiary of the Company.

The Company considers that the Transaction is in the best interests of the Company and its shareholders in view of the significant savings in interest costs that the Company anticipates would result from the Transaction. The Company also anticipates, however, that the bond premium of US\$14,680,738 to be paid to fully redeem the Senior Notes shall lead to an one-off finance cost being incurred by the group, thereby resulting in a reduction in the net profit by the same amount in the first half of its 2021 financial year. Nevertheless, it is expected that such impact will be mostly offset by the interest savings for the year ending 31 August 2021.

Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the shares or other securities of the Company.

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

Hong Kong, 26 November 2020

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

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. Bradley Jay HORWITZ (*Chairman*)

Mr. Stanley CHOW

Mr. Yee Kwan Quinn LAW, SBS, JP

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