*For immediate release*

**HKBN Ltd. Announces FY18 Interim Results for the 6 Months Ended 28 Feb 2018**
***Strong J-Curve Growth Delivered in Residential & Enterprise Businesses***

(Hong Kong - 19 April 2018) HKBN Ltd. ("HKBN" or the "Company"; SEHK stock code: 1310) today announced its unaudited consolidated results for the six months ended 28 February 2018. During the period, the Company delivered strong J-curve growth momentum in both residential and enterprise businesses, harvested from the successful execution of its enhanced quad-play strategy and the full integration of New World Telecom ("NWT") business. Key highlights from the interim period include:

- Strong year-on-year growth in Revenue, EBITDA and Adjusted Free Cash Flow at 22%, 23% and 24%, to HK$1,868 million, HK$594 million and HK$237 million, respectively.
- Residential revenue increased by 17% to HK$1,101 million. Historical full base residential ARPU increased by 4% year-on-year, from HK$166 in 1H2017 to HK$173 in 1H2018, while the monthly churn rate remained low.
- Enterprise revenue increased by 19% year-on-year to HK$679 million.
- The Board of Directors has recommended the payment of an 18% year-on-year increase in interim dividend to 26 HK cents per share.

**Successful quad-play strategy execution resulted in strong growth in residential service revenue and ARPU**

Offering a full suite of broadband, fixed-voice, OTT and mobile services, HKBN's quad-play strategy was in full swing, garnering a 17% year-on-year growth in residential revenue. Residential ARPU (Average Revenue Per User) grew from HK$166 in 1H2017 to HK$173 in 1H2018, while the company's market share by broadband subscriptions maintained at 37% as at 31 December 2017 (based on the latest available OFCA statistics).

Rapid growth in HKBN's mobile business continued, with residential mobile registered subscriptions increased from 218,000 in FY17 to 313,000 in 1H2018. With the introduction of high-tier tariff plans, mobile ARPU (without broadband services) increased significantly from HK$119 in FY17 to HK$142 in 1H2018; while mobile ARPU (with broadband services) rose notably from HK$268 in FY17 to HK$311 in 1H2018.

Strong OTT overlay was achieved with myTV SUPER partnership. Since launching myTV SUPER offerings in April 2016, HKBN has achieved 730,000 set-top boxes ordered by residential customers, and 165,000 apps to HKBN mobile customers, as at 28 February 2018.

**Accelerated enterprise business growth momentum contributed by full integration of NWT & enhanced competitive value for different customer segments**

HKBN enterprise business continued to deliver strong growth. Benefitting from the full integration of NWT, as well as more big-project wins whilst maintaining SME market expansion momentum, enterprise revenue grew rapidly by 19% year-on-year to HK$679 million. The number of enterprise customers increased 10% year-on-year to 56,000; while APRU rose 4% to HK$1,526. HKBN's market share by broadband subscriptions increased to 19% as of 31 December 2017 (based on the latest available OFCA statistics).

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**Moving full steam ahead to drive continued robust growth via Co-Ownership Plan III**

"We are proud to have delivered remarkable, across-the-board growth in the industry, executing in line with our pledged J-curve strategy," said William Yeung, Co-Owner and Chief Executive Officer. "We are moving full steam ahead to harvest higher returns for our investors in the years to come, and simultaneously bring exceptional value for our customers."

"HKBN's strongest Legal Unfair Competitive Advantage ("LUCA") is the shareholder alignment that comes part and parcel with our unique Co-Ownership programme. Unlike most companies, the majority of our supervisory-and-above-level Talents have invested their own family savings into HKBN stock and serve our business from the perspective of a Co-Owner," said NiQ Lai, Co-Owner and Chief Operating Officer. "We aim to further deepen this shareholder alignment by making our Co-Ownership Plan III, which will be open this June, available to 663 of our supervisors-and-above-level Talents for their elective participation. As a team united with skin in the game, this exciting development will give us unparalleled passion and hunger to achieve our aspirational goal of cumulative HK$2.1 to HK$2.4 Adjusted Available Cash per Share for Distribution for the period FY18-20."

For details of HKBN's interim results in FY2018, please refer to the announcement:

http://www.hkbn.net/new/en/about-us--investor-engagement--financial-results.shtml

Appendix: Shareholder Letter


Photo caption: At HKBN's 1H2018 interim results presentation, HKBN Co-Owner and CEO William Yeung, and HKBN Co-Owner and COO NiQ Lai revealed the remarkable financial progress made from executing the company's J-curve growth strategy.

– End –

**Appendix**

## Shareholder Letter

Dear Fellow Shareholders,

For the six months ended 28 February 2018 ("1H2018"), we executed on our ATM[1] strategy taking profitable market share from the legacy incumbent as to deliver Group revenue, EBITDA and DPS[2] year-on-year growth of 22%, 23% and 18%. We grabbed market share by delivering disruptive value, just like how we have saved Hong Kongers from exorbitant prices on International Direct Dial ("IDD") in the 1990s and fixed telecom services in the 2000s. Today, we are making a big impact on the full suite of quad-play services for broadband, fixed-voice, OTT (over-the-top) content and mobile. To us, it makes no sense to charge separately for these services when we can provide one integrated bill to our customers.

In enterprise, the full integration of the New World Telecom ("NWT") acquisition we made in 2016 is really paying off. For the six months ended 28 February 2018, we grew enterprise revenues by 19% year-on-year to $679 million, which we believe, makes us the fastest growing competitor to the legacy incumbent.

At HKBN, our strongest Legal Unfair Competitive Advantage ("LUCA") is our shareholder alignment via our Co-Ownership programme; none of our competitors have anything similar. Today, HKBN is run by over 310 Co-Owners; none of us get upside from our ownership without risking our family's wealth ("skin in the game"). In particular, for the two of us, a great majority of our family net worth is invested in HKBN stock and our annual dividend income far exceeds our salaries; as such, we are highly motivated to deliver long term sustainable DPS growth for all shareholders.

After these interim results have been disseminated, we will launch our Co-Ownership Plan III, in which we aim to further deepen our shareholder alignment by opening up Co-Ownership to our top 663 supervisors and above, out of our total Talent base of 2,917. With regard to alignment, we subscribe to Simon Sinek's book "Together is Better" as we drive towards our Co-Ownership Plan III aspirational goal of achieving cumulative HK$2.1 to HK$2.4 Adjusted Available Cash per Share for Distribution for the period FY18-20[3].

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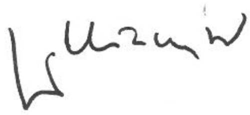
1 Refer to HKBN's Annual Results Presentation for the year ended 31 August 2017

2 DPS refers to "dividend per share"

3 Refer to circular of the Company dated 16 November 2017 regarding the proposed adoption of the Co-Ownership Plan III

Sincerely yours,



**William Yeung**
**Co-Owner and CEO**

**NiQ Lai**
**Co-Owner and COO**