

For immediate release

HKBN Announces Solid FY22 Annual Results Earmarking Capital to Turbo-charge Growth

(Hong Kong - 27 October 2022) HKBN Ltd. (“HKBN” or the “Company”; SEHK stock code: 1310) announced solid operational and financial results for the year ended 31 August 2022 (“FY22”). Amid challenging conditions like COVID-19’s fifth wave hitting Hong Kong’s economy hard and a tougher economic landscape, HKBN demonstrated its strong resilience and delivered a solid set of results in FY22, buoyed by its integration synergies, strategic partnerships and Infinite-play. Key highlights of FY22 results include:

- Despite the challenging economic environment, revenue grew year-on-year at 1% to \$11,626 million. When excluding the Disposal Group’s* four months of impact in FY22 and full year of impact in FY21, year-on-year growth is 6%.
- EBITDA (Adjusted) increased year-on-year by 2% to \$2,609 million and AFF remained the same as last year at \$1,133 million, mainly contributed by the Group’s continuous efforts to drive operational efficiencies and control in working capital management.
- The Board has recommended a final dividend payment of 20 cents per share (FY21: 37.5 cents per share), resulting in a 22% year-on-year decrease in full year payment at 60 cents per share (FY21: 76.5 cents per share).

**On 3 January 2022, HKBN completed the disposal of 60% of the issued share capital of HKBN JOS (SINGAPORE) PTE. LTD. and HKBN JOS (MALAYSIA) SDN. BHD. (collectively the “Disposal Group”) to StarHub Ltd..*

Enterprise Solutions: Continued to drive growth from system integration & tech segments

Despite a challenging outlook from the macro-economy, HKBN’s Enterprise Solutions business showed resilience with strong growth potential as indicated by low customer churn and stable broadband subscriptions, which resulted in an increase of market share to 37%. Contributed by its ongoing transformation and extensive fibre network coverage, together with further upgraded technical capabilities brought forward by successful M&A integrations, the Group has introduced to the market solutions to alleviate shortages in IT talents and resources. The Group also acquired top-notch industry veterans to lead and execute its streamlined game plan, focusing purely on driving growth initiatives. Amid challenges, the Group will seek breakthroughs, striving for growth and securing a leading position in the market.

Residential Solutions: Continued indoor and outdoor coverage expansion, Infinite-play for growth

Despite intense market competition, the Residential Solutions business remained solid. This is due to the Company’s ongoing Infinite-play strategy, which includes teaming up with world

famous streaming platforms to provide customers diversified entertainment, the expansion of its home network security solutions and 5G ultra-fast mobile service. Broadband monthly customer churn remained low at 1%, with subscriber numbers increasing to 897,000. HKBN remains one of the industry's few players that has continued to invest in expanding its fibre network coverage, which now covers over 2.5 million households, providing customer-centric and high-value services with a wider range of solutions that go beyond traditional connectivity.

Leverage strong foundation and turbo-charge GROWTH

William Yeung, HKBN Co-Owner and Executive Vice-chairman said, "Where there is a challenge, there is an opportunity. We are in the privileged position to capture greater market share: our successful integrations, our edge to expand in the system integration sector, market-disrupting 5G mobile service, must-see entertainment and a broader range of Infinite-play solutions – all prove that our strategy to grow beyond connectivity is on track. We are earmarking capital to continue turbo-charging growth initiatives, creating win-win-win outcomes for our customers, our Elite Sports Team and our partners!"

For more details of HKBN's FY22 results, please refer to the announcement:

https://reg.hkbn.net/WwwCMS/upload/pdf/en/e_FY22_AnnualResultsAnnouncement.pdf

Appendix: Shareholder Letter



Photo caption: HKBN announced resilient FY22 growth across all business fronts. (From right) Co-Owner and Executive Vice-chairman William Yeung, and Co-Owner-to-be and CEO – Enterprise Solutions William Ho.

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Appendix

Shareholder Letter

Dear All Fellow HKBN Shareholders,

Grow Beyond

The global pandemic reshaped our everyday lives – no single person or company was excluded. Besides, macro headwinds from higher global interest rates, inflationary pressure and currency flux pose even greater pressure, companies are being pushed harder than ever to improve business performance through digital transformation.

Beyond telecom

At HKBN, we are in an especially privileged position to offer one-stop Telecom & IT service support to our enterprise customers in their digital transformation journeys. Sown from the successful integrations of NWT, WTT and JOS, we are the second largest Telecom and one of the strongest IT System Integration (SI) service providers. We see tremendous opportunities to come from scaling up so as to capture a greater share of the SI business, which will increasingly encompass a bigger portion of every business's total IT spend. In Hong Kong alone, it is estimated that total IT expenditure from the business sector is at about \$87 billion*.

Beyond Hong Kong

As part of our JOS acquisitions, we acquired their mainland China SI business. In FY22, our mainland SI business revenue resulted in double-digit growth. Our footprint has continued to expand with more operations in the mainland, as we now have 2,000+ Talents stationed in major cities such as Beijing, Shanghai, Guangzhou and Shenzhen. We are well-positioned as the pivotal driver for both Hong Kong-based multinational customers to tap into the mainland China market, and for mainland companies to expand into the ASEAN market. With a robust growth strategy, we see our mainland business potentially doubling over the next three years.

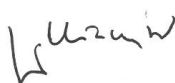
Strong leaders

With the onboarding of William Ho (Co-Owner-to-be & Chief Executive Officer – Enterprise Solutions) – an industry veteran joining to lead our Enterprise Solutions Elite Sports Team – we are being driven by a more powerful and forward-looking game plan, as well as making the moves to elevate our partnerships with world-class vendor partners, to realise even greater expansion in the digital transformation era.

We won't rest on our laurels

Rather than rest on our FY22 laurels, we plan to build upon our Talents' strengths and build additional capacity in order to meet our growth objectives. We look forward to a stable FY23 as we position the Group for continual growth.

Sincerely yours,



William Yeung
Co-Owner and Executive Vice-chairman



NiQ Lai
Co-Owner and Group CEO

* According to Statista's "Total IT spending in the business sector in Hong Kong 2010–2020".