

FY23 Interim Results Announcement

Presented by
William Yeung, Co-Owner & Executive Vice-chairman
NiQ Lai, Co-Owner & Group Chief Executive Officer

26 April 2023

GROW BEYOND



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NiQ Lai

**Co-Owner and
Group Chief Executive Officer**

Clear 2nd Largest Carrier: Unleashing Growth

- **Enterprise** - ICT Powerhouse with Seamless Telecom and System Integrator Capabilities
- **Residential** - World's 1st Money-back Dual Guarantee Speed PLUS Latency⁺

The Clear #2 Carrier with Annualised Revenue Scale of HK\$13.4bn*

* Annualised revenue of \$13.4bn is projected by doubling 1HFY23 revenue of \$6.7bn.

⁺ HKBN is the first telecommunications provider in the world to offer compensation in Hong Kong dollars for the "Fibre Broadband Dual Guarantee", and the only telecommunications provider in Hong Kong to offer guaranteed speeds for designated 100M to 2000M fibre broadband services. (As of 24th April 2023). "Fibre Broadband Dual Guarantee" includes "Speed Guarantee" and "Low Latency Guarantee", only applicable to designated home broadband service plans. Please contact our sales representative for details. Terms and conditions apply.

Solid Trends



Revenue

\$6,707m

Adjusted YoY +2%*



EBITDA

\$1,196m

YoY -6%



AFF

\$368m

YoY -49%

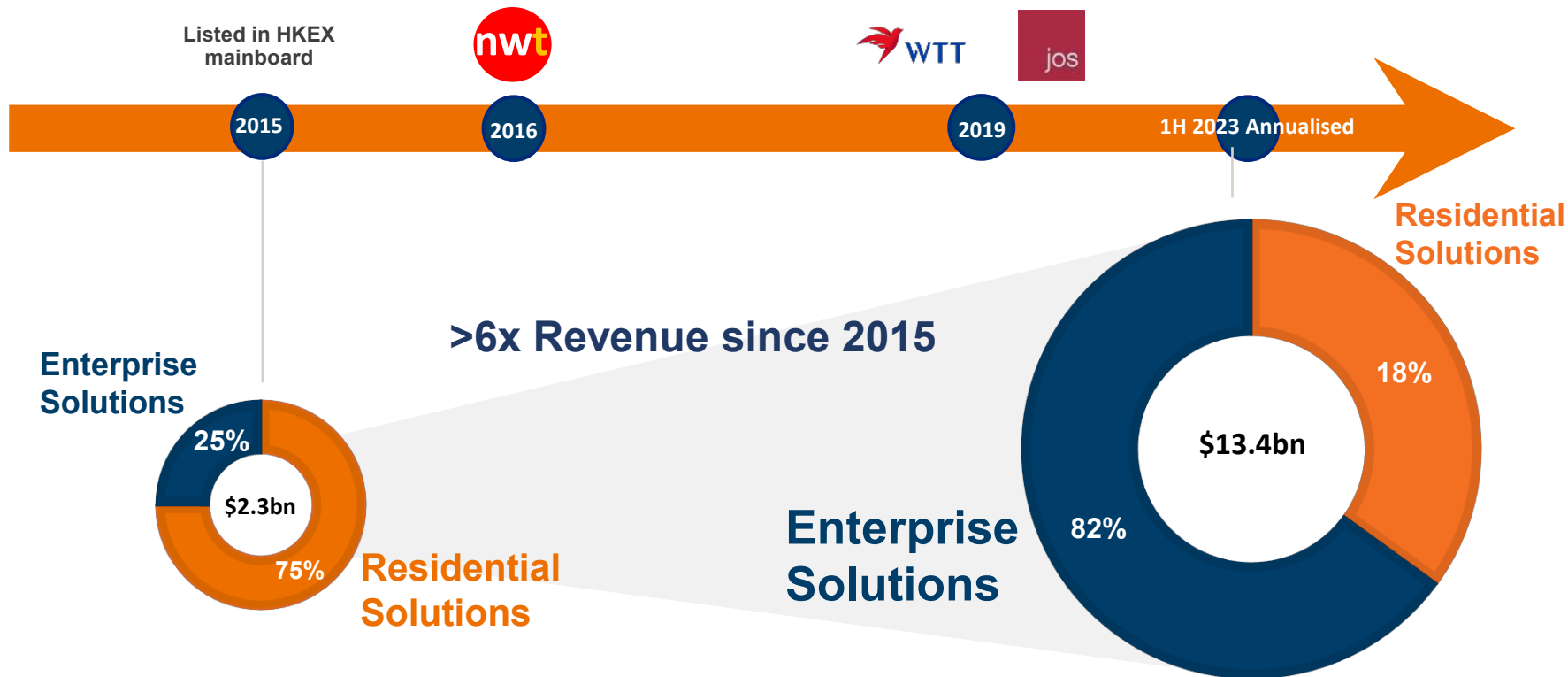


DPS: 20 HK Cents

Financials in HK\$m, unless otherwise stated

* Adjusted growth is excluding the four months impact in 1HFY22 of the Disposal Group (On 3 January 2022, we 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.).

Amazing Transformation from Residential to Enterprise



Connectivity Beyond

- **Commercialised TRUE TRI-CARRIER NETWORK** advantage for Enterprise
- **World's 1st MONEY-BACK Dual Guarantee = Speed + Latency[#]** for Residential

[#] HKBN is the first telecommunications provider in the world to offer compensation in Hong Kong dollars for the "Fibre Broadband Dual Guarantee", and the only telecommunications provider in Hong Kong to offer guaranteed speeds for designated 100M to 2000M fibre broadband services. (As of 24th April 2023)."Fibre Broadband Dual Guarantee" includes "Speed Guarantee" and "Low Latency Guarantee", only applicable to designated home broadband service plans. Please contact our sales representative for details. Terms and conditions apply.

香港寬頻
HONG KONG
BROADBAND NETWORK

Connectivity Beyond 超越·網絡
WORLD'S FIRST
全球首創

• **Enterprise** •
Tri-Carrier Network
三重光纖網絡

• **Residential** •
Money-Back
Dual Guarantee
光纖寬頻雙重保證

Dual-Link Network
雙重網絡備援

Multi-Angle Cyber Defence
多方位網絡防禦

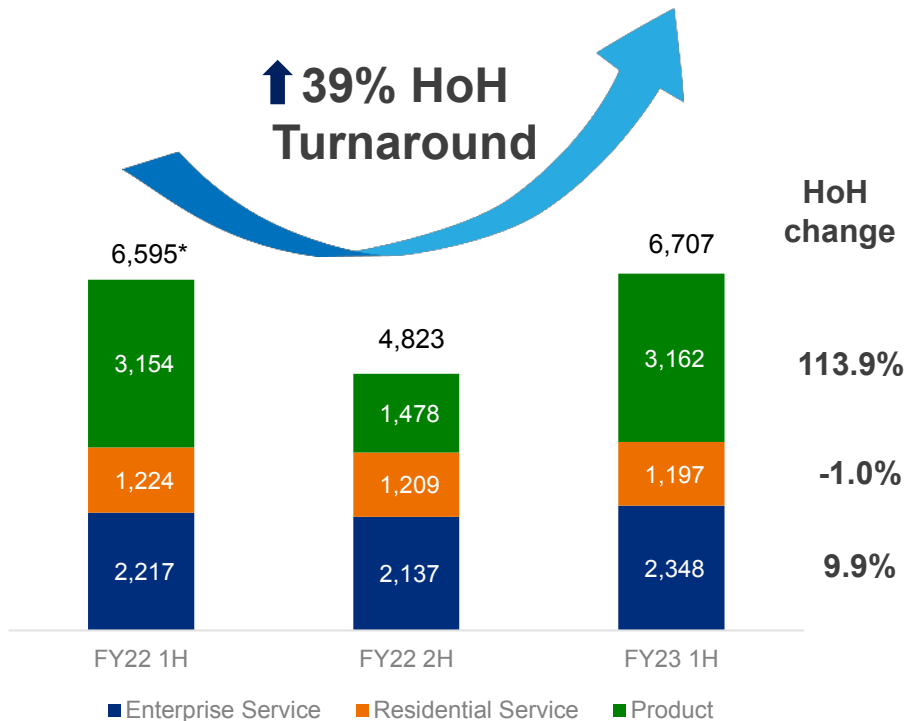
Speed Guarantee
速度保證

Low Latency Guarantee
低時延保證

HKBN

Advertisement # hkbn.net/ConnectivityBeyond
廣告編號 # hkbn.net/ConnectivityBeyond

Clear J-Curve Turnaround



Product

- Strong post COVID-19 activity rebound

Residential Service

- Residential service stable

Enterprise Service

- Enterprise strong HoH rebound

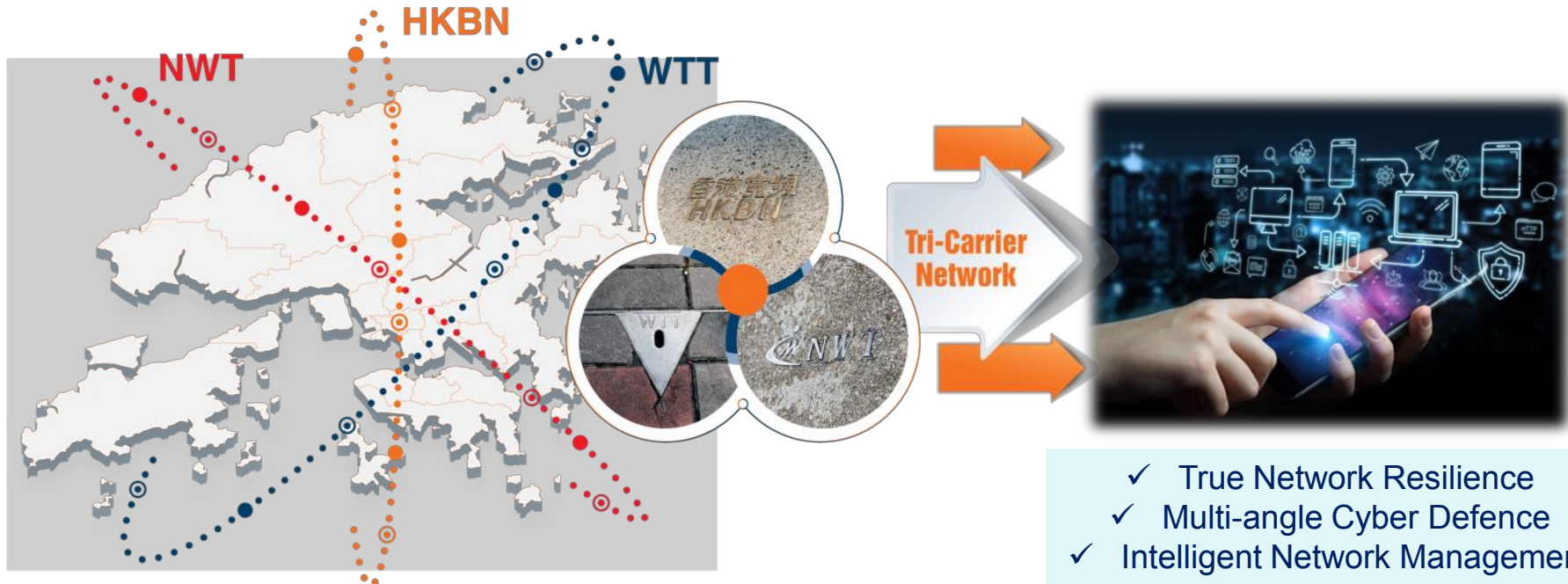
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ENTERPRISE SOLUTIONS

Commercialising Unique Tri-Carrier Network Power

The One-and-Only Truly Redundant Network Solution in Hong Kong



- ✓ True Network Resilience
- ✓ Multi-angle Cyber Defence
- ✓ Intelligent Network Management

Unleash the Potential of HK\$30bn Investment

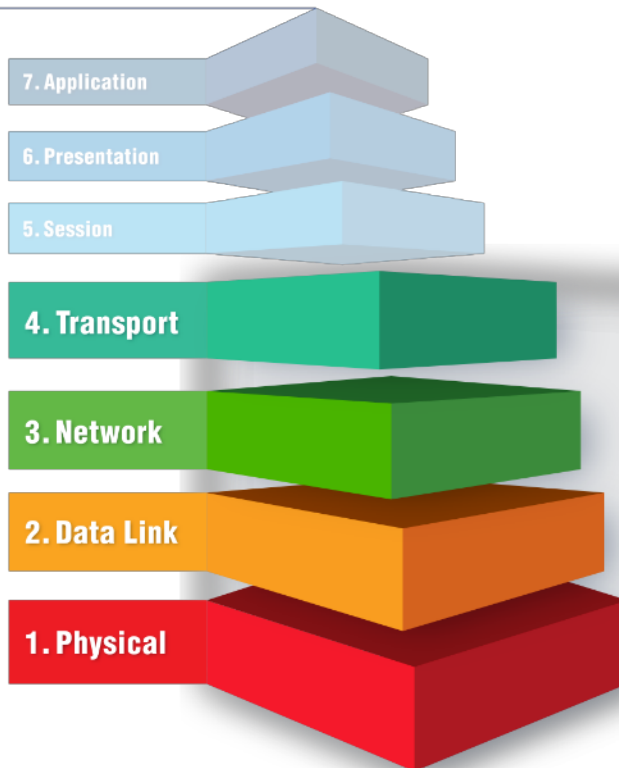


Typical Players Traditional Segments Focus

General Attributes

Relative Complexity	Talent Scalability	Barrier of Entry	Profitability
High: Applications require high level of customisation	Low: High complexity means highly Talent-intensive	Very Low: SI-only industry tends to be highly fragmented market	Low: ~25% Gross Profit due to prolonged project delivery
Low: Networks tend to be modular	High: Talents are scalable as network is modular	Massive barriers of entry: City-wide fibre network costs tens of HKD billions and decades to build	High: ~75% Gross Profit protected due to heavy investment cost

System Integrator (SI) Down

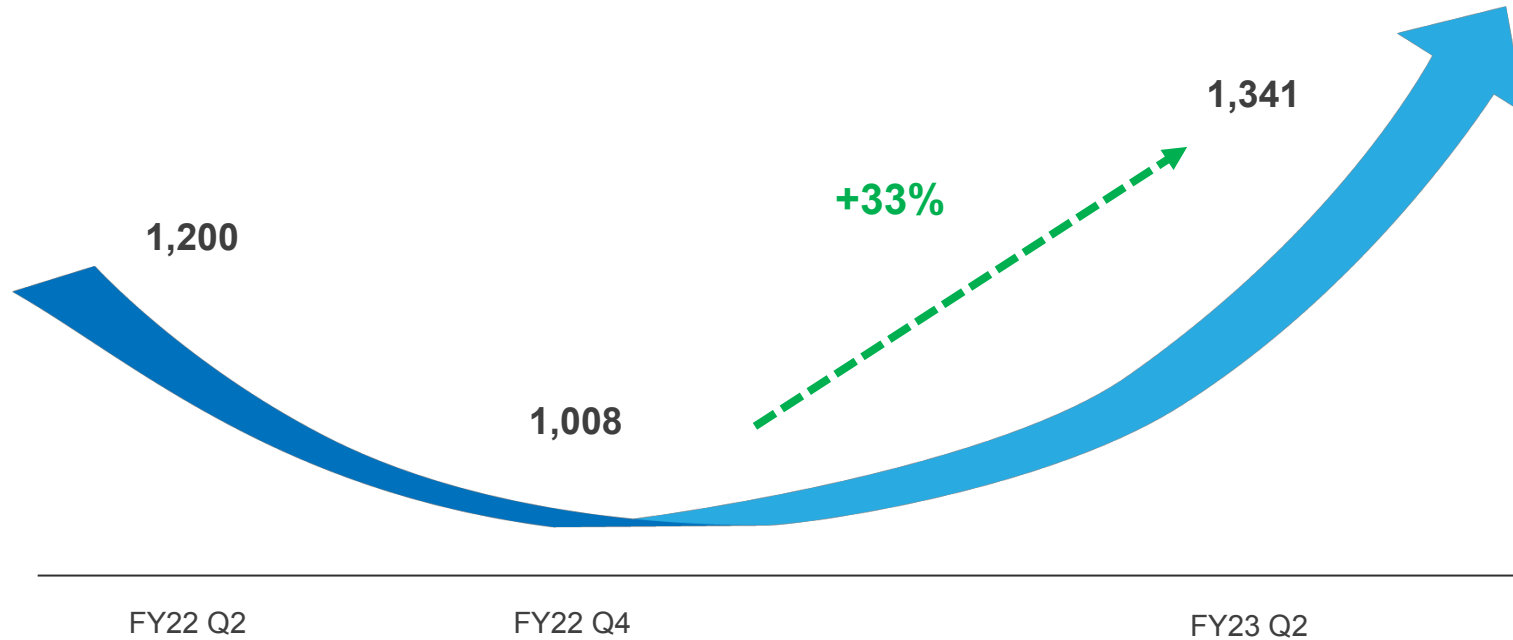


7 Layers
of the OSI Model

HKBN
“Sweet Spot”
ICT Powerhouse

Telco Up

Growing Orders for Enterprise Business



Financials in HK\$mn, unless otherwise stated

Three-Pronged Integrated Approach to Enterprise Business Growth



CORE TELECOM

Next Generation FTNS Services

- ✓ Dual Link
- ✓ Redundant Connectivity

AegisConnect



ENTERPRISE

SI Services to Grow Wallet Share

- ✓ Managed Services for SME / Mid Market

Strategic Accounts



MAINLAND CHINA / GBA

End to End ICT Solutions

- ✓ ICT Solutions to Enable Hong Kong Enterprises to Accelerate Growth in GBA

Retail

Our Greater Bay Area (GBA) Growth Plan

- Expand HKBN footprint and our conductivity via local partners and SI business from HK and across the wider Greater Bay Area (GBA)
- Support HK-based retail chains to grow from HK and across the wider GBA through one-stop retail solutions
- Support Mainland China Enterprises to grow overseas; help them step-up their business to expand globally



Spear across 11 cities in Mainland China including GBA by Leveraging our Telco Products, SI and Box-moving Services

*Today, our revenue in Mainland China/ GBA exceeds HK\$1 billion annually

The New Leadership Team – **Best of Breed** of HKBN Experience and New SI Specialists



William Ho
CEO
Enterprise Solutions



Mikron Ng
Chief Commercial Officer
Business Market and
China Business (JOS CN + MO)



Ben Yeung
Chief Commercial Officer
Carrier Service Business



Rosanna Cheng
Digital Solutions (Box Moving)



Anne Yeung
Large Enterprise, Public Sector
and Strategic Accounts



Almira Chan
Chief Operating Officer (ES)

SI Kitchen



Samuel Hui
Chief Strategy Officer (ES)
Strategy & Transformation

Marketing



Dicky Leung
Enterprise Public Sector SI Business

King Lo
Enterprise Strategic Accounts



Wallace Wong
Major Accounts (FSI)

Brian Lee
Major Accounts



Eric Lau
SI Biz - Major Accounts (FSI)

Karina Tsoi
Sales

Kenneth Leung
Technical Services

Jackie Mui
Business Planning

Martin Ip
Chief Technology Officer (ES)
Sales Engineering

Jackal Chau
Service Delivery



Ken Lam
Marketing (ES)







 Newly Joined in Past 10 Months

 Existing HKBN Talent with Expanded Role

FY23 1H Table-turning Financial and Business Performance



**Core Telecom
Revenue**

\$1,831m

▲ 6%



**SI Services
Revenue**

\$456m

▲ 7%



**Mainland China
/ GBA Revenue**

\$544m

▲ 2%



Running 6-mth
Pipeline

▲ **\$6,000m+**



No. of \$20M+
Projects

▲ **10+**



Sr. Executives
Joined in 1H

▲ **15**



Mainland China
Team

1,000+ Talents

10+ offices



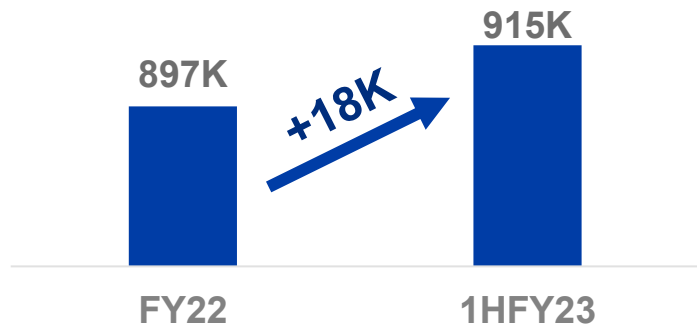
William Yeung

Co-Owner and Executive Vice-chairman

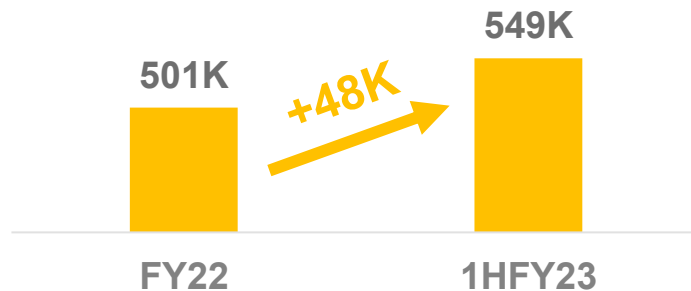
RESIDENTIAL SOLUTIONS

Residential Key Business Highlights

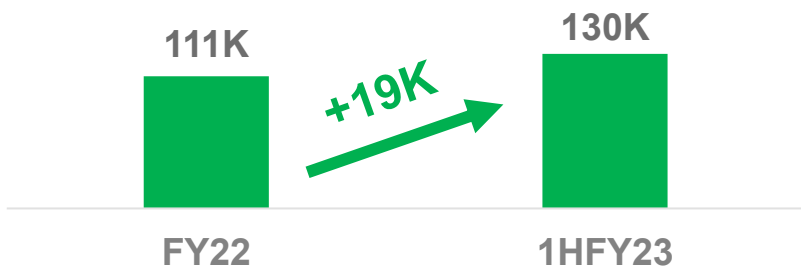
Rapid Growth in Broadband Subscriptions



Continuous Upgrade to Higher Bandwidth (>= 1000M)



Stable Growth in Entertainment Subscriptions



NETFLIX



JOOX

Connectivity Beyond

World's First: Dual Guarantee

✓ Speed + Latency

Upgraded 2Gbps

Always ready for gaming, multiple OTT entertainment with high-quality Wi-Fi 6 and home cybersecurity defence

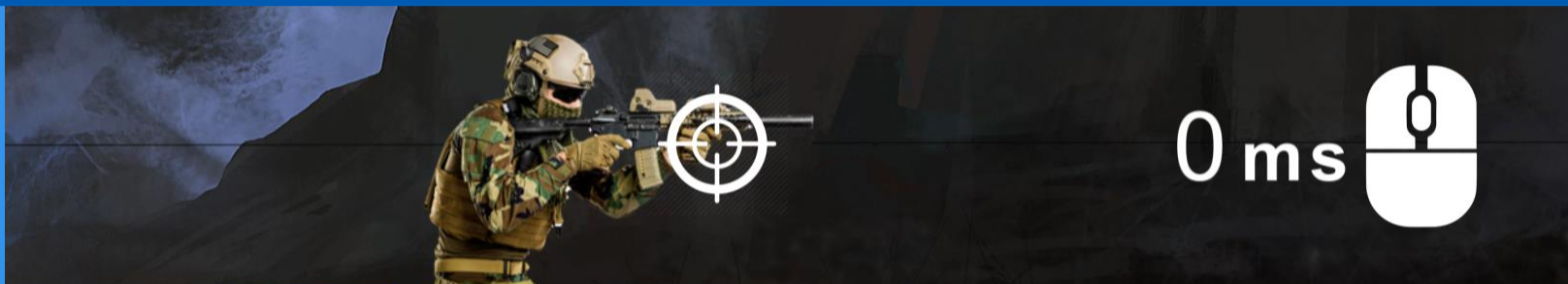
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The advertisement features the HKBN logo at the top left, with the text '香港寬頻 HONG KONG BROADBAND NETWORK'. The main headline is '全球首創 Money-Back Dual Guarantee 光纖寬頻 雙重保證'. Below this are two blue boxes with white text and icons: '速度保證' (Speed Guarantee) with a checkmark icon, and '低時延保證' (Low Latency Guarantee) with a circular arrow icon. A central orange banner reads '升級版 2000M 光纖寬頻' (Upgraded Edition 2000M Fibre Broadband) with '2倍速度 效率更高' (2x Speed, Higher Efficiency) below it. At the bottom, there are images of three routers and a list of awards under the heading '服務質素屢獲殊榮' (Service Quality Repeatedly Awarded). The background is a dark blue with light blue and orange streaks.

High Latency - High Chance to Miss the Target

高延遲-容易錯失目標

High
Latency
高延遲



Low
Latency
低延遲




ENVIRONMENTAL, SOCIAL & GOVERNANCE

ESG Performance:

No. 1 in HK + Top 9% among Global Telco

1



MSCI
ESG RATINGS

CCC B BB BBB A AA **AAA**

Highest AAA Grade

2



SUSTAINALYTICS

Top Performer
in local industry

Vs HKT: AA



Hang Seng Corporate
Sustainability Index
Series Member 2022-2023



No. 1
in the industry
(3rd Consecutive Year)

Vs PCCW: AA- (HKT is not rated)

ESG-linked Executive pain/GAIN (Proposed)

ESG KPI

FY24
ELECTRICITY
REDUCTION¹

-14%

(FY22 as baseline)

^{1,2}



=4,470 HK households³
annual consumption²



Financial
Impact

HK\$21M OPEX Saving



Salaries of William Yeung, NiQ Lai, Danny Li (Co-Owner & Group CTO), Bonnie Chan (Co-Owner & Head of ESG) and Stephen Lau (Deputy CTO) linked to ESG KPI⁵

1. 14% electricity reduction across HK, PRC and Macau operations equals 14.75 million kWh.

2. The above KPI target is our ambition and pathway to meet Science Based Targets (SBT) requirements on Scope 1&2 reduction.

3. The average electricity consumption per household in Hong Kong is 275 kWh/month (source: [EMSD](#)).

4. Including bulk tariff rates in the calculation.

5. To be approved by Remuneration Committee and the Board.

Looking Forward



Hong Kong's Best Network

Q&A

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The End

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