



**HKBN Ltd.**  
香港寬頻有限公司

(Incorporated in the Cayman Islands with limited liability)  
Stock Code : 1310

# GROW BEYOND



Annual Report 2022



The background of the entire page is a vibrant, futuristic image of the Hong Kong skyline. The city's skyscrapers, including the prominent International Finance Centre, are visible against a blue sky with soft clouds. The city is reflected in the water of the harbor. Overlaid on this scene are various digital and technological elements: a network of white lines and dots representing data or connectivity, a large, glowing orange sphere with internal patterns on the right side, and several bright, multi-colored light trails (red, orange, yellow, and blue) that sweep across the lower half of the image, creating a sense of rapid movement and innovation.

# GROW BEYOND

At HKBN, we believe our long-term survival and growth hinges on the transformation of our business. Beyond just connectivity alone – and by going outside the box – we’re focussed on making our company more agile, diversified, sustainable and anti-fragile against challenges to create a better competitive advantage, better opportunities and better outcomes for our customers, partners, shareholders, communities and society.

To move our business forward, we’re putting much greater emphasis on maximising the impact of our suite of solutions, as well as on transforming how customers drive their success in markets across Hong Kong, mainland China and ASEAN.

In the making of this annual report, every effort was taken to ensure that our Talents followed proper COVID-19 safety protocols.





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Unless otherwise stated, all monetary figures from this report are in Hong Kong dollars. This report is published in both English and Chinese. Where the English and the Chinese texts conflict, the English text shall prevail.

## Financial Performance



Revenue

\$11.6B



Revenue growth

1%



EBITDA growth

2%



Adjusted Net Profit growth

20%

## Customers

Network covers over



2.5

million homes



8,000

commercial buildings and facilities

(including 100% of Grade A & B or above premises)



34%

market share of residential  
broadband services  
as of 31 July 2022



37%

market share of enterprise  
business broadband services as  
of 31 July 2022



## Talent-obsessed Engagement & Development



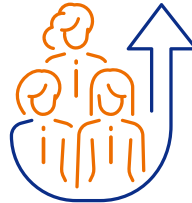
Achieved an overall favourability score of

**65%\***

in our Talent Engagement Survey

\*25% of respondents gave a neutral score, with the remaining 10% giving an unfavourable score.

## Diversity & Inclusion



**12.5%**

of female representation in technical roles

**8,728,522 kWh**

electricity saved through our Something From Nothing project in Hong Kong since 2016



## Climate Action

Empowered

**31**



SPOs and their staff on IT management skills and cybersecurity knowledge

## Digital Inclusion for our Communities

## Impactful Customer Experience

Received

**5,836** complimentary notes



**33** cybersecurity tips sent to all Talents

## Data Privacy & Security

# DRIVEN BY A PURPOSEFUL PURSUIT OF PROFITS,

we strive to become  
Asia region's most  
preferred integrated  
telecom and technology  
solutions provider.

Since 1999, HKBN has transformed from a fledgling start-up into a leading telecom and technology solutions provider. Throughout this journey of incredible change, our goal has remained the same: improve and transform how customers live, learn, work and play via the best, most innovative and reliable services – delivered at competitive value. Whether it is connecting over one million households and over a hundred thousand businesses with a wide range of premier ICT solutions, or the efforts we undertake to empower underprivileged communities, we greet each day as a chance to realise our Core Purpose: **Make our Home a Better Place to Live.**

We believe the role of Purpose, when unleashed by more businesses, can have a transformative effect to make the world better. We actively encourage more people to realise a future where Purpose becomes the driving force of private enterprise. At every possible opportunity, we strive to inspire different stakeholders to join us in this purposeful profit journey.

Through our Core Purpose,

## “MAKE OUR HOME A BETTER PLACE TO LIVE”,

we believe HKBN's business is best served when we are PURPOSE + PROFIT driven rather than PROFIT-only focused. By no coincidence, our Purpose functions as a built-in mechanism which guarantees that HKBN delivers the best of all possibilities for customers. Consequently, our offerings always maintain an exceptional level of desirability, driving better uptake and better profits overall.

### One-stop ICT Powerhouse

HKBN is a fully integrated one-stop Information Communications Technology (“ICT”) business, with our operations spanning Hong Kong, Macau, mainland China, Singapore and Malaysia. We boast some of the industry's best Talents working silo-free to augment our Group's strengths with a complete spectrum of technology expertise.

As the world changes, so does customer demand. Beyond just connectivity, customers want possibilities – and more of it. Thanks to our Talent force and a broad scope of services, HKBN is equipped to deliver far more. More innovation. More value. More satisfaction. For enterprise customers, we're empowering great new possibilities – in a faster timeframe – through cutting-edge technology, game-changing partnerships and our “skin-in-the-game” Co-Ownership commitment.

### Our Co-Ownership Advantage

HKBN is the only telecom carrier in Hong Kong driven by hundreds of Co-Owners who have a vested financial interest to grow our business, surpass the competition, and deliver greater shareholder returns. Our leadership is powered by unique Co-Ownership Plans which allow all supervisory and management level Talents to voluntarily invest their own savings in the amount of between 2 and 24 months of salary into HKBN. Through this dual role as both investors and Talents, our Co-Owners are motivated by “skin-in-the-game” to watch over all aspects of HKBN's performance and competitiveness with the Group's best interest always at heart.



## Our Unique Culture

Underpinning everything we do is our unique culture. We are a team of passionate, action-driven, agile and resilient HKBNers who never lose sight of our Purpose to enhance the future, help businesses thrive and improve people's lives.

### Our unique culture includes:

#### Skin-in-the-game

When what is right for oneself and what is right for the company are fully aligned, magic happens. Co-Ownership and pain/GAIN initiatives mean our Talents have skin-in-the-game and are living underneath the bridge that we're building together.

#### LIFE-work priority

We work to live, not live to work.

#### Change or die

And we always want to live.

#### Talent-obsessed

At HKBN we only have Talents, not staff. To maximise impact, we must first WOW our Talents before we can WOW stakeholders like customers, business partners, local communities, shareholders and others.

#### Empowerment

Risk-free business is an oxymoron as businesses must take on risks. We must make smart attempts that we can afford to lose, then let natural probabilities play out over time. Our growth mindset means that we separate smart attempts from results, celebrate smart attempts irrespective of outcome and take sunshine pride in our failures as we experiment our way to success.

## WHAT WE DO

### HKBN transforms the way people and businesses connect and do more

The work we do as a leading ICT solutions provider contributes indispensably to making the regions in which we operate modern, thriving digital societies. HKBN's comprehensive range of products, solutions and services ensures that customers can rely on us to stay connected and to do business better. In residential, we bring consumers the very best value and choice through our Infinite-play offerings. Whilst as a trusted transformation partner, we serve enterprises of all sizes with everything they need to grow and prosper.

### Infinite-play services for households:

- High Speed Fibre Broadband
- Managed Wi-Fi with Home Network Security and Parental Control
- Home Telephone
- Mobile Services
- Roaming Solutions
- Over-The-Top Entertainment & Music Streaming
- Household & Personal Cybersecurity
- Smart Home Living

### Diverse telecom and technology solutions for enterprises:

- Connectivity
- Cloud and Data Centre
- System Integration
- Digital Transformation
- Cybersecurity
- Voice, Collaboration and Mobile Services
- Managed Services
- Digital Solutions
- SME Solutions
- Hybrid Work & Business Continuity Solutions

### HKBN Recurring Billing Relationships



**1 in 3**  
Hong Kong families



**1 in 2**  
Hong Kong active companies

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.

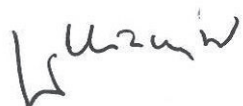
### Strong leaders

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 continual growth.

Sincerely yours,



**William Yeung**  
Co-Owner and Executive Vice-chairman



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

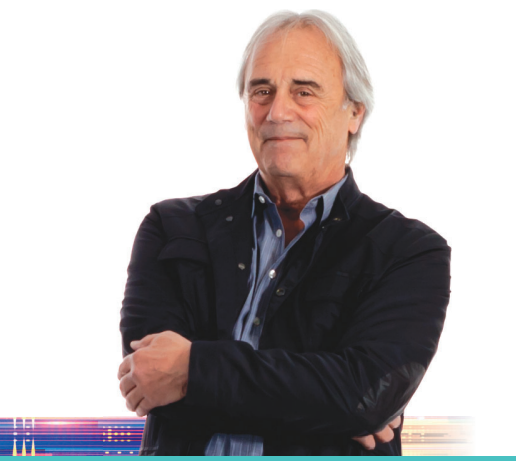
\*According to Statista's "Total IT spending in the business sector in Hong Kong 2010–2020".



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

**William Yeung**  
Co-Owner and  
Executive  
Vice-chairman





## Chairman and Independent Non-executive Director

**Mr. Bradley Jay HORWITZ**, aged 67, is an Independent Non-executive Director, the chairman of the Board and the Nomination Committee, and a member of the Audit Committee of the Company. Mr. Horwitz has over 30 years of experience in the wireless and telecommunication industry. Mr. Horwitz is one of the Co-Founders of Trilogy International Partners, a company listed on the Toronto Stock Exchange, and currently serves as the Chief Executive Officer and a director of the company. Trilogy International Partners was established to acquire wireless international assets in Haiti and Bolivia and to develop additional international wireless assets, primarily in South America and the Caribbean. Prior to establishing Trilogy International Partners, Mr. Horwitz served as the President of Western Wireless Corporation, having founded the Company in 1995 while also serving as the Executive via President of Western Wireless Corporation. Previously, Mr. Horwitz was the founder and the Chief Operating Officer of SmarTone Mobile Communications Limited. Mr. Horwitz also worked in various management capacities for McCaw Cellular including serving as the Vice President of International Operations and the Director of Business Development. Mr. Horwitz presently serves as the Director of the Center for Global Development and the Mobile Giving Foundation. Mr. Horwitz graduated from San Diego State University, U.S. with a Bachelor of Science Degree in 1978.



## Executive Directors

**Mr. Chu Kwong YEUNG (also known as William YEUNG)**, aged 61, is the Executive Vice-chairman, an Executive Director, and a member of the Remuneration Committee of the Company. Mr. Yeung joined the Group in 2005 as the Chief Operating Officer and was appointed as the Chief Executive Officer in 2008 and the Executive Vice-chairman in 2018 to focus on engaging key strategic partners and exploring new business opportunities for the Group. Prior to joining the Group, Mr. Yeung was the Director of customers division at SmarTone Mobile Communications Limited. Mr. Yeung obtained a Bachelor of Arts Degree from Hong Kong Baptist University in December 1992, a Master of Business Administration Degree from the University of Strathclyde, U.K. in November 1995 and a Master of Science Degree in Electronic Commerce and Internet Computing from the University of Hong Kong in November 2001. In 2010, Mr. Yeung was recognised as Champion of Human Resources by The Hong Kong HRM Awards. Mr. Yeung is a proud Co-Owner of the Company.



**Mr. Ni Quiaque LAI (also known as NiQ LAI)**, aged 52, is the Chief Executive Officer of the Group, an Executive Director, and a member of the Environmental, Social and Governance Committee of the Company. Mr. Lai joined the Group in 2004 and has rich experience in the telecommunications, research and finance industries. Mr. Lai was appointed as the Chief Financial Officer in 2006, the Chief Talent & Financial Officer in 2016 and the Chief Operating Officer in 2017. Mr. Lai took the helm as the Chief Executive Officer in 2018, leading all HKBN Talents to deliver world class products and services to make our home a better place to live. He is currently a member of Advisory Board of Shyam Spectra Private Limited and the Director of Cambodian Children's Fund (Hong Kong) Limited. Mr. Lai holds an Executive Master of Business Administration Degree from Kellogg-HKUST, Hong Kong and a Bachelor of Commerce Degree from the University of Western Australia. Mr. Lai is a fellow member of Hong Kong Institute of Certified Public Accountants and CPA Australia. In 2009, he was recognised as Champion of Human Resources by The Hong Kong HRM Awards, and was selected by Global Telecoms Business in 2013 as one of the Top 50 CFOs in the industry to watch. In 2016, he was recognised as 1st for Best CFO by FinanceAsia Survey of Asia's Best Companies 2016 (Hong Kong). In 2022, he was appointed as a Lifetime Honorable Advisor of Chief Happiness Officer Association. Mr. Lai is a proud Co-Owner of the Company.



## Non-executive Directors

**Mr. Agus TANDIONO**, aged 51, is a Non-executive Director and a member of the Nomination Committee and the Environmental, Social and Governance Committee of the Company. Mr. Tandiono is a Senior Managing Director, Head of Asia Pacific & Active Equities Asia at Canada Pension Plan Investment Board ("**CPP Investments**"), based in Hong Kong. As a member of Senior Management Team and Head of Asia Pacific at CPP Investments, Mr. Tandiono leads the regional business development and growth of CPP Investments across Hong Kong, Mumbai and Sydney offices. He is a member of CPP Investments' Portfolio Execution Committee and Investment Strategy and Risk Committee (ISRC). The ISRC is accountable for overseeing portfolio and risk-related matters at CPP Investments including the strategy, design, management and governance of the investment portfolios. In his dual role as Head of Active Equities Asia, he leads a team of investment professionals that performs fundamental research on public equities, or soon-to-be public equities, and invests in quality companies throughout Asia. Mr. Tandiono has more than 25 years of investment experience in Asia Pacific. Prior to joining CPP Investments in January 2014, he spent a total of five years at Citadel (Asia) as Head of Asia Equity managing the Asia Equities Long Short portfolio, three years at Income Partners as Managing Partner, and ten years at Fidelity Investments (HK) managing various sectors and country funds. Mr. Tandiono holds an MBA from Booth Graduate School of Business, University of Chicago, and a BBA from University of San Diego. He is also a Chartered Financial Analyst.





**Ms. Shengping YU**, aged 37, was appointed as a Non-executive Director and a member of the Nomination Committee of the Company on 14 December 2021. Ms. Yu is a director at MBK Partners. She joined MBK Partners in 2011 and has been involved in MBK Partners' investments in the telecommunications and media industries, including WTT Holding Corp and China Network Systems Co., Ltd. Prior to joining MBK Partners, Ms. Yu was an associate in the investment banking division of Morgan Stanley in Hong Kong providing corporate advisory services, and she was also a consultant at Oliver Wyman in New York where she engaged in various projects, including due diligence, strategic planning, product launch, and operational improvement. Ms. Yu currently serves on the board of directors of Shanghai Siyanli Industrial Co., Ltd. and has experience serving on the board of directors of CAR Inc. Ms. Yu received a Bachelor of Arts degree in economics from Harvard College and an MBA from the Wharton School of University of Pennsylvania. Ms. Yu is a Chartered Financial Analyst.



**Mr. Zubin Jamshed IRANI**, aged 50, was appointed as a Non-executive Director and a member of the Audit Committee and the Remuneration Committee of the Company on 30 April 2019. Mr. Irani is a Partner with TPG Capital and leads the Asia Operations Group. He brings over 20 years of experience in building strong teams, driving performance and managing change within businesses. At TPG Capital, Mr. Irani has worked in the consumer, healthcare, financial services, telecom and technology sectors. Mr. Irani holds a Master in Materials Science and Engineering from Massachusetts Institute of Technology, U.S. and a Bachelor of Technology in Materials Engineering from Indian Institute of Technology Kanpur, India.

### Independent Non-executive Directors



**Ms. Edith Manling NGAN**, aged 58, was appointed as an Independent Non-executive Director of the Company, the chairman of the Environmental, Social, and Governance Committee and a member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company on 1 September 2022. Ms. Ngan is an independent non-executive director and a member of the audit committee and the compensation committee of Tencent Music Entertainment Group (stock code: 1698), an independent non-executive director, chairman of the audit committee and a member of the remuneration committee of Blue Moon Group Holdings Limited (stock code: 6993), an independent non-executive director, chairman of the audit committee and a member of the remuneration committee, nomination committee, risk committee and compliance committee of Asia Financial Holdings Limited (stock code: 0662) and an independent non-executive director of Swire Pacific Limited (stock code: 0019). Prior to her retirement in 2017 as regional managing director, East Asia of the Royal Institution of Chartered Surveyors, she was chief executive from 2012 to 2016 of the Hong Kong Securities and Investment Institute. Ms. Ngan has rich experience in risk management. Between 1996 and 2010, she had worked for ABN AMRO Fund Services (Asia) Ltd, Principal International (Asia) Ltd. and Invesco Asia Limited in regional management roles where she was responsible for risk management and ensuring a proper framework for managing investment, data protection and business opportunity risks. Ms. Ngan holds a bachelor's degree in industrial engineering and engineering management from Stanford University and is a fellow of the Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants and the Hong Kong Institute of Directors.



**Mr. Stanley CHOW**, aged 58, is an Independent Non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee, the Nomination Committee and the Environmental, Social and Governance Committee of the Company. Mr. Chow has over 21 years of experience as a corporate lawyer in Hong Kong and Canada, including over 18 years of experience in dealing with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) during his time in private practice and as a senior manager in the Stock Exchange’s Listing Division. Mr. Chow was a non-executive director of PuraPharm Corporation Limited (stock code: 1498) from 2018 to 2022. He was a member of The Law Society of Hong Kong’s Company Law Committee from 2011 to 2018 and was admitted as a solicitor in Hong Kong in 1995 and in England and Wales in 1994. He was also admitted as a barrister and solicitor in British Columbia, Canada in 1994 and in Ontario, Canada in 1991. Mr. Chow holds a Juris Doctor with Honour Standing from the University of Toronto, Canada and a Bachelor of Commerce (Honours) from Queen’s University, Canada.



**Mr. Yee Kwan Quinn LAW, SBS, JP**, aged 69, was appointed as an Independent Non-executive Director, the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee of the Company on 6 February 2015. Mr. Law is currently an external supervisor of and the chairman of the nomination committee of the board of supervisors of Bank of Tianjin Co., Ltd. (stock code: 1578), an independent non-executive director of ENN Energy Holdings Limited (stock code: 2688) and BOC Hong Kong (Holdings) Limited (stock code: 2388), all of which are listed on the Main Board of the Stock Exchange. Mr. Law also presently serves as an advisor of the Hong Kong Business Accountants Association, and he was previously the director and the vice president of such Association. Mr. Law is an honorary fellow of the Hong Kong University of Science and Technology (HKUST) and has been a member of the Court of HKUST since 2018. Mr. Law has been appointed as a member of the Governing Board of HKUST(GZ) in 2020. Mr. Law ceased to be the Deputy Chairman of Professional Conduct Committee of the Hong Kong Institute of Certified Public Accountants in 2018. He also retired as an independent non-executive director of Bank of Tianjin Co., Ltd. Mr. Law is a Fellow of the Hong Kong Institute of Certified Public Accountants and also a Fellow of the Association of Chartered Certified Accountants. Mr. Law was admitted as an Associate of The Chartered Governance Institute on 11 November 1980. In view of Mr. Law’s experience in reviewing or analysing audited financial statements of private and public companies, the Directors believe that Mr. Law has the appropriate accounting or related financial management expertise for the purposes of Rule 3.10 of the Listing Rules.



- 1. William HO**  
Co-Owner-to-be & Chief Executive Officer – Enterprise Solutions
- 2. Sam TAN**  
Co-Owner & Chief Innovation Officer
- 3. Elinor SHIU**  
Co-Owner & Chief Executive Officer – Residential Solutions
- 4. NiQ LAI**  
Co-Owner & Group Chief Executive Officer
- 5. William YEUNG**  
Co-Owner & Executive Vice-chairman
- 6. Almira CHAN**  
Co-Owner & Chief Strategy Officer
- 7. Danny LI**  
Co-Owner & Chief Technology Officer







## Senior Management

**Mr. William YEUNG**, his biographical details are set out on page 8.

**Mr. NiQ LAI**, his biographical details are set out on page 9.

**Mr. Tat HO (also known as William HO)**, aged 53, the Chief Executive Officer – Enterprise Solutions of the Group. As a seasoned professional with broad experiences in R&D, sales and marketing, M&As, building start-ups, and growing business with Fortune 500 companies, William's near 30-year career journey mirrors the growth, evolution and changes that define the ICT industry. Prior to joining HKBN in 2022, William was Managing Director at Juniper Networks; he has also held various senior executive roles including Senior Vice President of ARRIS APJ, Senior Vice President of Cisco China, Vice President of Ruckus Wireless APJ, and Managing Director of Nortel Networks. In October 2022, William was appointed as a director to The Hong Kong Applied Science and Technology Research Institute (ASTRI) Board.

William began his career in the early 90s as a software engineer at Nortel Networks in Canada, where he developed GSM, CDMA, and 3G wireless systems. In 1999, William moved to Hong Kong to oversee development of Nortel's Asia Pacific operations. Subsequently, he joined The Hong Kong Jockey Club and built the Club's eCommerce business.

William holds a bachelor's degree in electrical engineering and computer engineering from the University of Calgary, Canada. He also teaches strategic management at the Sun Yuet Sang University in mainland China, and is a guest professor at the Carlson School of Management, University of Minnesota. He is a proud Co-Owner-to-be of the Company.

**Ms. Wing Yee CHAN (also known as Almira CHAN)**, aged 56, the Chief Strategy Officer of the Group. Almira joined the Group in 2019 through the integration of HKBN and WTT. Almira's dream job was an accountant. After graduation, Almira joined PricewaterhouseCoopers, where she began her professional life as an accountant. Following this experience, she joined Atos Origin and Wharf T&T (later renamed WTT). In her 30-year journey from an Audit Assistant at PricewaterhouseCoopers to CFO at WTT, she has undertaken a wide range of responsibilities, including management of Accounting & Finance, Investor Relations and Building Access for network rollout. Whilst Almira's dream has come true, she remains as motivated as ever to evolve beyond her comfort zone.

Following the integration of HKBN and WTT, she was appointed as Chief Strategy Officer in July 2019. In her current role, Almira leads the development and implementation of HKBN's overall corporate strategy including business development and joint ventures, mergers and acquisitions. She also looks after Enterprise Services operations in Hong Kong. With a wealth of financial management experience, coupled with a passion for the telecommunications technology industry, she is determined to help the company reach a new peak.

Almira holds an Honours Diploma in Accountancy from Lingnan College and is a qualified accountant and a member of the Association of Chartered Certified Accountants. She is also a member of the Hong Kong Institute of Certified Public Accountants. Almira is a proud Co-Owner of the Company.

**Mr. Yau Chung LI (also known as Danny LI)**, aged 52, the Chief Technology Officer of the Group. Danny joined HKBN in 2017 and was appointed as Chief Technology Officer in 2020. With over 27 years of experience in telecom infrastructure engineering and operations, as well as sales and marketing, Danny leads HKBN's network planning, development and implementation. His goal is to ensure that network strategy is future-proofed for the Group's growth strategy. Emphasising the criticality of solid information security strategy and policy, he has helped design HKBN's IT system and network infrastructure to encompass the latest proven security best practices. Executing a trademarked HKBN philosophy to put what we first learn internally as a proving ground to better serve customers, he helped turn our in-house Network Operations Centre (NOC) into a NOC-as-a-Service to serve Hong Kong's digital community and other enterprises.

Before joining HKBN, Danny spent 11 years with DMX Technologies, a regional system integration company of Japan's KDDI Group. As a pioneering professional, he has served to protect regional customers, including the 2008 Summer Olympic Games, from cyber attacks, and helped build Asia Pacific's first MPLS IP VPN.

Danny loves the game of golf for being a unique sport not purely about winning, but to excel oneself (an Infinite Game). Golfing gives him the chance to challenge and conquer different emerging situations and socialise along the way. He holds a Bachelor's Degree in Computer Engineering, and a Master's Degree in Electrical Engineering (majoring in Telecommunications) from the University of Alberta, Canada. Danny is a proud Co-Owner of the Company.

**Ms. Yung Yin SHIU (also known as Elinor SHIU)**, aged 51, the Chief Executive Officer – Residential Solutions of the Group. A home-grown Talent in every sense of the word, Elinor joined the Group in 1994 as a Marketing Trainee and was appointed as Chief Marketing Officer – Residential Solutions in March 2019 and became Chief Executive Officer – Residential Solutions in September 2020 to lead the strategic development and operations of HKBN's residential market business. Working her way up, she is one of the key individuals credited for growing HKBN from a start-up of less than 100 Talents to a powerhouse in the telecommunications industry today. In 2002, Elinor left the Group for a brief two-year intermission with HGC, where she focussed on corporate marketing. She rejoined HKBN in 2004.

Throughout her years with HKBN, Elinor earned wide-ranging exposure across various business areas and functional teams. Her array of experiences extended from marketing for residential and corporate sectors, all the way to overall business management for HKBN's residential business. With her appointment as CEO – Residential Solutions, Elinor will relentlessly drive HKBN's growth as a showcase of best practices for the ICT industry.

Elinor holds an Executive Master of Business Administration Degree from The Chinese University of Hong Kong. As a seasoned hiker, heights are never a match for Elinor, whose determination to achieve drives her to surmount any peak. Elinor is a proud Co-Owner of the Company.

**Mr. Teow Boon TAN (also known as Sam TAN)**, aged 57, the Chief Innovation Officer of the Group. Sam joined the Group in 2020. As a consummate IT professional, Sam is passionate about using his expertise to improve in-house efficiencies, as well as helping customers reap the full benefits of automation and digitisation. He brings more than 30 years of experience in operations, administration, consulting and business management, involved in the field of information technology. In addition, Sam also served 5 years in Singapore's military.

Before joining HKBN, Sam was the APAC CIO for AECOM. Prior to that, Sam held various leadership roles in multinationals such as Liz Claiborne, UPS Supply Chain Solutions and Hewlett-Packard, where he served as Vice President of Asia MIS, Head of IT and Solution Director respectively. He also spent 14 years with FedEx, with the last 6 years as IT Director for Greater China and APAC IT Infrastructure, serving functions that included IT, Industrial Engineering, Operations and Customer Automation.

Sam holds a Master of Business Administration (Marketing) Degree from the University of Leicester, U.K. He also holds multiple certifications in both management and information technology disciplines. He looks at life as a complicated machine with countless moving parts. Solving this, through rational simplification to make everything he encounters better and more orderly, has become Sam's life-long passion – both professionally and personally. Sam is a proud Co-Owner of the Company.



At HKBN, we believe all the Purpose in the world means nothing without action. Whilst there are many companies and organisations that have an inspiring Purpose, far fewer have the culture, commitment and Talents to consistently make their Purpose sustainably felt. Mindful of this, we make huge efforts in ensuring that Purpose is not just a hollow mission statement, but deeply embedded across our entire operation.

In everything we do, and in every decision we take, “Make our Home a Better Place to Live” is omnipresent at all times. With this Core Purpose driving us, HKBN is built on making purposeful profits; our business is at its best when we’re creating positive impacts for our stakeholders.

Our Environment, Social and Governance (“ESG”) approach is purposely aligned with our Group’s overall strategy. This approach ensures that in all aspects of our business, actions are rigorously executed with a responsible commitment to society, environment and governance that goes far beyond merely fulfilling legal and regulatory requirements.

## Enablement: THE NEXT BIG STEP IN OUR ESG JOURNEY

Since the introduction of our ESG framework in 2018, there have been transformational changes in the way societies and people live, work, learn, play and do business. Knowing that our business has a big impact in the regions we operate, this year we reassessed (previous materiality assessment was conducted in 2019) what matters most to HKBN and our stakeholders through discussions with internal and external parties.

Out of these activities, not only did we identify the key areas to address, but we also redefined our strategy by fully embracing our unique edge as a major technology provider. Instead of driving impact merely from within HKBN, we believe there are greater possibilities that can come from empowering the

ESG of our enterprise and residential customers, as well as other stakeholder groups like NGOs and social enterprises in our communities, our suppliers & value chain partners, and more. Fixated on broadening our impacts, we adopted a bold new vision to “Lead as an Innovative ESG Enabler”.

Following this, we held a KPI workshop to explore how HKBN can first lead by example, and subsequently set meaningful targets for the next three years. With our brand new three-year ESG targets for FY23 to FY25 defined, we also streamlined our strategic focus on three “T”s: namely Talent Co-Ownership, Technology for Good, and Transforming Business, which govern ten priority ESG topics.

**“HKBN is a unique company because our Talents, strategies and business are guided by Purpose, aka our north star, to ‘Make our Home a Better Place to Live’. The synergy and goals of this Purpose and those of ESG are practically identical, which means our company has an inbuilt responsibility not just to excel, but to lead in sustainability.”**



NiQ Lai, our Co-Owner and Group CEO

# HKBN ESG Strategy

## Lead as an Innovative ESG Enabler



### Talent Co-Ownership

1. Talent interest alignment
2. Talent-obsessed engagement and development
3. Diversity and inclusion



### Technology for Good

4. Market-ready ESG solutions
5. Digital inclusion for our communities



### Transforming Business

6. Climate action
7. Impactful customer experiences
8. Data privacy and security
9. Reliable and responsible services
10. Win-win-win partnership and value chain



Our ESG Vision	The 3Ts of HKBN & Mapping to the SDGs*	Our 10 Priorities	Goals for FY25
Lead as an Innovative ESG Enabler	<b>Talent Co-Ownership</b> 	Talent interest alignment	Achieve at least 88% cumulative success rate in ESG-related special incentive programmes
		Talent-obsessed engagement & development	Reach an overall engagement score of 70% favourability in our Talent Engagement Survey
		Diversity & inclusion	Enhance female representation in technical roles to 18% or above
	<b>Technology for Good</b> 	Market-ready ESG solutions	Launch new ESG-themed solutions every year
		Digital inclusion for our communities	Conduct social impact assessments for all digital inclusion community initiatives
	<b>Transforming Business</b> 	Climate action	Set science-based emissions reduction targets
		Impactful customer experiences	Futureproof HKBN's customer services by launching new customer experience initiatives every year
		Data privacy & security	Achieve less than 2% phishing assessment average failure rate among Talents
		Reliable and responsible service	Reduce affected customer hours from residential network service disruptions by 14%, relative to FY22 baseline
		Win-win partnership & value chain	Improve at least 20 SME suppliers' ESG assessment scores
	<b>Corporate Governance</b>		Increase Board female representation to over 30%

Over the next three years, we will continuously report on progress made towards achieving the above targets.

\*SDGs refer to the sustainable development goals of the United Nations

## About This Report

### Reporting boundaries

This Report covers HKBN Group's performance for the financial year from 1 September 2021 to 31 August 2022. Unless specifically stated otherwise, the scope of this Report covers all aspects of HKBN Group operations in all regions, with the exclusion of business units which do not have a material impact on our Group-level performance and for business units where our shareholding interest is less than 50%. Following the disposal of our 60% stake in HKBN JOS Singapore and HKBN JOS Malaysia, the aforementioned operations are excluded from the FY22 reporting boundaries.

### Reporting guidelines and reporting criteria

In preparing this Report, we have adhered to the reporting principles and provisions set forth by the "Environmental, Social and Governance Reporting Guide" (the "ESG Guide") in Appendix 27 of the Listing Rules and the ESG Guide's "comply or explain" provisions. We also referenced the Sustainability Accounting Standards Board's ("SASB") standards and have made our disclosure in line with the SASB's Telecommunication Services Standard to provide sustainability information. Indices mapping our disclosures to the requirements of the ESG Guide and SASB Telecommunication Services Standard, and the details of reporting criteria are described in the footnotes of each KPI's disclosure, are found on pages 229 and 236 of this Report.

We support the United Nations' 2030 Sustainable Development Goals ("SDGs"), which are a global call to action for improving health and education, reducing inequality, and for spurring economic growth – all while tackling climate change. In this Report, we have matched the SDGs with our efforts to demonstrate how we've contributed to the long-term prosperity of peoples and the planet.

### Applying the reporting principles

We aim to provide a rigorous, fair and transparent account of our business, and have adhered to the following reporting principles in making this Report:

<b>Materiality</b>	On a regular basis, we conduct materiality assessments and stakeholder questionnaires to identify material issues related to ESG and our business. These activities help ensure that our entire operation is always responsive in addressing issues related to sustainability, as well as enable us to achieve our Purpose.
<b>Quantitative</b>	To ensure that our performance data is transparent and comprehensive, we provide notes (where appropriate) about the standards and methodologies used to calculate data.
<b>Balance</b>	Presenting a full and fair picture is important to us. This Report discusses both the positive and negative sides of our performance to provide readers an objective and balanced understanding.
<b>Consistency</b>	To allow meaningful comparison of our performance over time, we use reporting guidelines and methodologies for calculating and presenting our data. Any changes in the methodologies will be explained.



## Our Approach to ESG Governance & Management

Our ESG governance and management are embedded at all levels of the Group, including the Board, the ESG Committee and ESG task force, providing a solid foundation for developing and delivering our commitment to sustainability. As the highest governing body in the Group, the Board oversees and is accountable for the Group's overall ESG strategy, development and performance with the support of a Board-level ESG Committee. On an annual basis, Board members undergo training to update and enhance their knowledge and understanding of ESG. The Board also plays a primary role in evaluating and determining the Group's ESG material issues and related risks. ESG risks are thoroughly reviewed and integrated into our company's risk register, with

proper risk mitigation measures and planning implemented. As part of its responsibilities, the Board will, on a regular basis every year, review and monitor progress made on the Group's ESG priorities.

The ESG Committee, comprising elected members from the Board, is responsible for reviewing and monitoring ESG strategies, risk management, policies and practices, and assessing and making recommendations on the Group's ESG-related structures and business models. The ESG Committee also advises the Board on communications and disclosures concerning the Group's ESG performance, including communication channels and methods with our stakeholders and via the ESG reports. The ESG Committee delegates tasks to our ESG task force, who assist in driving the Group's ESG development.



## Communication and Engagement with Stakeholders

Open and effective communication with our stakeholders enables us to better understand their evolving expectations, which serves to shape the strategy, growth and development of our business.

Our stakeholders include internal and external interest groups and entities whose decisions and opinions have an influence on HKBN and, at the same time, are affected by our operations. Having due consideration of their level of dependency and influence on our business, we have identified the following core stakeholders and engage regularly with representatives from each group through a variety of channels.

### Engaging core stakeholders

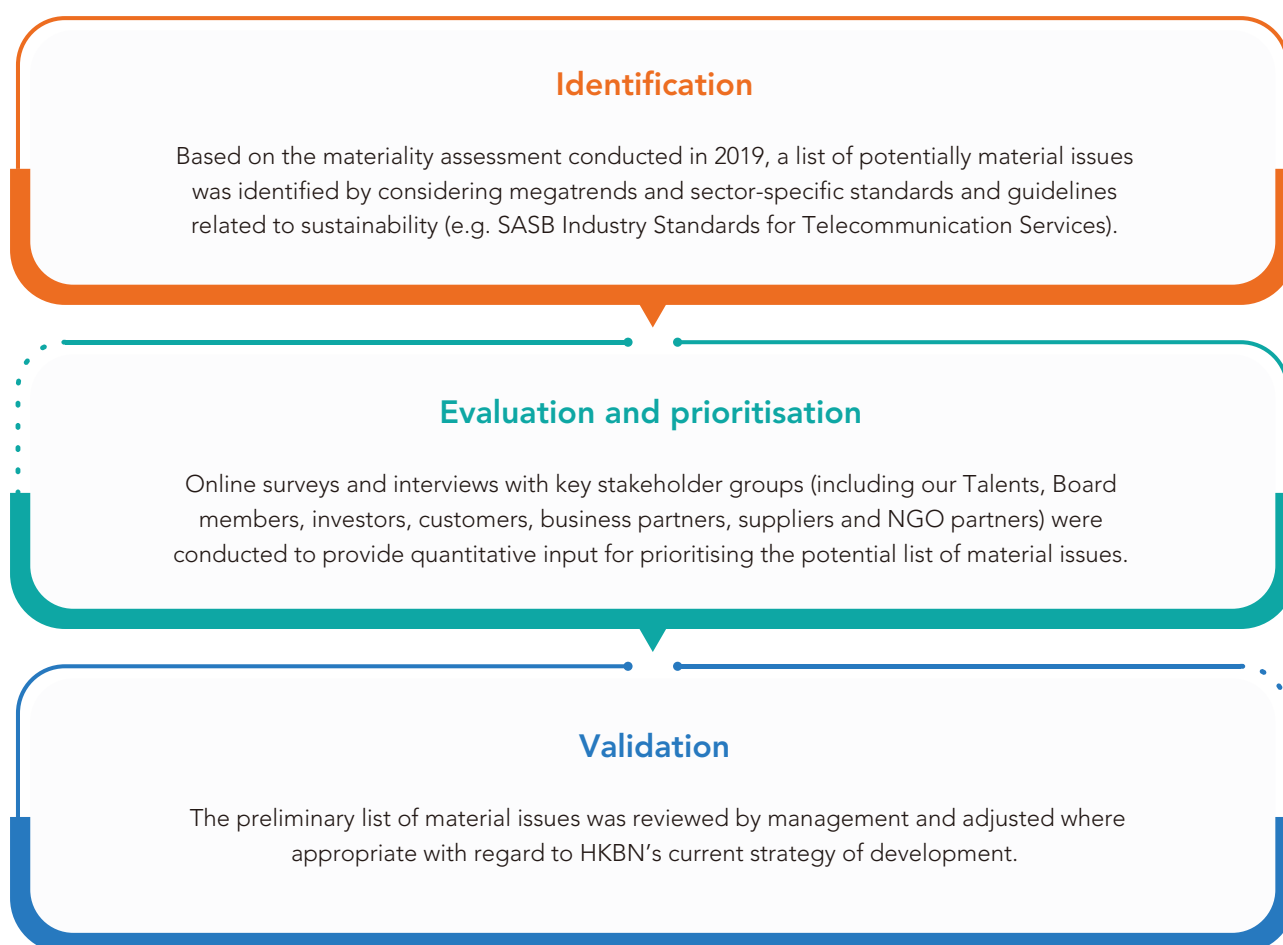
HKBN Stakeholders	Engagement Channels
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Customer satisfaction surveys</li> <li>• Customer service hotlines</li> <li>• My HKBN App</li> <li>• Corporate website</li> <li>• Mail/E-mail</li> <li>• Newsletters</li> <li>• Social media</li> </ul>
<b>Talents</b>	<ul style="list-style-type: none"> <li>• Talent engagement surveys</li> <li>• Townhall meetings</li> <li>• Management meetings</li> <li>• Orientation and training sessions</li> <li>• Talent engagement digital platform</li> </ul>
<b>Shareholders &amp; Investors</b>	<ul style="list-style-type: none"> <li>• Conferences and seminars</li> <li>• Annual reports, interim reports and announcements</li> <li>• General shareholder meetings</li> <li>• Investor meetings, roadshows and conference calls</li> <li>• Newsletters</li> <li>• Corporate website</li> <li>• Social media</li> </ul>
<b>Suppliers &amp; Value Chain Partners</b>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Surveys</li> <li>• Suppliers performance assessments</li> <li>• Newsletters</li> <li>• Corporate website</li> <li>• Social media</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Partnership and community programmes</li> <li>• Community events</li> <li>• Volunteering work</li> <li>• Newsletters</li> <li>• Corporate website</li> <li>• Social media</li> </ul>

HKBN Stakeholders	Engagement Channels
<b>Environment</b> (including green groups and other environmental-related partners)	<ul style="list-style-type: none"> <li>• Partnership programmes</li> <li>• Conferences and seminars</li> <li>• Newsletters</li> <li>• Corporate website</li> <li>• Social media</li> </ul>
<b>Government &amp; Regulators</b>	<ul style="list-style-type: none"> <li>• Meetings, conferences and seminars</li> <li>• Focus group discussions</li> <li>• Feedback programmes</li> <li>• Invited in-house trainings</li> </ul>

## Materiality Assessment

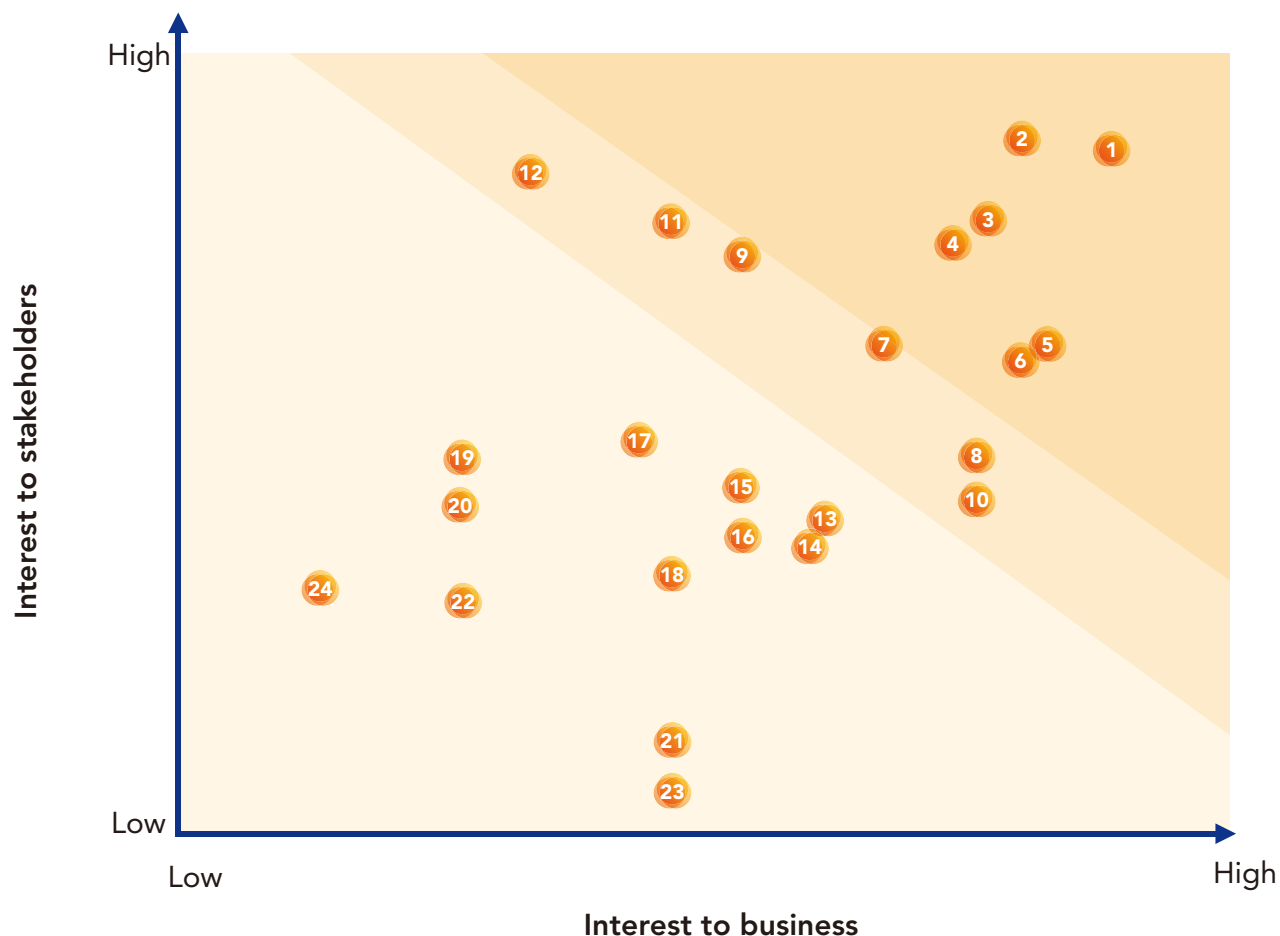
Input from stakeholders is crucial in determining the key ESG aspects we should be focussed on, as well as for steering our ESG strategy. To review and update the current list of material issues, we appointed an independent consultant to conduct a comprehensive materiality assessment, which encompassed both internal and external documents, and direct engagement with key stakeholders through surveys and interviews to capture any significant changes or emerging risks and opportunities facing the business.

The materiality assessment process was as follows:





The results of this materiality assessment is presented as follows:



Tier 1 – Top Priority	Tier 2 – Second Priority	Tier 3 – Low Priority
<ul style="list-style-type: none"> <li>1. Customer service satisfaction</li> <li>2. Customer data privacy</li> <li>3. Service reliability</li> <li>4. Align Talent interests</li> <li>5. Service innovation</li> <li>6. Cybersecurity</li> </ul>	<ul style="list-style-type: none"> <li>7. Talent communication and feedback</li> <li>8. Climate action</li> <li>9. Service coverage and affordability</li> <li>10. Collaboration with business partners</li> <li>11. Talent development</li> <li>12. Fairly rewarded remuneration</li> </ul>	<ul style="list-style-type: none"> <li>13. Anti-corruption and business integrity</li> <li>14. Enable LIFE-work priority</li> <li>15. Succession planning</li> <li>16. Diversity and inclusion</li> <li>17. Technology for good</li> <li>18. Board effectiveness</li> <li>19. Encourage Talent volunteering</li> <li>20. Operational efficiency</li> <li>21. Supplier ESG management</li> <li>22. Procurement process</li> <li>23. Anti-competitive behaviour</li> <li>24. Waste management</li> </ul>

## Responding to Stakeholder Concerns

Through active dialogue with different stakeholders, we are able to understand the needs of our stakeholders and correspondingly take action to address their concerns and expectations. During our surveys and in-depth interviews conducted this year, we gathered comments from stakeholders and turned them into action.

HKBN Stakeholders	Stakeholders' feedback	Our responses
<b>Customers</b>	<ul style="list-style-type: none"> <li>• HKBN is a strong platform to promote and provide win-win ESG solutions to benefit both customers and business partners.</li> <li>• HKBN has provided consistent quality service over the years.</li> </ul>	<ul style="list-style-type: none"> <li>• We target to launch new ESG solutions every year. Please refer to the "Market-ready ESG solutions" section of this report for details.</li> <li>• We strive to meet and exceed our customers' expectations. To reciprocate the faith that customers have entrusted in us, we continue to operate with agility and integrity to uplift our overall service experiences so that we can build long lasting relationships with customers. Please refer to the "Impactful Customer Experience", "Reliable &amp; Responsible Service" and "Data Privacy &amp; Security" sections of this report for details.</li> </ul>
<b>Talents</b>	<ul style="list-style-type: none"> <li>• Co-Ownership, flexible working, and significant resources dedicated to Talent development all contribute to a healthy work culture at HKBN.</li> </ul>	<ul style="list-style-type: none"> <li>• HKBN has long recognised that our Talents are the key force in driving our success. We aspire to employ a diverse workforce that works together collaboratively, empower our Talents to evolve and become agile, and foster a culture of continuous learning for our Talents. Please refer to the "Talent Interest Alignment", "Talent-Obsessed Engagement &amp; Development" and "Diversity &amp; Inclusion" sections of this report for details.</li> </ul>
<b>Shareholders &amp; Investors</b>	<ul style="list-style-type: none"> <li>• Effective communication and disclosure of the company's ESG strategy and performance helps inform investors and strategic partners on how HKBN's business is ready for the future.</li> </ul>	<ul style="list-style-type: none"> <li>• To capture the transformational changes that matter most to the Group and our stakeholders, we have redefined our ESG strategy, including new ESG targets to measure and report on our ESG impacts. This also serves as a clear and inspirational statement to communicate HKBN's ambition to achieve our ESG vision.</li> <li>• This year, we adopted the SASB Telecommunication Services Standard for disclosure.</li> </ul>

HKBN Stakeholders	Stakeholders' feedback	Our responses
<b>Suppliers &amp; Value Chain Partners</b>	<ul style="list-style-type: none"> <li>Creating long-term co-growth opportunities with suppliers and value chain partners are vital for building a stronger business.</li> </ul>	<ul style="list-style-type: none"> <li>To facilitate the continued delivery of exceptional products and services, we work closely with our partners to ensure the success of our business whilst promoting sustainable development throughout our value chain. Please refer to the "Win-win Partnership &amp; Value Chain" section of this report for details.</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>Building a strong social network and more extensive public outreach helps engender a much wider public understanding of HKBN's social initiatives and the HKBN Talent CSI Fund's work.</li> </ul>	<ul style="list-style-type: none"> <li>We have partnered with various social profit organisations and implemented a series of initiatives to effect positive change in our local communities. We also target to apply new metrics to measure the impact of our digital inclusion initiatives, and subsequently improve the effectiveness of our CSI initiatives. Please refer to the "Digital Inclusion for our Communities" section of this report for details.</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>HKBN needs to look into the environmental aspects of its operations, particularly in terms of climate action, and establish effective governance to demonstrate its ESG commitment.</li> </ul>	<ul style="list-style-type: none"> <li>Our ESG governance structure plays a critical role in integrating ESG factors in our Company's operation. The establishment of the ESG Committee ensures that ESG factors like climate-related issues will be more effectively taken into account throughout our decision-making processes. Put simply, this is enabling HKBN to operationally champion ESG at the highest level.</li> <li>We are also applying bold actions to reduce the environmental impacts of our operations. Please refer to the "Climate Action" section of this report for details.</li> </ul>



Table 1: Financial highlights

	For the year ended		Change YoY
	31 August 2022	31 August 2021	
<b>Key financials (\$'000)</b>			
Revenue	<b>11,626,164</b>	11,463,745	+1%
– Enterprise Solutions	<b>4,427,441</b>	4,965,553	-11%
– Enterprise Solutions related product	<b>2,351,289</b>	2,310,286	+2%
– Residential Solutions	<b>2,433,159</b>	2,465,294	-1%
– Handset and other product	<b>2,414,275</b>	1,722,612	+40%
Profit for the year	<b>553,321</b>	206,872	>100%
Adjusted Net Profit <sup>1,2</sup>	<b>904,875</b>	755,975	+20%
EBITDA (Adjusted)* <sup>1,3</sup>	<b>2,609,053</b>	2,568,507	+2%
Service EBITDA (Adjusted)* <sup>1,3</sup>	<b>2,298,759</b>	2,226,459	+3%
Service EBITDA margin (Adjusted)* <sup>1,4</sup>	<b>33.5%</b>	30.0%	+3.5pp
Adjusted Free Cash Flow <sup>1,5</sup>	<b>1,132,556</b>	1,131,543	+0%
Reconciliation of Adjusted Net Profit <sup>1,2</sup>			
<b>Profit for the year</b>	<b>553,321</b>	206,872	>100%
Amortisation of intangible assets	<b>411,384</b>	456,754	-10%
Deferred tax arising from amortisation of intangible assets	<b>(66,353)</b>	(73,683)	-10%
Impairment on investment in a joint venture	<b>6,523</b>	–	+100%
Loss on extinguishment of senior notes	–	145,463	-100%
Originating fee for banking facilities expired	–	20,569	-100%
<b>Adjusted Net Profit</b>	<b>904,875</b>	755,975	+20%

	For the year ended		Change YoY
	31 August 2022	31 August 2021	
Reconciliation of EBITDA, Adjusted Free Cash Flow <sup>1,3,5</sup>			
<b>Profit for the year</b>	<b>553,321</b>	206,872	>100%
Finance costs	<b>239,204</b>	481,029	-50%
Interest income	<b>(2,857)</b>	(2,200)	+30%
Income tax expenses	<b>158,895</b>	118,393	+34%
Depreciation (Adjusted)*	<b>947,099</b>	1,011,892	-6%
Amortisation of intangible assets (Adjusted)*	<b>413,014</b>	456,754	-10%
Amortisation of customer acquisition and retention costs	<b>293,854</b>	295,767	-1%
Impairment on investment in a joint venture	<b>6,523</b>	–	+100%
<b>EBITDA (Adjusted)*</b>	<b>2,609,053</b>	2,568,507	+2%
Capital expenditure	<b>(539,507)</b>	(589,621)	-8%
Net interest paid	<b>(297,912)</b>	(295,010)	+1%
Other non-cash items	<b>(6,559)</b>	(8,604)	-24%
Income tax paid	<b>(165,101)</b>	(230,154)	-28%
Customer acquisition and retention costs	<b>(242,050)</b>	(265,467)	-9%
Premium paid on senior notes redemption	–	(113,776)	-100%
Lease payments in relation to right-of-use assets	<b>(209,846)</b>	(273,996)	-23%
Changes in working capital	<b>(15,522)</b>	339,664	>100%
<b>Adjusted Free Cash Flow</b>	<b>1,132,556</b>	1,131,543	+0%

\*Depreciation and amortisation of the Disposal Group was not recognised on consolidation level from 1 September 2021 to 3 January 2022 in the consolidated financial statements. The \$15 million pro forma adjustment is to account for the depreciation and amortisation of the Disposal Group in order to reflect the true business performance of the Disposal Group up to the date of disposal.

Table 2: Operational highlights

	For the year ended		Change YoY
	31 August 2022	31 August 2021	
Enterprise business			
Commercial building coverage	8,006	7,584	+6%
Subscriptions ('000)			
– Broadband	119	119	-0%
– Voice	413	423	-2%
Market share <sup>6</sup>			
– Broadband	37.0%	36.9%	+0.1pp
– Voice	24.4%	24.9%	-0.5pp
Enterprise customers ('000)	105	107	-2%
Broadband churn rate <sup>9</sup>	1.4%	1.5%	-0.1pp
Enterprise ARPU <sup>10</sup>	\$2,906	\$3,036	-4%
Residential business			
Fixed telecommunications network services business			
Residential homes passed ('000)	2,513	2,466	+2%
Subscriptions ('000)			
– Broadband	897	886	+1%
– Voice	432	474	-9%
Market share <sup>6</sup>			
– Broadband	34.0%	34.2%	-0.2pp
– Voice	21.3%	22.1%	-0.8pp
Broadband churn rate <sup>7</sup>	1.0%	0.9%	+0.1pp
Residential ARPU <sup>8</sup> (Without TTT)	\$184	\$192	-4%
Residential ARPU <sup>8</sup> (With TTT)	\$184	\$190	-3%
Mobile business			
Mobile Subscriptions ('000)	241	254	-5%
Mobile ARPU <sup>11</sup>	\$110	\$111	-1%
Residential customers ('000)	976	997	-2%
Total full-time permanent Talents	4,864	5,218	-7%

## Notes:

- (1) EBITDA, service EBITDA, service EBITDA margin, Adjusted Free Cash Flow and Adjusted Net Profit are not measures of performance under Hong Kong Financial Reporting Standards ("HKFRSs"). These measures do not represent, and should not be used as substitutes for, net income or cash flows from operations as determined in accordance with HKFRSs. These measures are not necessarily an indication of whether cash flow will be sufficient to fund our cash requirements. In addition, our definitions of these measures may not be comparable to other similarly titled measures used by other companies.
- (2) Adjusted Net Profit means profit for the period plus amortisation of intangible assets (net of deferred tax credit and direct cost incurred in corresponding period) and impairment on investment in a joint venture.
- (3) EBITDA means profit for the period plus finance costs, income tax charge, depreciation, amortisation of intangible assets (net of direct cost incurred in corresponding period), amortisation of customer acquisition and retention costs, impairment on investment in a joint venture and less interest income. Service EBITDA means EBITDA excluding gross profit on product revenue.
- (4) Service EBITDA margin means service EBITDA divided by service revenue, which is excluding product revenue.
- (5) Adjusted Free Cash Flow means EBITDA less capital expenditure, customer acquisition and retention costs, net interest paid, income tax paid, premium paid on senior notes redemption, lease payments in relation to right-of-use assets, changes in working capital and other non-cash items. Working capital includes other non-current assets, inventories, trade receivables, finance lease receivables, other receivables, deposits and prepayments, contract assets, amounts due from joint ventures and associates, amounts due to joint ventures, trade payables (including amount utilised for supply chain financing), contract liabilities, and deposits received. Other non-cash items, in the period under review, include amortisation of obligations under granting of rights and Co-Ownership Plan II related non-cash items.
- (6) Our market share in broadband or voice services in Hong Kong, for residential or enterprise business, is calculated by dividing the number of broadband or voice subscriptions we have at a given point in time by the total number of corresponding broadband or voice subscriptions recorded by the Office of the Communications Authority ("OFCA") at the same point in time. Based on the latest disclosure from OFCA for July 2022 market data.
- (7) Calculated by dividing the sum of the monthly broadband churn rate for each month of the given financial period by the number of months in the financial year. Monthly broadband churn rate is calculated by the sum of the number of residential broadband subscription terminations in a month divided by the average number of residential broadband subscriptions during the respective month and multiplying the result by 100%.
- (8) ARPU means average revenue per user per month. Calculated by dividing the revenue generated in the relevant period from services subscribed by residential broadband subscribers, which include broadband services and any bundled voice, IP-TV and/or other entertainment services (excluding revenue from IDD and mobile services), by the number of average residential broadband subscriptions and further dividing by the number of months in the relevant period. Average residential broadband subscriptions are calculated by dividing the sum of such subscriptions at the beginning of the period and the end of the period by two. Our use and computation of residential ARPU may differ from the industry definition of ARPU due to our tracking of revenue generated from all services subscribed by residential broadband subscribers. We believe this gives us a better tool for observing the performance of our business as we track our residential ARPU on a bundled rather than standalone basis. "TTT" represents the campaign namely ToughTimesTogether, in which the Group offered one-month service fee waiver to its customers for the purpose of relieving the household financial burden caused by COVID-19.
- (9) Calculated by dividing the sum of the monthly broadband churn rate for each month of the given financial period by the number of months in the year. Monthly broadband churn rate is calculated by the sum of the number of enterprise broadband subscription terminations in a month divided by the average number of enterprise broadband subscriptions during the respective month and multiplying the result by 100%.
- (10) ARPU means average revenue per user per month. Calculated by dividing the revenue generated in the relevant year from the enterprise telecom and technology solutions business (excluding revenue from IDD, Enterprise Solutions related product and mobile services) by the average number of enterprise customers and further dividing by the number of months in the relevant period. Average number of enterprise customers is the sum of: i) number of enterprise telecom customers, as calculated by dividing the sum of enterprise telecom customers at the beginning of the period and the end of the period by two, and; ii) the number of enterprise solutions customers, which represents the number of unique customers with billing transactions on technology solutions related services during the financial period. This metric may be distorted by the impact of certain particularly large contracts we have with enterprise customers.
- (11) Mobile ARPU means average revenue per user per month. Calculated by dividing the revenue generated in the relevant period from services subscribed by residential mobile subscribers, which include all services revenue (excluding IDD and value added services), by the number of average residential mobile subscriptions and further dividing by the number of months in the relevant period. Average residential mobile subscriptions are calculated by dividing the sum of such subscriptions at the beginning of the period and the end of the period by two. Our use and computation of Mobile ARPU may differ from the industry definition of ARPU due to our tracking of revenue generated from all services subscribed by residential mobile subscribers. We believe this gives us a better tool for observing the performance of our business as we track our residential mobile ARPU on a bundled rather than standalone basis.
- (12) Enterprise customers means total number of enterprise customers excluding IDD, product resell and mobile customers.



## Business Review

FY22 was a tough year, as demonstrated through challenges like the fifth wave of COVID-19 and quarantine measures hitting the local economy, an unstable macro-environment, chipset shortages, and intense competition from within the telecom industry. Amid these challenging conditions, the Group demonstrated its strong resilience and delivered a solid set of operational and financial results in FY22.

Throughout the year, we continued to transform our enterprise business and strengthen our system integration (“SI”) capabilities by attracting top-tier Talents to join us. With our strong market presence and solid ICT customer base, our clear position as the largest and strongest alternative telecom and technology service provider in Hong Kong enabled us to be much more competitive relative to other standalone telecom or technology solutions providers in the market.

Under this tough market environment, our residential business remained solid. Service revenue was stable as we continued to execute our Infinite-play strategy by expanding our consumer-centric value-for-money services to customers.

As a result, our Revenue and EBITDA (Adjusted), increased year-on-year by 1% and 2% at \$11,626 million and \$2,609 million respectively, and Adjusted Free Cash Flow (“AFF”) remained stable at \$1,133 million.

- Despite a challenging macro-economic outlook brought about by the fifth wave of COVID-19 in Hong Kong, our Enterprise Solutions business showed resilience as indicated by low customer churn and stable broadband subscriptions, which resulted in an increase of our market share to 37.0% as at 31 July 2022 (based on the latest available OFCA statistics).
- Excluding the four months of impact in FY22 and the full year of impact in FY21 from the Disposal Group\*, Enterprise Solutions related product revenue increased year-on-year by 15% to \$2,218 million, due to an increase in demand for hardware.
- Excluding the four months of impact in FY22 and the full year of impact in FY21 from the Disposal Group, Enterprise ARPU slightly increased year-on-year by 1% to \$2,865 per month.
- Residential Solutions monthly churn rate remained low at 1.0% and our subscriptions increased to 897,000 in FY22. Residential Solutions revenue slightly decreased year-on-year by \$32 million, or 1%, to \$2,433 million, amid intense market competition. Our Residential ARPU fell by 3% year-on-year to \$184 per month due to the aggressive tactical offers introduced at the initial launch of Disney+ OTT bundles, as well as from intense market competition.
- Handset and other product revenue increased year-on-year by 40% to \$2,414 million, attributable to the sales of smartphone products that complement our mobile business.

Network costs and costs of sales increased year-on-year by \$205 million, or 3%, to \$7,156 million, mainly due to the cost of inventories, which increased by \$766 million, or 21%, to \$4,454 million led by an increase in sales of smartphone products and Enterprise Solutions related products. This has been offset by a decrease in cost of wholesale IDD. Changes in network costs and cost of sales were in line with revenue.

Other operating expenses decreased year-on-year by \$166 million, or 4%, to \$3,532 million, which is the combined effects of streamlined costs by \$72 million, a decrease in depreciation by \$34 million, a decrease in amortisation of intangible assets by \$45 million, and a decrease in recognition of loss allowance in trade receivables and contract assets by \$18 million.

\*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..

Finance costs decreased year-on-year by 50% from \$481 million to \$239 million. This was mainly caused by the increase in fair value gain on interest-rate swap by \$103 million, the decrease in loss on extinguishment of senior notes by \$145 million, the decrease of originating fee for bank facilities expired by \$21 million, and the decrease of interest and finance charges on senior notes by \$57 million, which was partly offset by an increase in interest and finance charges on bank and other borrowings by \$95 million.

Income tax increased year-on-year by 34% from \$118 million to \$159 million, in line with the increase in profit before tax.

As a result of the aforementioned factors, profit attributable to equity shareholders increased year-on-year by 167% to \$553 million.

Adjusted Net Profit, excluding the impact of amortisation of intangible assets (net of deferred tax credit) and impairment on investment in a joint venture, increased year-on-year by 20% to \$905 million. This was mainly due to a decrease in finance costs (excluding loss on extinguishment of senior notes and originating fee for banking facilities expired) by \$76 million and a decrease in other operating expenses by \$166 million, which was partly offset by an increase in share of losses of joint ventures during FY22.

EBITDA (Adjusted) increased year-on-year by 2% from \$2,569 million to \$2,609 million, mainly contributed by lower operating expenses as a result of operational enhancements.

Services EBITDA (Adjusted), which excluded gross profits on Enterprise Solutions related product and handset and other products, increased year-on-year by 3% from \$2,226 million to \$2,299 million, mainly due to an increase in gross profits. Services EBITDA margin (Adjusted) increased from 30.0% to 33.5% mainly due to a decrease in low margin wholesale IDD services.

AFF remained stable at \$1,133 million, mainly caused by an increase in EBITDA (Adjusted) by \$40 million, a decrease in capital expenditure, income tax paid, lease payments in relation to right-of-use assets, customer acquisition and retention costs and premium paid on the senior notes

redemption by \$50 million, \$65 million, \$64 million, \$23 million and \$114 million respectively, which was partly offset by a decrease in working capital inflow by \$356 million.

## Outlook

COVID-19 and an unstable global environment have impacted everyone and shaped a “new normal” for all people and businesses. As a result, we see huge opportunities driven by the need for businesses to digitally transform, as well as from a surge in demand for IT Talents.

In FY23, we will continue to strengthen the market competitiveness of our Residential and Enterprise ICT businesses, and focus on enhancing our capabilities in technology and digital transformation to capture future growth opportunities in Hong Kong and beyond in the mainland China and ASEAN markets.

In Enterprise Solutions:

- Led by our new CEO of Enterprise Solutions, our teams have a clear strategy to streamline focus and dedicate greater resources in areas we possess a strong competitive edge, e.g. FTNS, box-moving hardware business, data centre and cloud, and more.
- We will introduce new Enterprise Managed Services and Solutions-as-a-Service to increase the wallet share of our SME and Mid-market customers.
- For our SI business, we are driving growth among three dimensions:
  - Aligning and strengthening our relationships with world-class vendor partners to improve coverage for key market segments and customers, to introduce new solutions and services for incremental business growth.
  - Optimising sales resources to go deeper into the top verticals, such as Financial Services Industry (“FSI”), the public sector, and large enterprises to gain greater wallet share.
  - Strengthening our sales engineering and service delivery capabilities to drive digital transformation and to offer top notch solutions and post-sales services.

- We have an excellent customer base for our box moving hardware and IT outsourcing businesses. Riding on this, we are implementing a transformation initiative to accelerate our account penetration and improve margins by integrating value-added services as part of our offerings.
- We have a strong customer base in mainland China. To maximise this advantage, we are strengthening our relationships with world-class vendor partners to introduce new solutions and to capture new accounts. We are also deploying additional sales resources in the Greater Bay Area and Eastern China region to expand our coverage to drive new growth.
- In addition to growing the mainland China market, we will unlock the cross-regional opportunities in Singapore, Malaysia and Hong Kong, leveraging the strategic partnerships (with StarHub and ViewQwest), through joint go-to-market efforts and complementary solution offerings.
- To fulfill the market's surging need for IT resources, we are leveraging our edge as one of the region's largest employers of IT experts to create a new business solution focussed on delivering "IT-as-a-Service" to enterprise customers.

#### In Residential Solutions:

- Faster and bigger fibre network expansion to cover even more areas throughout Hong Kong.
- We will grow our subscription numbers by delivering best-in-town offers in broadband, mobile (includes 5G service), and more.
- Improve customer stickiness by expanding our Residential ecosystem through a variety of new disruptive services (e.g. new OTT services with Disney+, WiFi 6 Gateway, Wi-Fi-as-a-Service, and Smart D).

## Liquidity and Capital Resources

As at 31 August 2022, the Group had total cash and cash equivalents of \$1,129 million (31 August 2021: \$1,527 million) and gross debt of \$11,865 million (31 August 2021: \$12,124 million), which led to a net debt position of \$10,736 million (31 August 2021: \$10,597 million). Lease liabilities of \$518 million (31 August 2021: \$508 million) was included as debt as at 31 August 2022 in accordance with the term of the Group's various loan facilities. The Group's gearing ratio, which was expressed as a ratio of the gross debt over total equity, was 2.4x as at 31 August 2022 (31 August 2021: 2.2x).

The Group's net debt to EBITDA ratio as computed in accordance with the term of the Group's various loan facilities was approximately 4.6x as at 31 August 2022 (31 August 2021: 4.6x). The average finance cost calculated as the interest and coupon charges over the average borrowing balance was 2.7% (31 August 2021: 2.6%). The average weighted maturity of the Group's borrowings was 3.3 years as at 31 August 2022 (31 August 2021: 4.3 years).

Cash and cash equivalents consisted of cash at bank and in hand. There was no pledged bank deposit as at 31 August 2022 and 31 August 2021. As at 31 August 2022, the Group had an undrawn revolving credit facility of \$1,713 million (31 August 2021: \$1,464 million).

Under the liquidity and capital resources condition as at 31 August 2022, the Group could fund its capital expenditures and working capital requirements for the period with internal resources and the available banking facilities.

## Hedging

The Group's policy is to partially hedge the currency and interest rate risk arising from non-Hong Kong dollar denominated assets/liabilities and the variable interest rates of the debt instruments and facilities by entering into currency forward and interest-rate swaps, respectively. The Group Chief Executive Officer and Chief Strategy Officer are primarily responsible for overseeing the hedging activities. Under their guidance, the Group's finance team is responsible for planning, executing and monitoring the hedging activities. The Group would not enter into hedging arrangements for speculative purposes.

The Group also entered into an interest-rate swap arrangement in the principal amount of \$3,900 million with an international financial institution for a term of 2.6 years from 30 October 2020 to 31 May 2023. Benefiting from the hedging arrangement, the Group fixed the HIBOR interest rate exposure at 0.399% per annum.

The currency forward and the interest-rate swap arrangements are recognised initially at fair value and remeasured at the end of each reporting period. Neither of the financial instruments qualify for hedge accounting under HKFRS 9, *Financial instruments*, and therefore, it is accounted for as held for trading and measured at fair value through profit or loss.

### Charge on Group Assets

As at 31 August 2022, the Group pledged assets to secure the other borrowings of \$88 million (31 August 2021: \$38 million).

### Contingent Liabilities

As at 31 August 2022, the Group had total contingent liabilities of \$227 million (31 August 2021: \$191 million) in respect of bank guarantees provided to suppliers and customers and utility vendors in lieu of payment of utility deposits. The increase of \$36 million was mainly due to increase of performance guarantee issued to the Group's suppliers and customers.

### Exchange Rates

All the Group's monetary assets and liabilities are primarily denominated in either Hong Kong dollars ("HKD") or United States dollars ("USD"). Given the exchange rate of HKD to the USD has remained close to the current pegged rate of HKD7.80 = USD1.00 since 1983, management does not expect significant foreign exchange gains or losses between the two currencies. The Group is also exposed to a certain amount of foreign exchange risk based on fluctuations between HKD and Renminbi arising from its operations. In order to limit this foreign currency risk exposure, the Group ensures that the net exposure is kept to an acceptable level of buying or selling foreign currencies at spot rates where necessary.

### Significant Investments, Acquisitions and Disposals

On 10 November 2021, HKBN JOS Holdings (C.I.) Limited (the "Vendor"), an indirect wholly-owned subsidiary of the Company and StarHub Ltd. (the "Purchaser") entered into a share purchase agreement (the "Share Purchase Agreement"), pursuant to which the Vendor conditionally agreed to sell 60% of the Disposal Group to the Purchaser for a total consideration of approximately SG\$15 million (representing approximately \$87 million) before the post-closing adjustments in accordance with the Share Purchase Agreement. The precedent conditions as set out in the Share Purchase Agreement were satisfied and the completion of the disposal took place on 3 January 2022. The Disposal Group has ceased to be subsidiaries of the Group and has become 40%-owned associates of the Group. Please refer to the announcements of the Company dated 10 November 2021 and 3 January 2022 for further details.

Save as disclosed, the Group did not make any significant investments, acquisitions or disposals in relation to its subsidiaries and associated companies for the year ended 31 August 2022.

### Talent Remuneration

As at 31 August 2022, the Group had 4,864 permanent full-time Talents (31 August 2021: 5,218 Talents). The Group provides remuneration package consisting of basic salary, bonus and other benefits. Bonus payments are discretionary and dependent on both the Group's and individual performances. The Group also provides comprehensive medical insurance coverage, competitive retirement benefits schemes, and Talent training programmes.



The Board is pleased to present their report for the year ended 31 August 2022.

## Principal Activities

HKBN Ltd. (the “Company”, together with its subsidiaries, the “Group”) is an investment holding company. Headquartered in Hong Kong with operations spanning across Hong Kong, Macau, mainland China, Singapore and Malaysia, the Group is a leading integrated telecom and technology solutions provider. Operating through three core brands, Hong Kong Broadband Network, HKBN Enterprise Solutions and HKBN JOS, the Group offers a comprehensive range of solutions that include broadband, data connectivity, cloud and data centre, managed Wi-Fi, business continuity services, system integration, cybersecurity, mobile services, roaming solutions, digital solutions, voice and collaboration, stationery and supplies that are cumulative to our one-stop-shop offering of Transformation as a Service (TaaS) and OTT entertainment.

## Business Review

A fair review of the business of the Group and a discussion and analysis of the Group’s performance during the year, and the future developments of the Group’s business, are set out in the chapters headed “Shareholder Letter” and “Management Discussion and Analysis” on pages 6 to 7 and pages 29 to 32 of this annual report respectively.

### Analysis Using Financial Key Performance Indicators

Details of the financial key performance indicators can be found on pages 25 to 28 and pages 29 to 32 in the “Key Financial and Operational Summary” and “Management Discussion and Analysis” sections of this annual report respectively.

### Principal Risks and Uncertainties

The Board is aware that the Group is exposed to a variety of risks, some are specific to the industry in which the Group operates while others are common risks that most businesses face. Procedures have been established by the Board to ensure significant risks that may adversely affect the Group’s operation and performance are identified and corresponding measures are in place to mitigate those risks. For key risks related to the Group’s businesses and to the industries in which the Group operates, please refer to the “Corporate Governance Report” section on pages 102 to 120 of this report. If any of these events occur, the Group’s businesses, financial conditions, results of operations and/or prospects of the Group could be materially and adversely affected. These key risks are by no means exhaustive or comprehensive, and there may be other risks, in addition to those highlighted, which are not known by the Group or which may not appear significant now but could turn out to be so in the future.

### Environmental Policies and Performance

#### Climate Friendly and Resilient Transformation

With the determination to support the global and local decarbonisation journey, we’ve put Climate Action as one of the top priorities and the Board endorsed HKBN’s commitment to set science-based emissions reduction targets by FY25. It also marked a new chapter in our transition to a low-carbon business and operation.

Meanwhile, we are preparing the disclosure in accordance with the framework recommended by the Task Force on Climate-related Financial Disclosures. The comprehensive assessment of risks and opportunities will not only provide us with better insights on strengthening our climate resilience but also help us to capture any opportunities brought by climate change.

We will keep striving for excellence in managing our environmental impacts. During the reporting period, we expanded the scope of ISO 14001 environmental management system, prioritised energy efficiency into the consideration of our current office space redesign strategy, and conducted third-party waste audit for better waste reduction opportunities. Details on our FY22 environmental performance can be found on pages 82 to 101 in the “ESG | Transforming Business” section.

## Relationships with Key Stakeholders

### Talents

At HKBN, we believe our Talents are fundamental to our success. We treat our Talents with respect, offer exceptional flexibility and employment benefits, and provide them with copious opportunities to grow professionally. Since the outset of the COVID-19 pandemic, we offered our Talents much greater flexibility for work and personal life. We believe that Talents' health, safety and well-being come before work, and that happy Talents will be motivated to deliver outstanding results. This Talent-first approach to business drives our capabilities to innovate and stay competitive. In this light, we seek to not only comply with but exceed the legal requirement set by the Employment Ordinance and other laws and regulations related to employee welfare and working conditions, with a view to inspiring other companies to do likewise and Make our Home a Better Place to Live.

Under the post-pandemic new normal, we encouraged Talents to balance team collaboration with individual flexibility. Also, we introduced a new "Work from Anywhere" (WFA) mode to enable Talents working beyond Hong Kong to continuously support HKBN's business and operations.

Co-Ownership Culture is our key Legal Unfair Competitive Advantage ("LUCA") and a strong "Skin-in-the-game" alignment between HKBN and Talents to drive our company's success. Following the successful completion of our Beyond Hong Kong pain/GAIN Co-Ownership scheme, we have opened invitations to supervisory or above-level HKBN Talents, spanning operations across Hong Kong, Macau and mainland China to join our Co-Ownership Plans IV ("CO4") in all regions this year. Talents can either invest between 2 and 24 months of salary to acquire HKBN shares at full market price or rollover their existing CO3+ shares. These shares will be matched with free shares at a 1:1 ratio vested after three years, only when key company targets have been met.

Open communication with Talents is always important at HKBN especially after several M&A activities in the past several years. We employed an external consulting firm to conduct a company-wide Talent Engagement Survey in December 2021 and received constructive feedback from our Talents regarding our LUCA and areas of improvement. In addition, we encouraged direct communications and have organised several activities for Talents to share their thoughts and ideas to our management team.

As a Talent-obsessed company, we need a powerful HR system that engages our nearly 5,000 Talents efficiently. Our newly implemented Workday Human Capital Management system allows us to have more intelligent management of Talent capital, expertise and importantly, silo-less synergy between teams and regions.

### Customers

#### Customer Service

After two years of business challenges under the pandemic, the shift to build a more sustainable business environment for Enterprise customers in Hong Kong is now stronger than ever. As a major telecom & ICT service provider in Hong Kong, we treasure our customer relationships and their growth, and we believe we can bring in more future-proof innovation and high quality services to enable our customers to go digital and transform their business.

In FY22, we continued our push to drive more ESG-themed services and solutions in order to help Enterprise and SME customers' improve in areas of ESG.

We teamed up with various partners and launched, for instance:

- KettyBot and IoT UVC disinfection devices – offering a safe working & dining environment for local F&B businesses.
- Secured broadband bundled with always-on Cisco Umbrella; Microsoft Windows 365 + Team Voice – helping our SME customers strengthen Internet security, and their capabilities to work anytime, anywhere on any device.

- Co-grow with customers through knowledge sharing – HKBNES partnered with partners to conduct different workshops to share our knowhow and skills to help local businesses. Hot topics arranged like “Hybrid Working Model” (with Microsoft), “Cyber-security” (with PwC & CISCO), “Retail Support under Epidemic” Webinars were arranged in FY22.
- 5G mobile Internet partner with 3HK – we offered highly flexible options at competitive prices for business customers to enjoy quality connectivity service in rural areas or in physically constraint buildings.

As a trusted partner of local businesses, we always stay ahead to help our business customers adopt smarter, innovative solutions. In FY22, we launched “GROW & SAVE” offer to our new ES customers. This programme provided a multi-bundle Business x Home services option that business customers can choose a mix of benefits ranging from solutions for business growth to money-saving free subscriptions for office or home use. For instance, free months rebates on solutions, advertising on My HKBN App, and 2-year Residential broadband service.

Mindful of the immediate business needs in the GBA, a new FixIT service was extended to 11 cities offering IT service to support our SME clients, who can enjoy daily IT support for their offices in the GBA.

Meanwhile, in facing dynamic & fast changing customer needs, we strive to develop new customer engagement initiatives and leverage on digitisation to improve our customer experience and customer service journeys. With continuous improvement on services and a comprehensive ICT portfolio, we are well-equipped to provide more innovative and compelling solutions to help businesses thrive.

### Suppliers

HKBN is committed to conducting our procurement activities with suppliers at the highest standards of quality and integrity. Our procurement policy set out various rules and regulations under a consistent approach, which incorporates key concerns like “conflict of interest”, anti-bribery, “anti-corruption” and “receiving business gifts”. All Talents are required to strictly adhere to our procurement policy when engaging in any sourcing activities. The utilisation of diverse suppliers is essential to “Make our Home a Better Place to Live”.

HKBN is committed to providing opportunities for social enterprise suppliers with diversity in our sourcing activities, whenever possible. With a strong foundation in our corporate core value, sustainable procurement has an important role to play in our company’s corporate social investment strategy. We expect our suppliers to comply with our Supplier Code of Conduct or have their own business code of conduct that meet our requirement, and a similar approach is expected for their suppliers and subcontractors. The Group has introduced critical assessments and added in measurements and considerations on supplier sustainability concerning environment, labor, and health & safety in our supplier selection process.

To enable business units to effectively manage suppliers and mitigate any potential supplier risks, business units are required to take ownership of the process, to manage their suppliers and to perform supplier performance assessments on a regular basis. Our structured supplier management framework aims to monitor supplier performance, rectify and escalate any issues in a proactive manner.

### Compliance with Applicable Laws and Regulations which have a Significant Impact on the Group

The Group and its activities are subject to various legal and regulatory requirements. They include Telecommunications Ordinance (Cap. 106), Trade Descriptions Ordinance (Cap. 362), Personal Data (Privacy) Ordinance (Cap. 486), Unsolicited Electronic Messages Ordinance (Cap. 593), Competition Ordinance (Cap. 619), Employment Ordinance (Cap. 57) and Listing Rules. Through the implementation of internal controls and approval procedures, and appropriate in-house training provided to different units within the Group, the Company has complied in all material respects with relevant laws and regulations that have had significant impacts on the operations of the Group for the year ended 31 August 2022.

### **Personal Data Privacy Ordinance ("PDPO")**

The Group's collection, retention, processing or use of personal data in its ordinary course of business must comply with relevant requirements of PDPO. In order to comply with PDPO, security measures were implemented, training sessions and meetings with relevant business and operation units were held, to ensure that the Group is securely equipped and compliant with the law.

### **Telecommunications Ordinance ("TO")**

As licensees under the TO, the Group is required to operate in compliance with the TO and licence conditions including providing satisfactory level of service, ensure interconnection with other telecommunications networks and sharing of facilities owned by them. If licensees fail to comply with the TO or relevant licence conditions, fines may be imposed by the Communications Authority ("CA").

The TO has been amended by the Telecommunications (Amendment) Ordinance 2021 with effect from 24 June 2022, which amongst other matters, introduced measures to enhance protection of underground telecommunications infrastructure by creating certain criminal offences against any person who does not take reasonable steps and measures to protect or prevent damage to underground telecommunications lines when carrying out works. The CA has also issued guidelines to give relevant stakeholders practical guidance on precautionary measures to ensure compliance.

### **Trade Descriptions Ordinance ("TDO")**

False trade descriptions of goods and services, misleading omissions, bait advertising, etc., are prohibited under the TDO. If any of the aforesaid offences are committed, it may result in criminal prosecution and fine and imprisonment may be imposed. To ensure compliance with the TDO, all sales and marketing materials are reviewed to ensure compliance and refresher training sessions are provided to sales and marketing units from time to time.

### **Competition Ordinance ("CO")**

Under the CO, agreements or concerted practices between undertakings that have the object or effect of preventing, restricting or distorting competition in Hong Kong are prohibited. Likewise, an undertaking that has a substantial degree of market power is also prohibited from abusing its power through engaging in conduct that has the object or effect of preventing, restricting or distorting competition in Hong Kong. Failure to comply with these competition rules could result in the Competition Tribunal imposing a fine and disqualification of Directors. To ensure compliance with the CO, training sessions were conducted for all business units before the CO came into effect and a further update session was conducted after the CO came into effect for managerial and above level Talents. A compliance guideline manual was prepared for Talents involved with sales, marketing, business tenders, pricing, contracts and strategy formation.

## **Consolidated Financial Statements**

The financial performance of the Group for the year ended 31 August 2022 and the financial position of the Group as at that date are set out in the consolidated financial statements on pages 128 to 221 of this annual report.

## **Recommended Dividend and Revision of Dividend Policy**

As disclosed in the announcement on 27 October 2022, due to macroeconomic downturn caused by the COVID-19 pandemic, and exacerbated by geopolitics and rising interest rates, the Board considers it prudent to strengthen our business resilience by adopting the revised dividend policy which will give us more flexibility and agility to seize more business, investment, growth, and early debt repayment opportunities. Therefore, the Board announces to revise the dividend policy of the Company with effect from 27 October 2022. Please refer to the announcement of the Company dated 27 October 2022 for further details.

The Company seeks to provide stable and sustainable returns to the shareholders of the Company. In determining the dividend amount, the Board will take into account the Group's financial performance, investment and funding requirements, early debt repayment, prevailing economic and market conditions, and other factors that the Boards may consider relevant and appropriate. In general, the Company targets to pay dividends in an amount of not less than 75% of the adjusted free cash flow. The Board will review the dividend policy and payout ratio as appropriate from time to time.

The Board recommended the payment of a final dividend of 20 cents per share for the year ended 31 August 2022 (31 August 2021: 37.5 cents per share) to the shareholders whose names appear on the register of members of the Company on Thursday, 29 December 2022. Subject to the approval by the shareholders at the 2022 Annual General Meeting, the proposed final dividend is expected to be paid in cash on or around Friday, 6 January 2023.



Based on the terms and conditions of the vendor loan notes issued by the Company to TPG Wireman, L.P. ("TPG Wireman") and Twin Holding Ltd ("Twin Holding") with a principal amount of \$970,468,828 each (the "Vendor Loan Notes"), the holders of Vendor Loan Notes are entitled to receive a cash amount payable by the Company equal to \$33,464,442 based on the 20 cents final dividend per ordinary share declared by the Company for the year ended 31 August 2022, as if the holders of the Vendor Loan Notes were holders at 167,322,212 ordinary shares in the Company as at the record date for such final dividend. Such cash amount will be paid by the Company to the holders of Vendor Loan Notes on or around Friday, 6 January 2023, being the date on which the 2022 final dividend will be paid by the Company.

## Subsidiaries, Joint Ventures and Associates

Details of the principal subsidiaries, joint ventures and associates of the Group as at 31 August 2022 are set out in notes 12 and 13 to the "Notes to the Financial Statements", respectively.

## Share Capital

Details of the movements in share capital of the Company during the year are set out in note 30 to the "Notes to the Financial Statements".

## Financial Summary

A summary of the results and of the assets, equity and liabilities of the Group for the last five financial years is set out on pages 222 and 224 of this annual report.

## Retirement Schemes

Details of the retirement schemes of the Group are set out in note 8 to the "Notes to the Financial Statements".

## Bank Loan

Particulars of bank loan of the Group as at 31 August 2022 are set out in note 20 to the "Notes to the Financial Statements".

## Donations

During the year ended 31 August 2022, the Group did not make any charitable and other donations (2021: Nil).

## Distributable Reserves of the Company

As at 31 August 2022, the Company's reserves available for distribution to shareholders were \$4,942,060,000 (2021: \$5,074,856,000).

## Directors and Directors' Service Contracts

The Directors of the Company during the year ended 31 August 2022 and up to the date of this report are:

	Name of Director
Chairman and Independent Non-executive Director	Mr. Bradley Jay HORWITZ
Executive Directors	Mr. Chu Kwong YEUNG Mr. Ni Quiaque LAI
Non-executive Directors	Mr. Agus TANDIONO (appointed on 14 December 2021) Ms. Shengping YU (appointed on 14 December 2021) Mr. Zubin Jamshed IRANI Ms. Suyi KIM (resigned on 14 December 2021) Mr. Teck Chien KONG (resigned on 13 December 2021)
Independent Non-executive Directors	Ms. Edith Manling NGAN (appointed on 1 September 2022) Mr. Stanley CHOW Mr. Yee Kwan Quinn LAW, SBS, JP

A full list of names of the Directors of the Group's subsidiaries can be found in the Company's website at [www.hkbnltd.net](http://www.hkbnltd.net) under "Our Company/Corporate Governance".

Currently, all Directors are subject to retirement by rotation at least every three years and re-election in accordance with the Listing Rules and the amended and restated memorandum and articles of association of the Company (the "Articles"). At least one-third of Directors shall retire from office every year at the Company's annual general meeting.

In accordance with article 16.18 of the Articles, Mr. Ni Quiaque LAI, Executive Director of the Company, Mr. Bradley Jay HORWITZ and Mr. Stanley CHOW, Independent Non-executive Directors of the Company, shall retire from office at the forthcoming annual general meeting and shall be eligible for re-election. All remaining Directors shall continue in office.

Pursuant to article 16.2 of the Articles, any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting. According to this provision, Mr. Agus TANDIONO and Ms. Shengping YU, Non-executive Directors of the Company, and Ms. Edith Manling NGAN, Independent Non-executive Director of the Company, shall retire from office at the forthcoming annual general meeting and shall be eligible for re-election.

The Company has received, from each of the Independent Non-executive Directors, a confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the Independent Non-executive Directors are independent.

No Directors proposed for re-election at the forthcoming annual general meeting have service contracts with the Company or any of its subsidiaries which are not determinable by the Group within one year without payment of compensation, other than statutory compensation.

## Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 August 2022.

## Directors' and Chief Executives' Interests in Securities

As at 31 August 2022, the Directors and chief executives of the Company had the following interests and short positions in the shares, underlying shares (in respect of positions held pursuant to equity derivatives), and debentures of the Company and its associated corporations (within the meaning of Part XV of the "Securities and Futures Ordinance" (the "SFO")) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO to be entered in the register maintained by the Company referred to therein; or (c) were otherwise required to be notified to the Company and the Stock Exchange pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") set out in Appendix 10 of the Listing Rules:

### Long Position

Ordinary shares of HK\$0.0001 each in the Company

Name of Director	Note	Number of shares held	Percentage of the issued share capital of the Company
Mr. Bradley Jay HORWITZ	(a)	1,000,000	0.08%
Mr. Chu Kwong YEUNG	(b)	27,555,992	2.10%
Mr. Ni Quiaque LAI	(c)	32,604,692	2.49%
Mr. Stanley CHOW	(d)	234,500	0.02%

Notes:

- (a) Mr. Bradley Jay HORWITZ held 1,000,000 ordinary shares in the Company.
- (b) Mr. Chu Kwong YEUNG held 27,555,992 ordinary shares in the Company, in which 1,899,565 ordinary shares were held by the plan trustee under Co-Ownership Plan IV.
- (c) Mr. Ni Quiaque LAI held 32,604,692 ordinary shares in the Company, in which 1,607,570 ordinary shares were held by the plan trustee under Co-Ownership Plan IV.
- (d) Mr. Stanley CHOW held 234,500 ordinary shares in the Company jointly with his spouse, Ms. Frances WOO.

Other than the interests disclosed above, none of the Directors nor the chief executives nor their associates had any interests or short positions in any shares, underlying shares (in respect of positions held pursuant to equity derivatives) or debentures of the Company or any of its associated corporations as at 31 August 2022.

## Interests in Competing Business

During the year ended 31 August 2022, none of the Directors are considered to have an interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

## Restricted Share Unit Schemes

To attract, retain and motivate skilled and experienced Talents, the Company adopted four Co-Ownership plans, namely Co-Ownership Plan II, Co-Ownership Plan III (was terminated and replaced by Co-Ownership Plan III Plus)\*, Co-Ownership Plan III Plus and Co-Ownership Plan IV on 21 February 2015, 27 December 2017, 4 September 2019 and 21 October 2021 respectively. Co-Ownership is a powerful expression of the commitment and belief our Talents have in the Group. Unlike the more traditional approach of giving stock options to a very limited group of senior executives, the Company's Co-Ownership is open to Talents at supervisory level and above, spanning the Group's operations across Hong Kong, Macau and mainland China.

\* By reasons of (i) the occurrence of the acquisition of the entire issued share capital of WTT Holding Corp by Metropolitan Light Company Limited, a direct wholly-owned subsidiary of the Company, on 30 April 2019 (the "WTT Merger") and that the aspirational target of the adjusted available cash per share for distribution is different for the enlarged group after the WTT Merger and (ii) no grant of restricted share unit has been made under the plan since its adoption, on 21 June 2019, the Board resolved to terminate the Co-Ownership Plan III, and to adopt the Co-Ownership Plan III Plus as a replacement.

### Co-Ownership Plan II

Co-Ownership Plan II is a restricted share unit scheme adopted by the Company on 21 February 2015. The plan has a matching ratio of 7:3 (i.e. 3 restricted share units ("RSUs") would be granted by the Company for every 7 purchased shares), and the vesting schedule would also be 25%-25%-50% upon each anniversary over 3 years after the date of grant. The maximum investment amount of each participant is limited to one year of the annual compensation package.

The total number of shares that may underlie the RSUs granted pursuant to the Co-Ownership Plan II shall be (i) 10% of the shares in issue on 12 March 2015 (the "Listing Date"), the date on which the Company was listed on the Stock Exchange or (ii) 10% or less of the shares in issue as at the date following the date of approval of the renewed limit (as the case may be). The Co-Ownership Plan II shall be valid and effective for the period commencing on the Listing Date and expiring on the tenth anniversary thereof or such earlier date as it is terminated in accordance with the terms of the Co-Ownership Plan II, after which period no further RSUs shall be offered or granted.

In order to enable the Co-Ownership Plan II trustee to release shares to participants upon vesting of each RSU, the Company allotted and issued, on the Listing Date, by way of capitalisation issue 5,666,666 shares to the Co-Ownership Plan II trustee. Such shares represented approximately 0.56% of the total issued share capital of the Company on the Listing Date. The Co-Ownership Plan II trustee will hold such shares on trust until their release to participants upon vesting of the RSUs.

On Talents' own volition, they invested their personal savings in the amount of between two to twelve months of salary to acquire the Company's shares at full market price. The shares are then matched with free shares at a certain ratio vested over three years.

Details of movements of the Co-Ownership Plan II for the year ended 31 August 2022 are as follows:

Participants	Date of grant	Number of RSUs							
		Granted	As at 1 September 2021	Granted for the year	Forfeited for the year	Vested for the year	As at 31 August 2022	To be vested on	
								30 January/26 February 2022	2023
Other Participants	30 January 2019	329,330	97,010	-	-	97,010	-	-	-
Other Participants	26 February 2019	126,410	54,002	-	-	54,002	-	-	-
<b>Total</b>		<b>455,740</b>	<b>151,012</b>	<b>-</b>	<b>-</b>	<b>151,012</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Co-Ownership Plan III Plus

Co-Ownership Plan III Plus is a replacement of Co-Ownership Plan III which is adopted by the Company on 4 September 2019.

Under the Co-Ownership Plan III Plus, the granting of the RSUs to the eligible participants depends on the level of the adjusted available cash per share for distribution achieved, on a cumulative basis, during the 2019, 2020 and 2021 financial years. The minimum level of the adjusted available cash per share for distribution required to be achieved by the Company before any RSU would be granted is an amount in excess of \$2.53 on a cumulative basis over the 2019, 2020 and 2021 financial years of the Company. If the adjusted available cash per share for distribution, on a cumulative basis, over the 2019, 2020 and 2021 financial years of the Company reaches \$3.03, RSUs would be granted to the grantees on the basis that the grantees would, subject to the satisfaction of the vesting conditions and on the vesting date, receive 1.33 award share for every purchased share. The granting of the RSUs would occur earlier than the publication of the annual results of the Company for the 2021 financial year if the maximum targeted accumulated adjusted available cash per share for distribution is achieved prior to the end of the 2021 financial year. Details of the scheme are contained in the circular of the Company dated 29 July 2019.

The cumulative adjusted available cash per share for distribution achieved by the Company was below the minimum level of \$2.53 over the 2019, 2020 and 2021 financial years of the Company, therefore no RSUs were granted and accordingly, no new shares were allotted and issued. The Co-Ownership Plan III Plus will be naturally expired in October 2023.

### Co-Ownership Plan IV

Co-Ownership Plan IV is similar to Co-Ownership Plan III Plus, which was adopted by the Company on 21 October 2021. Under the Co-Ownership Plan IV, the granting of the RSUs to the eligible participants depends on the level of the adjusted available cash per share for distribution achieved, on a cumulative basis, during the 2022, 2023 and 2024 financial years. If the adjusted available cash per share for distribution, on a cumulative basis, over the 2022–2024 financial years reaches \$3.01, the participants (including the Charitable Fund) would be granted with one RSU for every CO4 qualifying share of each participant under the Co-Ownership Plan IV, and each participant would, subject to the satisfaction of the vesting conditions and on the vesting date, receive one new award share for every RSU that he/she/it is granted. Details of the scheme are contained in the circular of the Company dated 21 September 2021.

Details of the movement of rollover and purchase of Shares for the Co-Ownership Plan IV for the year ended 31 August 2022 are as follows:

1st Batch CO4 Qualifying Shares	Number of rollover shares from Co-Ownership Plan III Plus	Number of Shares purchased for the year ended 31 August 2022	Number of shares purchased to be forfeited for the year ended 31 August 2022 (i.e. purchased shares returned to Bad Leavers*)	Number of shares under Co-Ownership Plan IV as at 31 August 2022	Approximate percentage of the issued share capital of the Company as at 31 August 2022	Approximate percentage of Shares purchased under the Scheme Mandate Limit utilised as at 31 August 2022
Executive Directors of the Company:						
– Mr. Chu Kwong YEUNG	848,002	1,051,563	–	1,899,565	0.14%	5.14%
– Mr. Ni Quiaque LAI	556,007	1,051,563	–	1,607,570	0.12%	4.35%
Directors of the Company's subsidiaries	667,800	99,381	–	767,181	0.06%	2.07%
Other participants	7,416,120	1,377,656	364,838	8,428,938	0.64%	22.80%
<b>Total</b>	<b>9,487,929</b>	<b>3,580,163</b>	<b>364,838</b>	<b>12,703,254</b>	<b>0.96%</b>	<b>34.36%</b>

\*Please refer to the circular of the Company dated 21 September 2021 for the definition of Bad Leavers.



## Arrangements to Purchase Shares or Debentures

Saved as disclosed in the “Restricted Share Unit Schemes” above, at no time during the year ended 31 August 2022 was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate.

## Interests of Substantial Shareholders

As at 31 August 2022, to the best knowledge of the Directors and chief executives of the Company, the following persons (other than any Directors or chief executives of the Company) were substantial shareholders, had notified the Company of their relevant interests in shares and underlying shares (in respect of positions held pursuant to equity derivatives) representing 5% or more of the issued share capital of the Company which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept under Section 336 of Part XV of the SFO:

### Long Position

Ordinary shares of HK\$0.0001 each in the Company

Name of shareholders	Note	Number of ordinary shares or underlying shares	Percentage of the issued voting shares of the Company
Canada Pension Plan Investment Board	(a)	182,405,000	13.91%
GIC Private Limited	(b)	92,156,005	7.03%
Mr. David BONDERMAN	(c)	228,627,451	17.43%
Mr. James George COULTER	(d)	228,627,451	17.43%
Mr. Michael ByungJu KIM	(e)	228,627,451	17.43%
Mr. Bryan Byungsuk MIN	(f)	228,627,451	17.43%

Notes:

- (a) Canada Pension Plan Investment Board is the beneficial owner of 182,405,000 ordinary shares of the Company.
- (b) GIC Private Limited is the beneficial owner of 92,156,005 ordinary shares of the Company.
- (c) Mr. David BONDERMAN, through corporations directly and indirectly controlled by him, namely TPG Asia Advisors VI, Inc. and TPG Wireman, L.P., held 228,627,451 ordinary shares in the Company, in which 83,661,106 ordinary shares were under convertible instruments, and was accordingly deemed to be interested in the shares held by the aforesaid companies.
- (d) Mr. James George COULTER, through corporations directly and indirectly controlled by him, namely TPG Asia Advisors VI, Inc. and TPG Wireman, L.P., held 228,627,451 ordinary shares in the Company, in which 83,661,106 ordinary shares were under convertible instruments, and was accordingly deemed to be interested in the shares held by the aforesaid companies.
- (e) Mr. Michael ByungJu KIM, through corporations directly and indirectly controlled by him, namely MBK GP III, Inc., MBK Partners GP III, L.P., MBK Partners Fund III, L.P., MBK Partners JC, L.P., Twin Holding Ltd and Twin Telecommunication Ltd held 228,627,451 ordinary shares in the Company, in which 83,661,106 ordinary shares were under convertible instruments, and was accordingly deemed to be interested in the shares held by the aforesaid companies.
- (f) Mr. Min Bryan Byungsuk, through corporations directly and indirectly controlled by him, namely MBK Partners JC GP, Inc., MBK Partners JC GP, L.P., MBK Partners JC, L.P., Twin Holding Ltd and Twin Telecommunication Ltd held 228,627,451 ordinary shares in the Company, in which 83,661,106 ordinary shares were under convertible instruments, and was accordingly deemed to be interested in the shares held by the aforesaid companies.

Other than the interests disclosed above, the Company has not been notified of any other relevant interests or short positions in the shares or underlying shares (in respect of positions held pursuant to equity derivatives) of the Company as at 31 August 2022.

## Related Party Transactions

Certain related party transactions as disclosed in note 36 to the “Notes to the Financial Statements” for the year ended 31 August 2022 did not constitute connected transaction or continuing connected transaction as defined under Chapter 14A of the Listing Rules.

## Connected Transactions and Directors’ Interests in Contracts

The Company adopted the Co-Ownership Plan IV on 21 October 2021. According to the Co-Ownership Plan IV, the Company may invite all the eligible Talents to participate the scheme, which includes 8 connected participants who are directors or chief executive of the Company, or directors or chief executive of the Group’s subsidiaries as at the date of this report. As the connected participants are connected persons of the Company, the potential grant of RSUs to the connected participants under the Co-Ownership Plan IV would constitute connected transaction of the Company under Chapter 14A of the Listing Rules. Please refer to the announcement of the Company dated 19 August 2021 and the circular of the Company dated 21 September 2021 for details. As at 31 August 2022, there was no grant of RSUs to the connected participants under the Co-Ownership Plan IV.

Save as disclosed, during the year ended 31 August 2022, the Company did not undertake any connected transaction (as defined under Chapter 14A of the Listing Rules). No contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 August 2022.

## Major Customers and Suppliers

For the year ended 31 August 2022, the aggregate amount of revenue attributable to the Group’s five largest customers were approximately 24.4% of the Group’s total revenue and the revenue attributable to the Group’s largest customer were approximately 19.4% of the Group’s total revenue.

For the year ended 31 August 2022, the aggregate amount of purchases and costs incurred attributable to the Group’s five largest suppliers were approximately 43.9% of the Group’s total purchases and costs incurred, and purchases and costs incurred from the largest supplier accounted for approximately 33.6% of the total purchases and costs incurred.

At no time during the year, did a Director, an associate of a Director or a shareholder of the Company, which to the knowledge of the Directors owns more than 5% of the Company’s issued share capital, have an interest in the share capital of any of the five largest customers or suppliers of the Group.

## Update on Directors’ Information under Rule 13.51B(1) of the Listing Rules

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors of the Company since the publication of the Company’s 2022 interim report are set out below:

Mr. Quinn Yee Kwan LAW has retired as an independent non-executive director and has been appointed as an external supervisor and the chairman of the nomination committee of the board of supervisors of Bank of Tianjin Co., Ltd. (stock code: 1578) with effect from 22 August 2022.

Ms. Edith Manling NGAN has been appointed as an Independent Non-executive Director, the chairman of the Environmental, Social and Governance Committee, and a member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company with effect from 1 September 2022.

## Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 August 2022.

## Directors' Emoluments and Five Highest Paid Individuals

The emoluments of the Directors of the Company are recommended by the Remuneration Committee and are decided by the Board, having regard to the Group's operating results, individual performance and comparable market statistics. Details of the remuneration of the Directors and those of the five highest paid individuals of the Group for the year ended 31 August 2022 are set out in notes 5 and 6 to the "Notes to the Financial Statements", respectively.

## Pre-emptive Right

There are no provisions for pre-emptive rights under the Articles, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

## Corporate Governance

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the "Corporate Governance Report" section on pages 102 to 120 of this annual report.

## Sufficiency of Public Float

On the basis of information that is publicly available to the Company and within the knowledge of the Directors of the Company, the Company has maintained a sufficient public float as required under the Listing Rules during the year ended 31 August 2022 and up to the date of this annual report.

## Indemnity of Directors

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the Directors of the Company is currently in force and was in force throughout the year ended 31 August 2022.

## Subsequent Event

The Environmental, Social and Governance Committee was established by the Company on 1 September 2022.

Ms. Edith Manling NGAN has been appointed as an Independent Non-executive Director, the chairman of the Environmental, Social and Governance Committee, and a member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company with effect from 1 September 2022.

Saved as disclosed, no significant events occurred after the end of the reporting period.

## Professional Tax Advice Recommended

If the shareholders of the Company are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the shares of the Company, they are advised to consult an expert.

## Auditors

The financial statements have been audited by KPMG who shall retire and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

The Company has not changed its auditors since the Listing Date.

On behalf of the Board

**Mr. Chu Kwong YEUNG**

Executive Director

Hong Kong, 27 October 2022

As highlights of our achievements, HKBN proudly received the following awards and recognitions in FY22:

### MSCI ESG Rating of AA in 2021\*



### Hang Seng Corporate Sustainability Index Series – AA Rating for the past 3 consecutive years (2020, 2021 and 2022)



Hang Seng Corporate Sustainability Index Series Member 2022-2023

### Amazon Web Services

- AWS Managed Service Provider Partner of the Year



### FORTINET

- Top Performance – Secure Access Solutions
- Star Performer Award – Presales – Security-Driven Networking
- Advanced Partner



### Cisco

- Greater China Technology Excellence: Collaboration
- Greater China Managed Services Partner of the Year



### Most Respected Organizations Award by the Hong Kong Management Association

### H3C

- 2021 Top Growth Partner Award
- Gold Partner



### NetApp

- FY22 Solution Innovation Award (the only Hong Kong winner in APAC region)



\* [https://reg.hkbn.net/WwwCMS/upload/pdf/en/2021\\_mscidisclaimer.pdf](https://reg.hkbn.net/WwwCMS/upload/pdf/en/2021_mscidisclaimer.pdf)



### Poly: Partner of the Year

- No.1 Voice Partner of Greater China



### PCM

- Best of IT Business Broadband Service Provider



### Alibaba Cloud

- SI & Telecom Rising Star Award



### Check Point Software Technologies Ltd

- Outstanding Performance Partner 2021 — Harmony



### Jabra

- HKTW Top Reseller of the Year 2021 Award



### Caring Company by the Hong Kong Council of Social Service



### East Week

- Hong Kong Service Awards 2022 – Internet Service



### LinkedIn Talent Award 2021 – Best Employer Brand

### HR Magazine Awards 2021

- Best Work-life Integration – Silver Award
- Best Recruitment Campaign – Bronze Award
- Best Covid-19 HR Initiative – Bronze Award