

14th July 2017

Dear Hope Makers,

It was a real pleasure receiving your presentations. Rather than offer additional feedback on your proposals, I would like to offer a few general observations:

- **Great ideas normally start as bad ideas.** When we look at great companies today like Google, Airbnb, Tesla etc, they all started as very different ideas but pivoted as they evolve, i.e. none of them was born perfectly formed. In my view, it doesn't really matter what your start-up idea is, rather is how you consistently pivot, refine and improve that determines long term success or failure.
- **Stumble onto greatness.** When we venture into unexplored territory, we do not have a map, so we must make lots of course adjustments along the way. The key is to be able to afford a lot of adjustments, i.e. reducing the cost your beta launches so that can afford more attempts.
- **Reaction to rejections.** Rejections are normal, so it was how you react to them that stands you apart. By definition, a great idea is something that others don't see, otherwise they would have already actioned upon it and it will no longer be a great idea.

HKBN was a start-up in 1992 funded by family and friend's capital. Along the way, we have made far more bad decisions than good decisions, but we keep the cost of the failures low and scale the wins massively. Imagine if you flip a coin and lose \$1 for every tail but gain \$10 for every head, i.e. even with 50:50 outcome, you will do extremely well over time. This is our HKBN approach to business, i.e. we are not the smartest guys in the room but we play with the odds in our favour by limiting our losses and scaling our wins.

Good luck on your journey to making a positive impact on our World. Should you ever need a sounding board, please do not hesitate to reach out to me.

NiQ Lai



COO & Co-Owner

Hong Kong Broadband Network