



# ENTERING A PORTAL OF POSSIBILITIES

ANNUAL REPORT 2022

5G



# 5G



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# ENTERING A PORTAL OF POSSIBILITIES

The future is shaped by a world of transformative possibilities.

StarHub is leading the wave of evolving digitalisation, as a catalyst of change for society.

We paved the way with our DARE+ strategic roadmap to transcend beyond telco in 2021, and we have gained pace in 2022, becoming a digital ecosystem player across our Consumer and Enterprise businesses.

StarHub is primed to accelerate our pace in 2023 to create value and deliver new growth opportunities that will enhance long-term total shareholder returns.

**Welcome to the portal of the new digital ecosystem.**





**INFINITE CONTINUUM  
OF DIGITAL  
EXPERIENCES**



LIVE

5G

# SHAPING A WORLD OF INFINITE FUN

At StarHub, the future is an infinite window of possibilities that elevates the way consumers live, play and experience.

That is why we have made it our priority to advance Infinity Play, delivering more first-in-market digital innovations for our customers' every need — from OTT streaming across all devices, cloud gaming, healthcare and peace of mind products such as cybersecurity and insurance. There is always something for everyone.

---

**6**  
Consumer  
Verticals

Fully-Integrated  
Continuum of  
Digital Products

**1.5 & Growing**  
Average Number of  
Services Registered Per  
New Customer in 2022

**60%**  
of Customers with  
Multiple StarHub Services

**>60%**  
Customers Who Have  
Exceeded 5 Years with  
StarHub

**CONVERGENCE OF**  
+ CONNECTIVITY  
+ CLOUD  
+ CYBERSECURITY



# SMART ORCHESTRATOR FOR ENTERPRISE TRANSFORMATION

With the expansion of StarHub's Enterprise capabilities through recent acquisitions, we are well-positioned to capitalise on a growing need for integrated solutions converging Connectivity, Cloud, and Cybersecurity services. Our Future of Work proposition transforms workplaces to meet the evolving demands of a hybrid workforce, while our Green Tech Managed Services leads the way for enterprises towards a sustainable future for Singapore.

---

**+22.6%**  
FY2022 Enterprise  
YoY Revenue Growth

**+12.1%**  
FY2022 Cybersecurity  
YoY Revenue Growth

**>\$6M**  
Virtual Desktop  
Infrastructure  
Contract Wins from  
two major healthcare  
organisations

**Green Tech  
contract win**  
from NUS for SG's  
First Solar-Powered  
Outdoor 5G WiFi



# ENVISIONING CLOUD POSSIBILITIES

# EXPLORING NEW DIGITAL FRONTIERS

To enable digital experiences and enterprise solutions for the future, StarHub is embarking on a radical multi-year transformation, simplification and cloudification of its IT and Network infrastructure. This unique architecture will place StarHub as a forerunner, pushing new boundaries and creating elevated value for all stakeholders.

## Cloud Infinity

Proprietary infrastructure differentiator enabling new Consumer and Enterprise applications

Beta version of **new app platform**  
launched in November 2022  
**>20% YoY MAU Growth**

**+14%**  
Online Transactions  
YoY Growth

**>25%**  
Higher TV+ NPS  
vs Legacy TV

# TRANSCENDING BEYOND TELCO

# REDEFINING THE DIGITAL LANDSCAPE

We aspire to transcend traditional telco services to become Singapore's digital platform, offering infinite possibilities and enriched experiences, as well as enabling digital businesses of tomorrow. We are not doing this on our own — we are building an ecosystem of strategic partners and curating the best brands and services to be on our digital platform to create greater value for all stakeholders.

## Our Aspiration: **Singapore's Digital Platform**

**2 in 3 Households**  
Are StarHub customers

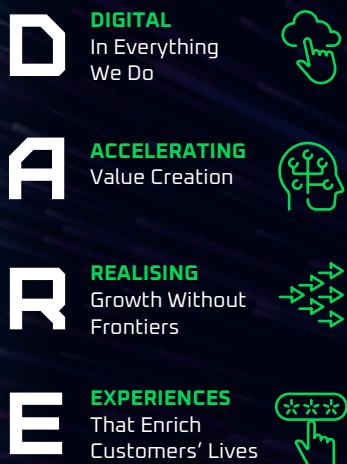
**2.5x**  
Services per customer

**Strong #2**  
In Mobile and Enterprise  
ICT/Managed Solutions  
businesses

**#1**  
Broadband,  
Entertainment,  
Cybersecurity  
market  
leadership

**Extended Reach**  
Scale up businesses  
regionally

# DARE<sup>+</sup> Growth Roadmap

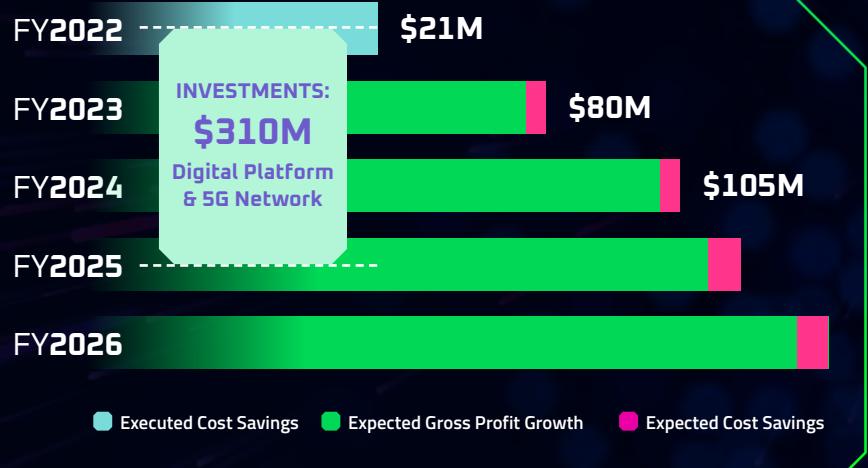


- + Consumer Infinity Play & Adjacent Businesses
- + Next-Gen 5G Enterprise Products & Solutions
- + IT Transformation for simplification & agility
- + Customer Experience – optimisation and simplification
- + Continued cost rationalisation
- + Intelligent 5G rollout
- + Network investments to support new businesses
- + Cloud Infinity

## FIRST YEAR PROGRESS UPDATE

\$500M IN TARGET OUTCOMES UNCHANGED	
Despite increase in investments from \$270M to \$310M. Additional costs relating to Premier League will be offset by additional growth outcomes to be derived from Cloud Infinity.	
<b>~\$21M IN OUTCOMES ACHIEVED IN FY2022</b>	
Below original target of \$35M: Exceeded savings target from network and operational optimisation; offset by below-target margin growth due to delays relating to IT and Network Transformation, and additional Consumer verticals launched in FY2022.	
<b>EXPECTED INVESTMENTS INCREASE TO \$310M</b>	
Increased from original \$270M estimate mainly due to investments required for Cloud Infinity network transformation.	
<b>INVESTMENT MOSTLY IN FY2023 &amp; FY2024</b>	
Due to 3- to 5- month delays in FY2022 investments relating to certain IT Transformation projects (timing of financial year).	
<b>~24% INVESTED TO DATE</b>	
Key FY2022 investments relate to IT Transformation, content (Premier League), 5G and start-up costs relating to new business initiatives.	

## DARE<sup>+</sup> Transformation + Growth



FY2022 - FY2026

## Cumulative Total Savings + Growth

**\$500M**

From FY2026

**Stable State Incremental NPAT Run Rate  
\$80M p.a.**

\*Chart not drawn to scale.

	<ul style="list-style-type: none"> <li>Infinity Play: Stable &amp; improving ARPU</li> <li>New Product &amp; Verticals: Premier League, GameHub+, ProtectHub+, LifeHub+</li> <li>Healthy traction for Green Tech &amp; other Enterprise platforms</li> </ul>		<ul style="list-style-type: none"> <li>Scale up existing verticals and launch new innovative products to strengthen Infinity Play proposition</li> <li>Pursue meaningful uplifts from Enterprise, particularly for Digital Service and Green Tech</li> </ul>
FY2022 Progress	<ul style="list-style-type: none"> <li>App platform on track: Beta release launched in November 2022</li> <li>3- to 5-month delay for IT Transformation</li> <li>Lowered content cost</li> <li>Increased network optimisation</li> </ul>	FY2023 Execution priorities	<ul style="list-style-type: none"> <li>Accelerate IT Transformation that is expected to lift margin efficiencies</li> <li>Cloud Infinity savings to accelerate reduction of network repair &amp; maintenance</li> </ul>
	<ul style="list-style-type: none"> <li>5G SA rollout on track to achieve nationwide coverage by end-FY2022</li> <li>Currently commencing foundational work on Cloud Infinity</li> </ul>		<ul style="list-style-type: none"> <li>Accelerate Cloud Infinity; also expected to yield Opex savings and legacy Capex avoidance</li> </ul>

FY2022 - FY2026

**Expected Gross Profit Growth**  
**\$220M**



FY2022 - FY2026

**Expected Savings**  
**\$280M**

FY2022 - FY2024

**Investments**  
**\$310M**

**FY2022 Progress**

Smart, Focused Growth

**-7%**Radical Simplification,  
Evolved Execution**17%**

Smart, Focused Growth

**0%**Radical Simplification,  
Evolved Execution**4%**

Network Leadership

**0%**

Smart, Focused Growth

**17%**Radical Simplification,  
Evolved Execution**40%**

Network Leadership

**8%**

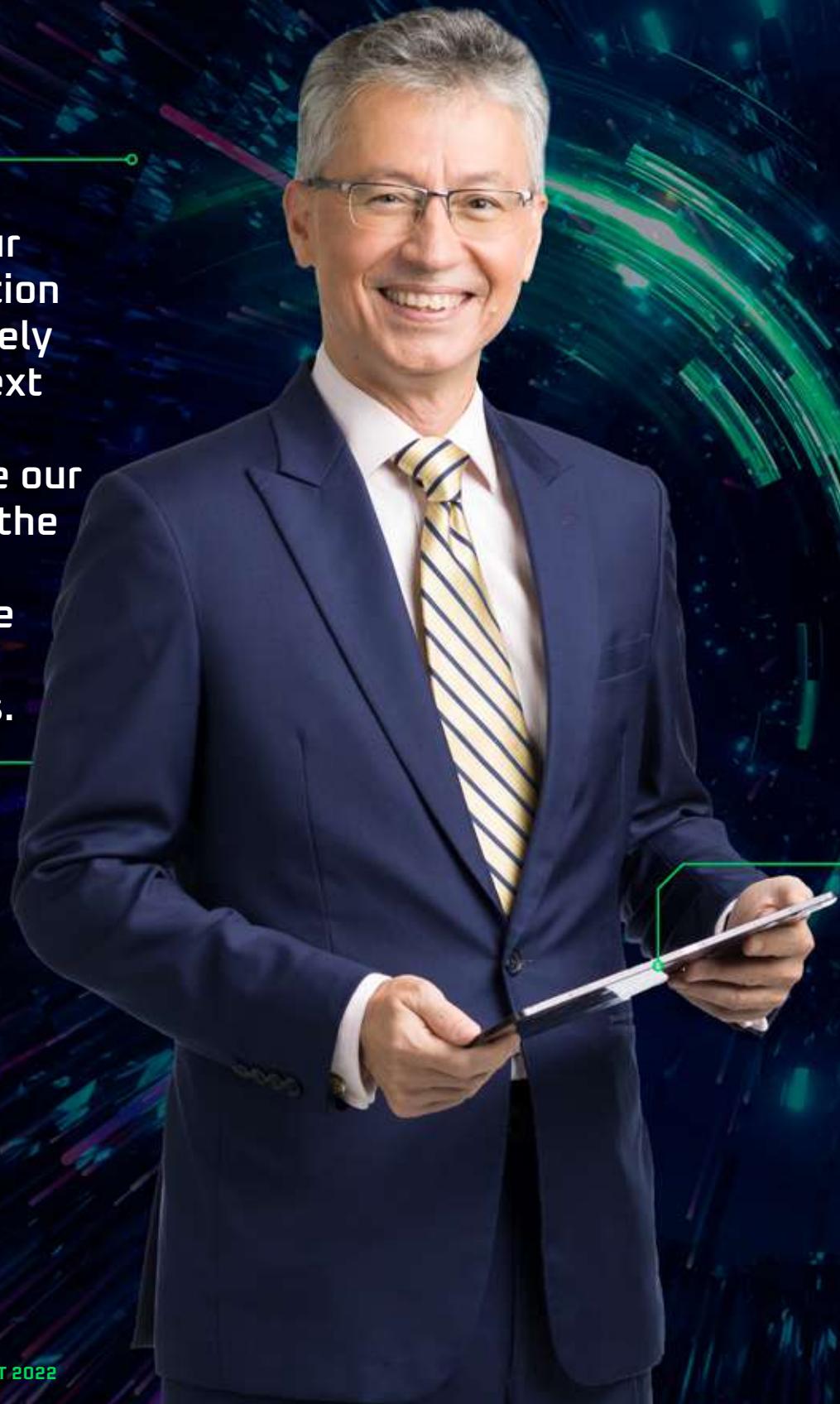
# Chairman's Message



As the results of our DARE+ transformation become progressively evident over the next 24 months, we will continually educate our stakeholders as to the improving and differentiated value StarHub's digital ecosystem delivers.

---

**Olivier Lim Tse Ghow**  
Chairman



## DEAR STARHUB SHAREHOLDERS,

It is my privilege to present StarHub's Annual Report for the year ended 31 December 2022 ("FY2022").

### **Extending Our Appreciation To Mr Terry Clontz**

It is my honour to have succeeded Terry Clontz as Chairman on 1 January 2023. Terry has served StarHub tirelessly for 23 years – first as our Founding President and CEO in 1999, then as a Director and subsequently as Chairman after retiring from his executive role in 2010.

Under his leadership, StarHub quickly grew to become the second-largest info-communication operator in Singapore offering fully-integrated quad-play services. During the course of its ascension, StarHub has paid continued dividends since its listing in 2004 and returned more than \$1.0 billion cash to shareholders through two capital reduction exercises in 2006 and 2007 while continuously investing in new infrastructure and capabilities.

More recently under Terry's chairmanship, StarHub executed its DARE 1.0 transformation to drive efficiency across its business and then embarked on DARE+ to transform the company from a telco operator to a digital ecosystem platform. The Group also strengthened its position through acquisitions such as JOS Singapore and Malaysia ("JOS SG & MY") and MyRepublic Broadband's Singapore business ("MRBB"); in addition to being a foundation and majority shareholder of Ensign InfoSecurity ("Ensign").

On behalf of the Board and entire StarHub team, I would like to extend heartfelt thanks to Terry for his vision and leadership which have given us a strong foundation. We will work hard to build on his legacy by delivering DARE+, ensuring StarHub continues to provide value to our customers, our community and our shareholders. We wish him well in his retirement and future endeavours!

### **Defining & Driving Performance**

As this is my first message, it is appropriate for me to be explicit about our beliefs and approach as a Board for continuity and alignment.

The Board's apex responsibility is to achieve sustainable holistic performance over the long term. While governance is the critical

responsibility of the Board, including the Chief Executive, it is an insufficient condition for performance. The Board is aligned around the following beliefs regarding performance and how we achieve it, and these beliefs will guide our agenda setting and engagement with the Chief Executive and his senior management team:

### **Board Composition, Diversity and Culture**

StarHub's Board comprises 12 capable and experienced directors who bring a valuable diversity of backgrounds, skills, and perspectives. We have a majority of independent directors including myself, as the first independent Chairman. Nikhil, our Chief Executive, is the only executive on the Board and has the critical role of providing clarity and transparency about our business to the Board. His leadership in developing strategy and incorporating the Board's guidance on a wide range of matters is instrumental to the transformation in progress. This strong culture of transparency and engagement amongst board members and the executive team is one that engenders open and constructive challenge, and ultimately strong alignment and conviction for a bold strategy within a complex industry.

### **Talent & Culture**

These are fundamental building blocks for sustainable performance. Culture is underpinned by a strong purpose, clear values, behaviours and the StarHub "ways of working". It is reflected in how we engage our employees and how we succeed as a team. We will intensify our focus to attract, develop and retain high-performing talent who are aligned with our culture. The talent and culture agenda will remain important areas for the Board as we intensify our efforts to deepen our bench strength to build organisation resilience.

### **Strategy Development & Alignment**

Clarity of strategy is critical for aligning and focusing resources. Strategy development must be owned by the Chief Executive and the senior management team with guidance, frameworks and constructive challenge provided by the Board. This process ensures strong alignment and conviction, and provides the Chief Executive and senior management team the support to drive transformation across the entire organisation. It also ensures that the Board is in a position to calibrate and provide the necessary resources for the organisation to execute with a sense of urgency and intensity.

# Chairman's Message

## FY2022 FINANCIAL PERFORMANCE

As at 31 December 2022

**S\$2.3B**

(+13.9% YoY)

Total Revenue

**S\$1.9B**

(+17.2% YoY)

Service Revenue

**1.38x**

Net debt to EBITDA

**S\$574M**

Cash and cash  
equivalents

**S\$222M**

Free Cash Flow

**S\$384M**

Operating  
Cash Flow

### Organisational Development

With ambitious transformation comes both the need and opportunity for change management, capability building, organisation and business model redesign, process simplification, leadership and talent development. These are all important workstreams to ensure the successful outcomes of DARE+. The Board will maintain a high level of visibility and engagement with our Chief Executive and senior management team on this topic.

### Long Term Total Shareholder Return ("TSR")

This is our apex metric for returns, driven by our DARE+ growth and transformation initiatives that will enhance StarHub's long-term competitiveness and market position. Return on Capital, Return on Equity, Operating Cash Flow, astute capital investment, and Free Cash Flow are primary metrics that drive TSR. Integrated capital management is a critical discipline that balances the needs of investment, optimisation of leverage, maintaining a margin of safety, and the return of capital to shareholders. This discipline will continue.

### Holistic Performance is more than just TSR

While TSR is a key measure of performance, holistic performance must go beyond this to include:

- Continuing to nurture StarHub as a purpose-driven organisation that makes positive societal impact through technology; and attracts and retains like-minded talent
- Creating the conditions for employees to have fulfilling careers filled with growth, achievement, pride and camaraderie
- Delivering high customer value and satisfaction
- Delivering on all our goals in a manner that balances the complex and interdependent environmental, social and governance goals of multiple stakeholders

### FY2022 Financial Performance Reflecting DARE+ Traction

StarHub's FY2022 performance was a reflection of the initiatives executed over the past two years that have positioned us well in anticipation of post-COVID-19 recovery. StarHub achieved higher revenue across all segments, even if first-time contributions from recent acquisitions (such as JOS SG & MY and MRBB) were excluded.

Infinity Play has allowed us to maintain and even improve ARPU despite continued price erosion in the industry. The re-prioritisation of our Enterprise business to focus on new

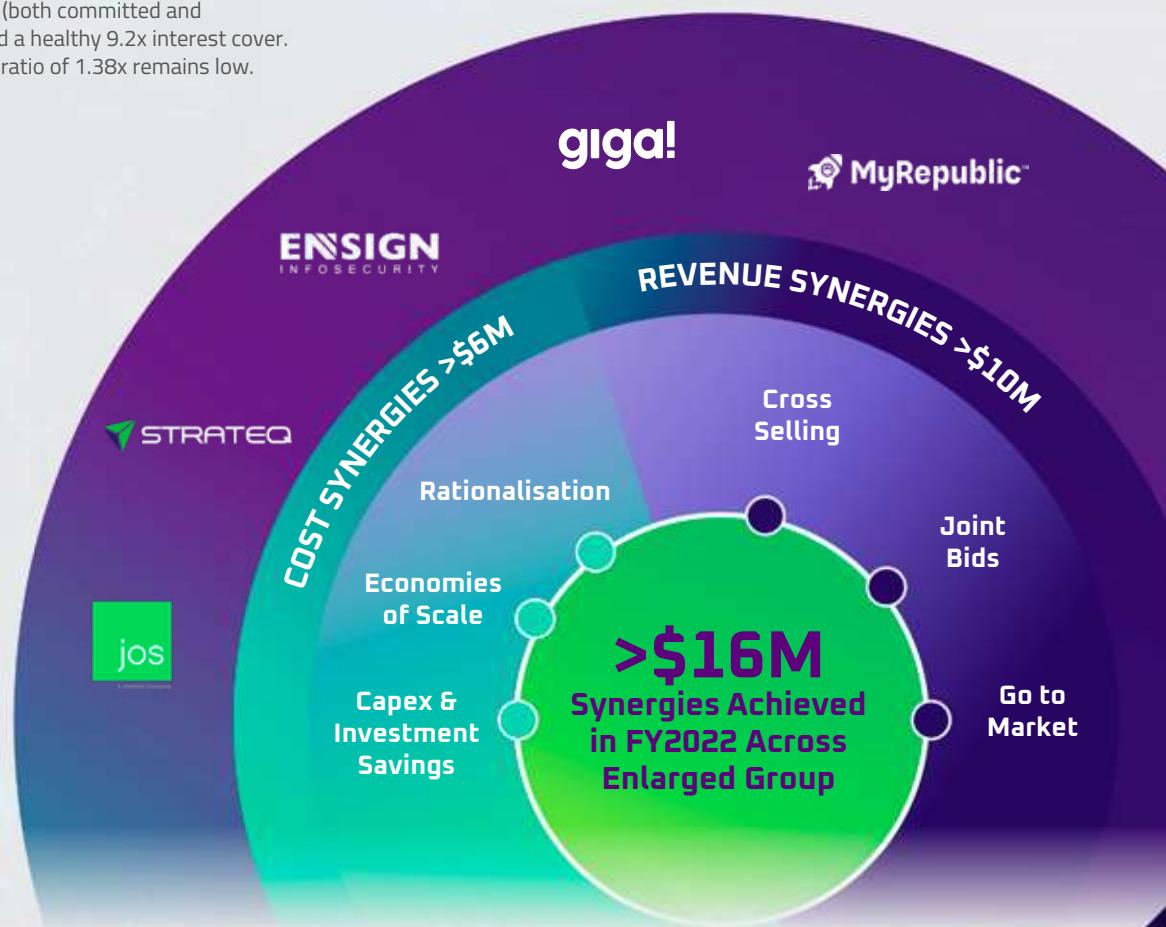
digital solutions positioned us well to capitalise on the reopening of the economy, delivering growth for the Network Solutions segment in FY2022. Our Cybersecurity arm, Ensign, continued to deliver double-digit YoY revenue growth with significantly improved profitability, and Regional ICT Services also delivered growth, having benefitted from our initial integration efforts that have already resulted in meaningful revenue and cost synergies.

We continue to exercise prudence and discipline in critical business decisions to support DARE+ ranging from evaluating investments, managing expenditure, and optimising our capital structure. StarHub continues to enjoy strong cash generation, a healthy balance sheet, and sufficient headroom to pursue growth opportunities. We remain well-positioned against the backdrop of rapidly rising interest rates, with 99% of total borrowings on fixed rates; sufficient liquidity with about \$700 million in undrawn facilities (both committed and uncommitted); and a healthy 9.2x interest cover. Our Debt/EBITDA ratio of 1.38x remains low.

### Delivering Shareholder Returns

Dividends will continue to be an important contributor to delivering long term TSR. The Board has recommended a final dividend of 2.5 cents per share. Together with the interim dividend of 2.5 cents per share, this brings total dividend for FY2022 to 5.0 cents per share. This is in line with our dividend policy to distribute at least 80% of net profit attributable to shareholders, adjusted for one-off, non-recurring items; and taking into consideration short- and medium-term business conditions, cash flow and investment requirements; as well as results from the ongoing business transformation initiatives.

As the results of our DARE+ transformation become progressively evident over the next 24 months, we will continually educate our stakeholders as to the improving and differentiated value StarHub's digital ecosystem delivers. From this, we are confident we can achieve above market total shareholder returns.



# Chairman's Message

## CROSS BUNDLING ACROSS VERTICALS

### Mobile



Healthy migration (incl. first 5G SIM-Only) & 5G ARPU premium in FY2022

### Broadband



Augmented market share & ARPU growth from sharpened differentiation

### Entertainment



Premier League (powerful acquisition tool); 11 OTT with addition of Viu; TV+ Pro launch

### GameHub+



Strategic partnership with NVIDIA GeForce NOW

### ProtectHub+



Protects consumers from everyday risks in their digital lives

### LifeHub+



Digitalisation of health care integrated into consumers' daily lives

## DARE+ Progress Update

I am pleased to provide an update of our progress on DARE+. DARE+ is a 5-year transformation and value creation program aimed at evolving StarHub from a traditional telco to a digital ecosystem enterprise. The focus of DARE+ is to bring positive change to every area of the business and connect customers' digital life to the digital world. The programme is complex and ambitious, with critical investment and execution over the next two years. The team will maintain a focus on achieving the outcomes of DARE+ with expected results from FY2024 and stronger long-term TSR for investors.

The progress of DARE+ remains largely on track despite increased investments in network cloud transformation. We aim to generate \$500 million in cost savings and growth over five years and \$80 million in stable-state incremental net profit growth per annum from FY2026. We achieved more than \$16 million in revenue and cost synergies in FY2022 from the integration of recent acquisitions, as illustrated in the chart on the preceding page.

The steps taken in the initial stages of DARE+ helped us capitalise on the post-COVID-19 recovery. We have focused efforts on bolstering our Infinity Play proposition and expanding Consumer verticals to embed ourselves deeply into customers' digital lives.

Our Enterprise business has strengthened capabilities to offer converged solutions in Connectivity, Cloud, and Cybersecurity. The addition of JOS SG & MY, Strateq, and MRBB have also bolstered our ability to offer end-to-end Enterprise solutions and increased revenue and cost synergies in FY2022.

With DARE+, we will continue to harness revenue and cost synergies across the entire Group – this will include the re-design of processes, monetisation models, and organisation structure. In parallel, we continue to adopt an active M&A strategy to seek out opportunities that will accelerate DARE+ outcomes.

## Commitment to Sustainability

We are delighted to be named the World's Most Sustainable Telco and one of the top 100 sustainable companies in the world in the 2023 Corporate Knights Global 100 ranking. On the back of this recognition, we will intensify our decarbonisation efforts and commit to new Scope 3 reduction targets aligned with a science-based approach, and to achieve net zero by 2050. Achieving the Scope 3 reduction targets will require close cooperation with our suppliers and vendors. It is also a key imperative for us to step up our efforts to partner, empower and enable our customers to adopt more responsible green practices with our suite of innovative Green Tech solutions.

To address increasing transparency on climate change, we also continued to build on our climate impact reporting in accordance with the recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD). We are pleased to present our inaugural quantitative scenario analysis to assess the financial impacts of key climate risks and opportunities on the business.

Moving forward, we will also keep updated with the latest developments from the International Sustainability Standards Board (ISSB) to better inform stakeholders on the material climate-related issues facing our business. StarHub is pleased to be a signatory of the Corporate Knights Action Declaration on climate policy engagement, highlighting our commitment to align our policies and trade association engagements with the goals of the Paris Agreement.

Reflecting the integration of sustainable practices across our businesses, we are pleased to have placed 7<sup>th</sup> in Singapore for policies and commitment to gender equality in the Equileap 2022 Gender Equality Report.

As for our community, we have invested close to \$1.9 million and galvanised staff volunteers across the whole group this year to support underprivileged youths and the vulnerable in our community, which garnered various community recognitions such as the People's Association Community Spirit Awards – Excellence Awards and the Community Chest Awards – Charity Silver Award. We have also remained steadfast in our support of e-waste recycling for both our own operations and our customers to create positive impacts on the environment, economy, and society.

The Board of Directors continue to oversee StarHub's overall sustainability efforts, including determination of material ESG factors and integration of the material sustainability issues into the Group's overall strategy. The Board has renewed its commitment to sustainability with an updated Risk and Sustainability Committee ("RSC") Terms of Reference, which describes the RSC's purpose, functions and responsibilities, amongst others. The RSC is supported by the Management in its efforts to manage and monitor the material ESG issues to StarHub as well as to implement the integration of our sustainability strategy into StarHub's operations.

## Acknowledgements

At the conclusion of the upcoming AGM on 21 April 2023, Mr Nihal Kaviratne will be retiring from the Board of Directors. Nihal was first appointed in 2004 as an Independent Director and was subsequently appointed our Lead Independent Director in October 2018. He has also provided valuable input as the Chairman of our Nominating and Governance Committee, as well as a member of the Audit Committee. We would like to express our heartfelt appreciation to Nihal for his contributions to the Board and Management over the last 19 years.

I would like to personally thank my Board colleagues for their invaluable counsel and contributions.

We thank Nikhil and the senior management team for their leadership in guiding Team StarHub through our ambitious DARE+ transformation to become Singapore's leading Digital Platform.

On behalf of StarHub's Board and Management, I would also like to thank our employees for their dedication and invaluable contributions to delivering our DARE+ programme. To our customers, business partners, suppliers, and shareholders, thank you for your continued support, trust, and loyalty.

**Olivier Lim Tse Ghow**  
Chairman

# StarHub's Growing Ecosystem

As at 31 December 2022

>22 Years Solid Track Record	S\$1.8B Market Capitalisation
4.8% Dividend Yield	S\$2.3B Total Revenue
S\$222M Free Cash Flow	1.38x Net Debt To EBITDA



STRENGTHENED  
CAPABILITIES AND  
MARKET SHARE



STRATEGIC  
PARTNERSHIP



## STARHUB ENTERPRISE

Connectivity | Cloud | Cybersecurity

### STARHUB ENTERPRISE

### CYBERSECURITY SERVICES

We are the partner of choice for companies on their digital transformation and sustainability journey. Drawing on the strengths, capabilities and intellectual property of our subsidiaries, we are uniquely positioned to offer converged solutions in Cybersecurity, Cloud and Connectivity. We offer a full suite of end-to-end solutions from enterprise local and international connectivity, digital solutions backed by 5G, Green Tech, Future of Work services to empower a hybrid workforce and Managed Services delivered by a capable and experienced team. We understand the complexities and are able to adapt to the needs of our customers to help their business achieve its full potential.

Ensign InfoSecurity ("Ensign") is Asia's largest pure-play cybersecurity provider, offering bespoke end-to-end solutions to address the cybersecurity needs of customers. This includes cybersecurity advisory and assurance services, architecture design and systems integration services, and managed security services for advanced threat detection, threat hunting, and incident response. Ensign's R&D unit continues to drive innovation and develop patented solutions to engage advanced threats in the digital domain.

**CONSUMER**

Infinity Play; Embedded Digital Lifestyle Provider

**1 in 2** Singapore Households is a StarHub Customer**2.2M**  
Mobile Subscribers**Strong #2****MOBILE**

Powered by Singapore's most awarded network, StarHub delivers differentiated value and experience to Mobile customers with first-to-market innovations and a growing suite of Infinity Play offerings such as Disney+ and CyberProtect. Our SIM-Only digital brand, giga! has the highest Net Promoter Score in the industry backed by its seamless end-to-end digital experience.

**478K**  
Entertainment Subscribers**#1\*****ENTERTAINMENT**

StarHub continuously pushes boundaries to deliver the best entertainment experience anytime, anywhere and on any device with enhanced value, choice and convenience. Customers have access to over 11 popular OTT brands, and TV content over a cinematic and immersive audio experience at home with our new TV+ Pro box.

**578K**  
Broadband Subscribers**#1\*****BROADBAND**

StarHub, alongside its subsidiary, MyRepublic Broadband, is now the largest Broadband provider in Singapore. Our reliable ultra high-speed fibre-optic network provides customers seeking modern living conveniences with smart homes, mesh solutions, and low-latency and uninterrupted gaming experiences.

**3 NEW BUSINESS VERTICALS****GAMEHUB+**

StarHub offers gaming enthusiasts the very best in game-play through a growing stable of partners including NVIDIA GeForce NOW.

**PROTECTHUB+**

StarHub protects consumers from everyday risks in their digital lives, including online risks (CyberCover and CyberProtect); travel risk (TravelProtection) and technology risk (SmartSupport).

**LIFEHUB+**

With a focus on preventive care, LifeHub+ connects individuals, caregivers, clinicians, allied health providers, and businesses to co-create an ecosystem offering a digital health experience to encourage better health outcomes for all.

\*By Service Revenue market share, based on internal estimates as at December 2022.

**REGIONAL ICT SERVICES**

**Our subsidiaries, Strateq and JOS Singapore & Malaysia, provide data-driven digital business solutions and information and communications technology services to customers across Asia.**

Strateq is a leading end-to-end ICT solutions provider in Malaysia, with over 30 years of proven track record and a growing presence in the ASEAN market. Strateq creates advanced and customised digital solutions for a wide range of customers, including proprietary products driven by its in-house R&D Centre of Excellence.

JOS Singapore and Malaysia have over 30 years of deep expertise in delivering in demand end-user computing, IT maintenance and infrastructure support services to meet the digital and cloud transformation needs of Enterprise customers.

# In Discussion with StarHub's Executives

CHIEF EXECUTIVE

NIKHIL EAPEN



Q

The DARE+ programme is multi-year and complex. What are the near-term catalysts/milestones/metrics that management is using to track progress? What can shareholders look forward to in the next year?

A

StarHub is underway with our multi-year DARE+ transformation, repositioning beyond telco toward a digital ecosystem platform. The premise of DARE+ is to harness the power of cloud and digitalisation across our platform, to deliver enriching digital experiences for Singapore consumers and to enable digital transformation for Singapore enterprises. In so doing, we want to drive unprecedented value to all stakeholders – consumers, enterprises, investors and employees.

We spent 2022 building this vision. We expanded Infinity Play, our continuum of Consumer product offerings. This expands our income streams and drives consumption amongst and beyond our current customer base. We built new Enterprise capabilities with an ecosystem of partners to drive new product platforms and are uniquely positioned to converge connectivity, Cloud and Cybersecurity. We are underway with the transformation of our IT infrastructure toward cloud-based platforms, to achieve agility of our business model at pace. We have now initiated our Cloud Infinity network transformation, to converge our Fixed and Mobile infrastructure onto cloud-based platforms to take us to the next level of network scalability, service provision and edge cloud and product capabilities.

With all of these initiatives put in place in 2022, we intend to continue and accelerate our re-platforming toward cloud and digital product and platforms over 2023, enabling, amplifying and accelerating our DARE+ objectives.

## Measuring the Progress & Success of DARE+

StarHub's DARE+ transformation runs on a playbook of closely interlinked re-platforming initiatives. These are mostly implemented across FY2022, FY2023 and FY2024 and expected to start delivering value from FY2024. We track our DARE+ progress closely in terms of initiatives as well as impact – from transformation execution milestones to financial and business indicators.

Over FY2022, we have continually updated stakeholders on our transformation execution milestones – expanding Infinity Play, driving new product platforms in Enterprise, cloud enabling and transforming our IT and Network, amongst many other initiatives.

We also set financial targets for FY2022 to reflect the impact of our DARE+ transformation, across Service Revenue, Service EBITDA and Capex Commitment in a guidance offered to the market in February 2022; alongside internal targets for Free Cash Flow. Service Revenue growth is a key indicator of our transformation progress, and we materially exceeded our guidance for FY2022, with secular growth across every business line. We were also able to manage within our 20% EBITDA margin target, exceeding our guidance alongside higher revenue. Notably, we were able to absorb unanticipated macro and inflationary costs while managing within or outperforming our financial targets for DARE+ in FY2022.

We keep track of key business indicators to ensure our business verticals continue to perform and reflect our DARE+ investments and progress made. With Infinity Play, we track indicators such as the take-up of not only our traditional connectivity, but also newer products such as OTT streaming, cloud gaming, consumer cyber products and many others. We also look holistically at the number of services taken up by a customer, Net Promoter Score to gauge customer satisfaction, Average Revenue Per User, subscriber churn rates, customer lifetime value and revenue market share.

For Enterprise, we look at pipeline build up, order book and contract wins, both from traditional connectivity as well as new focus areas within ICT and digital services. These business indicators offer a more sensitive and timely view on the effectiveness and results from key projects and initiatives as we move at pace.

## Positioning for FY2023 and Beyond

While our FY2022 financial results have seen short-term impact from our DARE+ investments, these investments are focused on building growth, efficiency and competitiveness for the long-term. Excluding one-off impacts from these investments and macro and inflationary cost factors, we observed strong exit run rates for our business lines in FY2022 with robust operating trends and growth. We believe FY2022 was a profitability trough for DARE+. We intend to accelerate our DARE+ initiatives in FY2023 and harvest from FY2024.

Over FY2023, we intend to further deliver on transformation execution milestones with the expansion of Infinity Play product releases on our cloud-based IT and app platform, further repositioning toward growth enterprise verticals across Cloud, Cloud Connectivity and Cybersecurity and to make significant progress on our Cloud Infinity network transformation.

We also intend to continue driving key business indicators forward in FY2023 and beyond, around new- and multi-product take up, customer satisfaction and customer lifetime value in Consumer and Enterprise pipeline build-up, order book and contract wins with a sharper focus on our growth areas.

Last on financial indicators, we reiterate our DARE+ long term target to achieve \$500 million of growth and efficiency outcomes from FY2022 to FY2026, absorbing increased investments for Cloud Infinity as well as increased macro and inflationary costs. We also reiterate our short-term targets for FY2023, to achieve continued revenue growth against investments that will be reflected in our EBITDA margins and Capex. An important interim goal is to achieve our "breakeven" target of achieving a run rate of \$500 million in EBITDA within FY2024 and to harvest incremental returns from DARE+ thereafter.

We are applying a disciplined approach to harvesting our DARE+ investments. As we onboard new cloud-enabled and digital platforms, we are executing on a number of strategic cost management initiatives to migrate or decommission legacy systems and processes. We are focused on this critical re-platforming of our business to drive cost efficiencies, quarterly run-rate EBITDA and profitability steadily toward achieving the full potential of DARE+.

We believe that our focused delivery of DARE+ will bring value to stakeholders – consumers, enterprises, employees, investors and Singapore society as a whole. With DARE+, we intend to deliver measurable and meaningful total shareholder returns – through capital gains and dividend growth supported by sustainable business growth.

# In Discussion with StarHub's Executives

CHIEF FINANCIAL OFFICER

DENNIS CHIA



Q

In FY2022, StarHub achieved \$16 million in revenue and cost synergies from integration efforts of its subsidiaries. What can we expect in FY2023? Are there plans for more acquisitions this year?

A

Encouraged by the early outcomes of our integration efforts in FY2022, we will focus on accelerating synergies across the StarHub Group in FY2023 and beyond.

First, we seek to accelerate the development of our Regional ICT Services to provide us with critical scale that could potentially unlock and increase shareholders' value in the future. On this front, we will continue to develop scalable and vertical-focused solutions to differentiate our ICT offerings and pursue opportunities beyond Singapore and Malaysia. For Strateq, we will seek to expand its hospital information system offering and EdTech platform, allowing us to strengthen its pipeline and onboard a greater number of clinics in Malaysia.

We will also focus on building and scaling our near-shore delivery capabilities, which can be deployed across a larger customer base and broader footprint to enhance our competitiveness. We will combine our talent pool and expertise in Singapore and Malaysia to hire the right talents, ensuring that we are able to deliver quality and value to customers in a tight labour market. We expect to realise cost savings of up to 50% with cost advantages in training and talent acquisition.

Lastly, we will streamline and standardise operational functions across the Group to optimise operational efficiencies. These initiatives include establishing a common back-end platform to support our regional growth, and the consolidation of our procurement functions to realise greater cost savings and leverage economies of scale. Furthermore, we will continue to explore opportunities to better optimise our infrastructure and share costs via our Antina joint venture.

We are uniquely positioned in the market and continue to maintain a long-term view on our business. Towards this end, we will continue to explore synergistic and accretive M&As to augment our capabilities and market position, as well as to increase our scale.

**Q**

Taking the higher bound of your FY2023 Capex Commitment guidance, this implies about \$200 million in investments to be committed in FY2023. Coupled with the investments already made in FY2022, does it mean the bulk of the \$310 million in DARE+ investments will be made in FY2023? Can we expect a better performance in FY2024?

**A**

When we first launched DARE+ in November 2021, we envisaged \$270 million in investments to realise DARE+. This was based on the business initiatives and operating environment at the time of the programme's launch, and the timing and scope of our planned deliverables. The \$270 million investment quantum includes both Operating Expenses ("Opex") and Capital Expenditure ("Capex"), such as costs relating to the build-out of a skilled and experienced team to ensure the successful delivery of our DARE+ objectives and programmes, as well as the acquisition of tool sets and licenced IT platforms to enhance and complement our internal capabilities, amongst others.

A year on, in December 2022, we announced an upward revision of our DARE+ investments from \$270 million to \$310 million. The incremental \$40 million is primarily earmarked for the development of our Cloud Infinity network transformation and several other business initiatives. When completed, these initiatives will elevate and accelerate our DARE+ ambitions.

In FY2022, we incurred 24% of the \$310 million, or approximately \$75 million in Opex and Capex investments. Together with approximately \$31 million in provisions made at the end of FY2022, the aggregate amount of approximately \$106 million represents 35% of the \$310 million investment amount. We endeavour to accelerate execution and expect to deploy most of the remaining \$200 million in Opex and Capex investments in FY2023, and a smaller proportion in early FY2024.

With most of our DARE+ investments expected to be completed by mid-FY2024, we target to start harvesting DARE+ savings and benefits by 4Q2023. Accordingly, we aim to return a relatively better performance in FY2024.

## FY2023 GUIDANCE

### Service Revenue

YoY At Least

**8% - 10%**

### Service EBITDA Margin

Approx.

**20%**

### Capex Commitment

(As % of Total Revenue)

*BAU Capex<sup>1</sup>*

**5% - 7%**

*Including investments<sup>2</sup>*

**13% - 15%**

### Dividend/Share

**At Least  
5.0 Cents**

*or Dividend Policy<sup>3</sup>*

<sup>1</sup> Excluding 5G Capex and spectrum right, as well as investments relating to DARE+ and IT Transformation.

<sup>2</sup> Excluding 5G Capex and spectrum right, but including investments relating to DARE+ and IT Transformation.

<sup>3</sup> To distribute at least 80% of net profit attributable to shareholders (adjusted for one-off, non-recurring items), payable on a semi-annual basis.

# In Discussion with StarHub's Executives

CONSUMER

JOHAN BUSE

Q

What exactly is Infinity Play, what is the progress of this, and your vision for the Consumer business at the end of the DARE+ programme in FY2026?

A

Ever since we launched our service more than 20 years ago, our challenger spirit and focus on delivering a superior differentiated product experience have been embedded in StarHub's DNA. This is evident in Infinity Play, the cornerstone of the Consumer Business Group's strategy to deliver the best possible customer experience.

Centred around an unparalleled digital experience, Infinity Play combines world-class connectivity with new unique services beyond StarHub's traditional portfolio. Through Infinity Play, we have introduced new verticals such as GameHub+ (gaming), ProtectHub+ (cyber protection and insurance) and LifeHub+ (digital healthcare monitoring).

We are progressing well with Infinity Play, both in terms of capability building and commercial delivery. We expect to complete the transformation of our entire technical system at the end of FY2023, sunsetting all legacy systems and implementing an end-to-end digital customer experience to drive online sales and service transactions. Early results have demonstrated that Infinity Play has provided us with distinct differentiation, contributing to stable and improving ARPUs across all lines of business.

Our DARE+ transformation expands the Consumer Business Group product portfolio in two dimensions. Firstly, by offering new adjacent products and services in in-demand areas such as gaming, protection and healthcare monitoring. Commercial progress in these areas has been strong. A case in point is GameHub+, which has recorded steady growth since its launch in 3Q2021. We have plans to take the "one-stop" shop for gaming beyond NVIDIA and into the region.

Secondly, we will offer more OTT products and services powered by our brand-new All-In-One app ("AI1"). This will enable StarHub to sell directly to any customer without the need or prerequisite for the customer to have connectivity services with StarHub. StarHub customers will naturally enjoy preferred pricing when subscribing to services on our AI1 app.

The completeness of our offering presents opportunities for bundling, cross-selling and up-selling. As testament to this, Mobile ARPU continues to grow as a result of more roaming, while Broadband is benefiting from a higher speed plan mix and will be supported with the introduction of higher bandwidth plans, such as the 10 Gbps plans that were introduced in February 2023. Entertainment ARPU continues to be stable as a result of pricing initiatives and bundling of new OTT services, while Gaming has shown encouraging ARPU growth last few quarters.

Our DARE+ platform will offer both efficiency gains and create new and incremental revenue streams. We expect our new GameHub+, ProtectHub+ and LifeHub+ verticals to contribute to total Consumer service revenue over the mid-term, and for the Group to begin harvesting efficiency benefits from FY2024.



*We would like to invite you to learn more about the achievements and progress made by the Consumer Business Group on page 34 of this annual report.*

**Q**

What are the key growth levers of StarHub Enterprise? What excites you in the space of Connectivity, Cloud, and Cybersecurity?

**A**

At StarHub Enterprise, we believe in "Every business is a digital business". However, many companies do not possess the knowledge, resources nor the necessary technology capabilities to digitally transform. Being uniquely positioned to offer converged capabilities in Connectivity, Cloud and Cybersecurity ("3C's"), this presents us with an attractive proposition.

StarHub would like to take an active role in supporting our commercial and enterprise customers regardless where they are in their digitalisation journey. We endeavour to achieve this by delivering on our core value: "Deliver Today, Construct Tomorrow".

We "Deliver Today" traditional connectivity through our Enterprise Connectivity and Mobility service lines that form the backbone of every digital service provider. We have differentiated these traditional connectivity services by delivering exceptional customer experiences and creating new value propositions.

As a forward-thinking organisation, we continue to "Construct Tomorrow" by anticipating the future needs of our customers and the Enterprise market. What sets us apart, is our collaborative approach to co-create innovative next-generation solutions alongside customers, partners and our acquired subsidiaries, who are leaders in their own fields. This approach encourages the creation of a symbiotic ecosystem that pushes the boundaries of innovation, especially in our new growth verticals – Future of Work and Green Tech Managed Services. With our DARE+ transformation, we will establish StarHub as a leader in designing and implementing customer-first,

network-centric digital solutions for enterprises.

The 3C's are exciting digital sectors with significant growth potential in today's markets. We are able to leverage technologies, know-how, and capabilities from each of these sectors to deliver customised Enterprise solutions for our customers in any industry. On this front, we continue to work with our partners and clients to enhance digital workflows and utilise cloud technologies to organise, analyse and visualise operational data, leveraging Enterprise connectivity services across wired, wireless and mobile platforms. We also continue to deliver Smart, Safe and Sustainable solutions, which are also known as Green Tech Managed Services that leverages our 3C's capabilities.

Looking ahead, we will continue to co-create new in-demand solutions and services for a variety of industries, especially in the pertinent areas of digitalisation, sustainability and hybrid workforce. We will leverage on the 3C's to improve Enterprise operational efficiency, employee engagement and customer experience. In addition, we will advance our integration efforts across our enlarged Enterprise ecosystem to create more synergistic opportunities and derive incremental value.

**ENTERPRISE****TAN KIT YONG**

*We would like to invite you to learn more about the achievements and progress of the Enterprise Business Group on page 40 of this annual report.*

# In Discussion with StarHub's Executives

## NETWORK

### AYUSH SHARMA



Q

Cloud Infinity sounds complicated. Please explain what this all means for StarHub, customers, and shareholders. When will StarHub start reaping benefits from Cloud Infinity?

A

During Investor Day 2022 last December, we announced that we would embark on a brownfield transformation, Cloud Infinity, to boost the customer experience and productivity through asset-light, high-performance digital Infrastructure. The Cloud Infinity architecture serves our DARE+ growth and cost control initiatives and imperatives.

The central idea of Cloud Infinity is to unify our Mobile, Fixed, and media network infrastructure into a unified and autonomous digital infrastructure that is auto-responsive and dynamic to customer experience and needs. We are now developing our intellectual property ("IP") for this unique digital infrastructure that will put us ahead of the curve, addressing future challenges and capturing new business opportunities using cloud-native simplified architecture, and operating and delivery models.

To monetise our efforts, we are collaborating with leading cloud providers such as AWS, Google Cloud, NAVER Cloud, and Nokia to jointly develop a range of use cases for ultra-low latency cloud, communication, security, and entertainment services. We are currently working with NAVER Cloud to deliver a unique 5G solution for a company that operates thousands of autonomous and robotic systems; while working with other partners and Enterprise customers across a multitude of industries to co-engineer Minimum Viable Products (MVP) and use cases such as zero-touch retail services that will be anchored on advanced automation and artificial intelligence technologies.

Keeping simplicity in mind, we have identified progressive and achievable milestones for implementation. We are now in the "Hygiene" phase, collapsing all our

existing infrastructure into one unified cloud entity that will enable the next phase, "Motivation." This next phase will create a cloud-brokerage marketplace with four key platforms – Network-X, Cloud-X, Security-X, and Content-X – to engage and deliver solutions to key customers. We are moving quickly and plan to launch the first platform in FY2023. From FY2025 and beyond, we intend to replicate and scale our offerings in the "Acceleration" phase of the program to extend our reach beyond geographies and segments.

For StarHub, the revenue diversification advantages are clear. There will also be Capex avoidance and Opex efficiencies after the sunset of legacy network infrastructure in favor of our future-proof and asset-light agile cloud model.

For Consumers, Cloud Infinity will amplify Infinity Play to a whole new level, unlocking innovative services that will address future work, live and play demands, supported by an unparalleled network experience.

For Enterprises, being vendor agnostic, we will be able to address key pain points on cloud workloads faster, more flexibly, and more securely. Larger Enterprises will be able to tap our IP and capabilities for purpose-built solutions. At the same time, the smaller SMEs can leverage our expertise and resources for plug-and-play solutions in our marketplace.

And for Shareholders, we should be able to harvest early results from FY2024, starting with cost savings alluded to above and initial traction from early adopters. The market potential is significant, with great scalability beyond Singapore to create substantial value for all stakeholders.

**Q**

StarHub has disclosed that there are slight delays in IT Transformation in FY2022. Given the complexity of the multi-year programme, how are we managing the risks of execution? When will StarHub be able to start harnessing benefits from IT Transformation?

**A**

Our multi-year IT Transformation through DARE+ will radically simplify our legacy IT systems and replace them with in-demand technologies and advanced solutions such as Cloud and Software-as-a-Service. Concurrently, we continue to focus on optimising and simplifying our wide range of product offerings and processes to provide a better experience for Consumers and Enterprise customers.

To this end, we have de-risked our large-scale transformation by structuring our complex IT transformation program for our Consumer and Enterprise businesses into a series of releases to be implemented progressively over 18 and 28 months, respectively. Through this approach, customers will benefit from a vibrant digital channel that is continually refreshed to keep pace with the evolving needs of customers.

We successfully deployed the first release for our Consumer IT Transformation in 4Q2022 with the launch of our versatile and feature-rich All-in-One app ("AI1"). The digital app exceeded internal expectations with a significantly higher app utilisation rate compared with the legacy mobile app. We have also partially transitioned into the new IT stack and will ride on the momentum of the successful first release. The rest of the IT Transformation will be delivered via a number of future "sprints" and we aim to complete our Consumer IT Transformation journey by end-2023. We moved ahead with our Enterprise IT Transformation in February 2023, which is a more challenging undertaking given the breadth and complexities of Enterprise products. We remain focused in accelerating execution, and plan to roll-out the other programmed

releases in the coming months with completion expected by end-FY2024.

To minimise the impact of execution risks, we continue to work closely with our business stakeholders to avoid replicating legacy practices into the new IT stack and leverage out-of-the-box SaaS capabilities to accelerate the roll-out of the new IT stack. Our IT division, alongside our business divisions, will continue to work closely with our appointed system integrator to ensure a smooth and timely deployment of our new IT stack, and streamline the operating model to align with our future needs. Moreover, we have implemented additional guardrails around programme governance and incentives for our IT partners to align our interests for the success of our transformation programme.

Over time, these transformation programmes will deliver business benefits and cost savings, enabled by a lighter cloud and SaaS IT stack. We strive to deliver radically simplified processes and hyper-automation across the board to improve the productivity for our enterprise and wholesale customers as well as operational efficiency for our service teams. By doing so, we will elevate customer experiences as we shift towards truly digital and personalised user journeys, shortening time-to-market. We are confident that our efforts will result in better sales and customer retention through improved customer experience; and collectively deliver our DARE+ outcomes of cost savings and revenue growth alongside all business units as one unified Team StarHub.

## INFORMATION SERVICES

**KEE YAW YEE**



# Value Creation

Value creation is at the core of StarHub's culture and the anchor of our growth and transformation programme, DARE+. DARE+ will evolve our business model beyond traditional telco services, leveraging our ecosystem to create differentiated value for customers and stakeholders that will enhance total shareholder return in the long-term.

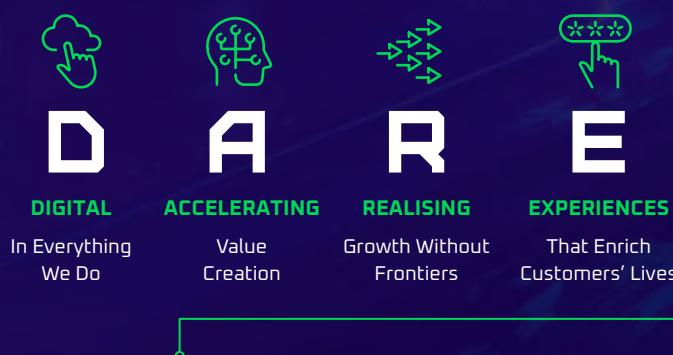
## OUR COMPETITIVE ADVANTAGE



## OUR VALUE CREATION STRATEGY

### DARE+ = TRANSFORMATION + GROWTH

Positioning for Growth and Value Creation in Our Next Phase of Transformation



Through our **three key pillars**, our five-year DARE+ transformation seeks to deliver \$500 million in total savings (\$220 million) and growth (\$280 million) from FY2022 to FY2026. We also expect to generate a stable-state incremental NPAT run rate of \$80M p.a. from FY2026.

Read about our DARE+ growth roadmap on pages 10 and 11.

### ► Delivering Smart, Focused Growth

Consumer Infinity Play and Adjacent Businesses

Next-Gen Enterprise Products and Solutions

### ► Radical Simplification, Evolved Execution

IT Transformation for Simplification & Agility

Optimising and Simplifying Customer Experiences

Continued Cost Rationalisation

### ► Network Leadership

Intelligent 5G Rollout

Cloud Infinity

Network Investments to Support New Business Opportunities

## OUR BUSINESSES

### CONSUMER BUSINESS

We have strengthened our Infinity Play proposition and expanded Consumer Business to six business verticals. We leverage our comprehensive suite of digital offerings to serve our customers' evolving needs.

#### Mobile

StarHub was the most awarded network in 2021 and 2022. We continue to innovate by offering cross-vertical services including Entertainment on the back of a seamless network experience to Mobile customers.

*Read more about our Mobile business on page 35.*



#### Broadband

StarHub customers are assured of the reliability and quality of our network experience, supplemented by a suite of broadband solutions for a seamless experience. Working closely with our subsidiary, MyRepublic Broadband, we now have the largest revenue market share<sup>1</sup> in the segment.

*Read more about our Broadband business on page 35.*



#### Entertainment

We offer customers an unparalleled entertainment experience providing the best of both worlds: StarHub TV+ content and 11 popular OTT streaming options on a single seamless, intuitive and immersive platform.

*Read more about our Entertainment business on page 36.*

#### GameHub+

We offer customers and gaming enthusiasts the very best in game-play through our strategic partnership with NVIDIA GeForce NOW. Building a following in Singapore and the region, GameHub+ subscribers clock-in more than 16 hours of gameplay per month on average.

*Read more about our GameHub+ business on page 37.*

### ENTERPRISE BUSINESS

Alongside our subsidiaries, we have strengthened our Enterprise capabilities and competitiveness to accelerate growth across the region.



#### Network Solutions

StarHub's fully-integrated network infrastructure capabilities enables emerging technologies, innovative digital solutions and high-speed connectivity. Our Future of Work suite of solutions empowers customers on their digitalisation journey while Green Tech Managed Services leverages analytics to accelerate efforts towards a more sustainable Singapore.

*Read more about Future of Work and Green Tech Managed Services on pages 40 to 44.*



#### Cybersecurity Services

StarHub's Cybersecurity business is anchored by Ensign. With one of the region's largest teams of qualified cybersecurity experts, we are able to offer enterprises, industries and governments a full suite of advanced cybersecurity solutions.

*Read more about our Cybersecurity business on page 46.*



#### Regional ICT Services

StarHub offers end-to-end ICT services and digital solutions through Strateq, JOS Singapore and JOS Malaysia. With over 30 years' of established track record, we deliver fully-integrated solutions ranging from infrastructure support services to proprietary products for customers across numerous sectors.

*Read more about our Regional ICT Services business on page 46 to 47.*

## VALUE CREATED IN FY2022



#### Investors

- + FY2022 Service Revenue up 17.2% YoY
- + Exceeded FY2022 guidance for Service Revenue, Service EBITDA Margin and Capex Commitment
- + Maintained dividend policy with dividend of 5 cents declared in FY2022
- + Well-managed Net Debt to EBITDA ratio of 1.38x with no refinancing required until FY2024<sup>2</sup>
- + Positive Free Cash Flow of \$222M million



#### Customers

- + 10% YoY improvement in Net Promoter Score ("NPS")
- + Most awarded network in Singapore in 2021 and 2022
- + >95% 5G Standalone nationwide coverage achieved
- + 11 integrated popular OTT brands, offering a seamless and immersive entertainment experience
- + 46% YoY giga subscriber base growth; continues to achieve highest NPS in the market
- + Rolled out Singapore's first 100% solar-powered campus WiFi over StarHub 5G



#### Employees

- + Formalised new Board Diversity Policy targeting to maintain at least 25% female representation in the next 3 to 5 years
- + Provided >17,600 hours of training to 96% of our workforce



#### Society and Other Stakeholders

- + Achieved 8.4% reduction in greenhouse gas emissions against 2021 baseline
- + Increased renewable energy usage to 10%
- + Secured confirmation from 89% of all suppliers on the adherence of StarHub's Supplier Code of Conduct
- + Invested \$1.9M and >600 employee hours in reaching out to almost 13,000 beneficiaries for various community causes

<sup>1</sup> By Service Revenue market share, based on internal estimates as at December 2022.

<sup>2</sup> Based on BAU requirements, excluding spectrum right and M&A.

# Awards and Industry Honours

## ADVERTISING/ BRANDING/ CUSTOMER SERVICE/ MARKETING



### Marketing Excellence Awards 2022

- + Excellence in Corporate Social Responsibility - Gold (StarHub National Small Business Day)
- + Excellence in Customer Engagement - Gold (StarHub Rewards - Hello rewards in a snap)

### Asia eCommerce Awards 2022

- + 1 Gold (giga!): Best eCommerce Campaign - Social Media
- + 3 Silver (giga!): eCommerce Team of the year; Best eCommerce Campaign - Email; Best in eCommerce Brand - Electronics & Gadgets
- + 2 Bronze (giga!): Best Use of UI / UX Design; Best eCommerce Loyalty Programme

### Geek Culture Awards 2022

- + Gold: Best Smart Home - StarHub Smart WiFi Pro (Linksys MX4200 WiFi6 Mesh Router)

### HWM + HardwareZone.com Tech Awards 2022

- + Winner: Best Pay TV Service Provider (Singapore)

### The Loyalty & Engagement Awards 2022

- + Gold: Best Loyalty Programme – Telecommunications

### MOB-EX Awards 2022

- + Silver: Best Use of Promotions

### The Straits Times Singapore's Best Customer Service 2022/2023

- + StarHub is ranked the second best Internet Service Provider, based on independent and anonymous online survey results of more than 4,700 customers in Singapore conducted by Statista

### 2022 Stevie Awards for Sales & Customer Service

- + Gold: Contact Centre of the Year (Over 100 Seats) - All Other Industries
- + Bronze: Customer Service Department of the Year – Telecommunications

## TECHNOLOGY

### Opensignal's Singapore Mobile Network Experience Report (June 2022)

- + Only outright winner of the Download Speed Experience and Games Experience awards
- + Came in top for Overall Experience, winning in all five network experience categories
- + Largest haul of awards, leading in seven out of nine network performance categories



## CORPORATE



### Singapore Apex Corporate Sustainability Awards 2022

- + Sustainable Business Winner: StarHub
- + This is the 4<sup>th</sup> time that StarHub has been conferred the same title since 2016

### Digital for Life 2022

- + Play It Forward – Champion
- + gigal by StarHub committed up to 10,000 mobile subscriptions to Persons with Disabilities for a year, in partnership with IMDA and SG Enable

### Investors Choice Awards 2022 by Securities Investors Association Singapore

- + Most Transparent Company – Communications

### People's Association Community Spirit Awards 2022

- + Excellence Award
- + StarHub has been partnering Central Singapore Community Development Council for over 10 years, providing vulnerable children with greater access to learning opportunities through the 'Junior Stars' programme

### Singapore Governance and Transparency Index 2022

- + 34<sup>th</sup> out of 489 SGX-listed companies

### The Legal 500 GC Powerlist: Southeast Asia 2022

- + StarHub's Chief Corporate and Sustainability Officer, Veronica Lai, was recognised on this year's list
- + The award highlights the region's most influential and innovative in-house lawyers who are driving the business forward

### 2022 Corporate Knights Global 100

- + World's most sustainable Wireless Telecommunication Service Provider
- + 3<sup>rd</sup> most sustainable Telecommunications Company globally and Singapore's most sustainable Telco
- + Ranked 72<sup>nd</sup> in the list of the world's most sustainable corporations

### Equileap 2022 Gender Equality Report & Ranking

- + Ranked 7<sup>th</sup> in Singapore for policies and commitment to gender equality

### Institutional Shareholder Services group of companies (ISS) Quality score 2022

- + Achieved best possible score of "1" for low Governance risk

### Ministry for Home Affairs National Day Award (Team)

- + Recognition for playing key role in Project FRONTIER's national anti-scam operations

### 2023 Corporate Knights Global 100

- + World's most sustainable Telco
- + Ranked 34<sup>th</sup> in the list of the world's most sustainable corporations

### ASEAN Corporate Governance Scorecard

- + StarHub recognised amongst ASEAN Asset Class (Singapore) top publicly listed companies
- + Ranked jointly by Singapore Institute of Directors and the Centre of Governance at NUS Business School

### Opensignal's Singapore Mobile Network Experience Report (November 2022)

- + Winner in all nine network performance categories
- + Winner in all award categories for overall experience in Singapore

### Gartner Eye on Innovation Award for Education 2022

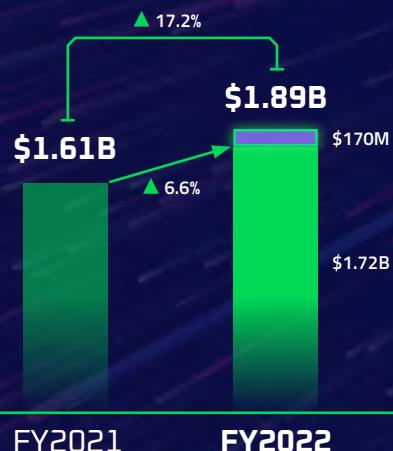
- + Joint project between NUS and StarHub for outdoor WiFi

# Business Highlights

## FY2022 Service Revenue Mix



█ Mobile  
█ Broadband  
█ Entertainment  
█ Network Solutions  
█ Cybersecurity Services  
█ Regional ICT Services



█ Service Revenue  
█ IOS SG, IOS MY & MyRepublic Broadband

## MOBILE REVENUE

FY2021<sup>1</sup> \$525M

FY2022 \$564M ▲

## BROADBAND REVENUE

FY2021<sup>1</sup> \$194M

FY2022 \$242M ▲

## ENTERTAINMENT REVENUE

FY2021<sup>1</sup> \$186M

FY2022 \$216M ▲

## ENTERPRISE REVENUE

FY2021 \$362M \$269M \$76M

\$706M

FY2022 \$366M ▲ \$301M ▲ \$199M ▲

\$866M ▲

**IMPROVING / STABLE ARPU ACROSS FY2022****Mobile Postpaid<sup>1</sup>**

\$29 → \$29 → \$29 → \$31 → \$32

**Broadband<sup>1</sup>**

\$33 → \$33 → \$34 → \$34 → \$34

**Entertainment<sup>1</sup>**

\$32 → \$31 → \$31 → \$35 → \$36

4Q2021

1Q2022

2Q2022

3Q2022

4Q2022

**STABLE SUBSCRIBER BASE****Mobile Postpaid**

1,484K → 1,501K → 1,520K → 1,546K → 1,565K

**Broadband**

484K → 484K → 572K → 576K → 578K

**Total Entertainment**

444K → 450K → 469K → 492K → 478K

4Q2021

1Q2022

2Q2022

3Q2022

4Q2022

<sup>1</sup> Comparatives have been restated to take into account the reclassification of Entertainment OTT from Mobile and Broadband to Entertainment.

# Business Review

## Consumer

### INFINITY PLAY: EMBEDDED DIGITAL LIFESTYLE

We made strong progress in the first year of our 5-year DARE+ roadmap, establishing a strong foundation for Infinity Play to meet the evolving needs of today's digital customer. This has made it possible for us to realise our strategy of entrenching StarHub in all facets of our customers' digital lives, enabling us to ride on emerging consumer trends with strong tailwinds.

Our strategy to proactively evolve ahead of market trends has allowed us to engage an increasingly sophisticated customer base. The investments we continue to make have strengthened our infrastructure and service offering, allowing us to benefit from wider consumer industry trends such as the continuous adoption of digital services, and the increased demand for digital lifestyle and connectivity. We are well-placed to take on the hyper-competitive Mobile and Broadband markets, and meet the paradigm shift in Entertainment where viewing habits have transitioned to OTT content.

We strengthened our Infinity Play proposition, having introduced three new consumer verticals: GameHub+, ProtectHub+ and LifeHub+, to complement our traditional verticals of Mobile, Broadband, and Entertainment. With consumers watchful on spending in an environment of rising inflation, our six consumer verticals present StarHub customers with greater flexibility and value through cross-bundling across verticals. This sets the foundation for us to further extend our reach in Singapore, which currently stands at 1 in 2 households signed on as a StarHub customer.

We have also observed meaningful traction in elevated customer lifetime value, demonstrating the positive progress that we have made with Infinity Play in just the first year of our DARE+ execution. On average, each customer is subscribed to 1.5 services, reflecting early success in driving consumption amongst our customers. Furthermore, more than 60% of our customer base have been with us for more than five years, and almost all of whom enjoy multiple services with StarHub. We continue to be recognised for setting new industry standards with our products, customer service, and customer experience.





**Blazing 5G speeds on Singapore's Fastest Network**

### Mobile

StarHub remains well-positioned in the hyper-competitive Mobile market. During the year, we were ranked first, ahead of our competitors for Mobile Customer Satisfaction<sup>1</sup>, and retained a strong second position in Singapore's Mobile market (by service revenue). Most notably, StarHub was the winner of download speed experience and games experience awards<sup>2</sup>, validating our ability to deliver unsurpassed quality and experience in Asia's nascent but fast-growing gaming industry.

Mobile ARPUs improved over the year despite continued price erosion across the industry. In addition to the recovery of roaming revenue as borders reopened gradually, our ability to clearly differentiate the value of our products and services through cross-bundling and Infinity Play allowed us to drive greater consumption in this area. The uptick in our ARPUs was underpinned by a 81,000 YoY growth in subscribers, which was contributed by a 46%<sup>3</sup> YoY expansion of our gigabit subscriber base. Furthermore, with borders reopened and revenge-travel in play, we also saw increased contribution from roaming as well as increased VAS revenues.

5G adoption continued to be strong as we recorded approximately 51% YoY<sup>3</sup> growth in 5G mobile subscribers. This also contributed to the improvement in revenues as 5G ARPUs remained 1.4x<sup>3</sup> higher compared to 4G ARPUs. The average data usage per customer also increased to 13.7GB in FY2022, 7% higher compared to 12.8GB in FY2021.

Looking ahead, we will look to drive higher customer engagement and satisfaction through expansion of our 5G network which stood at more than 95% nationwide coverage at the end of FY2022. To enhance 5G adoption, we will optimise network efficiencies via our joint venture company, Antina, and enhance 5G indoor coverage in-line with demand trends.



**Get Smart with StarHub Broadband**

### Broadband

Marketing our plethora of value-added Infinity Play products and services to this segment through cross bundling, we were able to increase Broadband ARPUs during the year and realise a greater take-up of higher-tier 2Gbps plans as subscribers increased approximately 170% YoY<sup>3</sup>. Subscriber churn remained stable in FY2022 at 0.6% as compared with 0.8% in FY2021. As a result, StarHub was the leading player in terms of Broadband revenue market share in FY2022<sup>4</sup>.

The acquisition of MyRepublic Broadband completed in FY2022 enhanced StarHub's leadership and product offering in the Broadband segment. We will leverage our extended reach to encourage take-up of higher bandwidth broadband products to further drive growth for the segment. We will also capitalise our strengthened market leadership and scale in the Broadband segment to deploy smart pricing strategies and serve growing customer demand for premium higher bandwidth services.

Cognisant of Broadband customers' need for higher speed, lower network latency and seamless connectivity, we continue to deliver innovative products based on leading-edge technologies to ensure an unparalleled home broadband experience for StarHub customers. To this end, we introduced StarHub Smart WiFi Pro, which affords customers ultra-strong coverage and next-generation WiFi speed, which is more than four times the speed of the WiFi 5 standard. With the ability to connect up to 40 devices with no lag or interruption, the ultra-low latency of the network offers users the best gaming experience at home.

Subsequent to the year-end, StarHub broke new grounds once again, being the first telco in Singapore to trial nationwide 10G-XGS-PON (Gigabit-capable Symmetric Passive Optical Network) broadband. This new technology promises unprecedented speeds in Singapore, up to 10 times the speed and bandwidth of standard broadband services, future-proofing customers' needs for higher bandwidth to power next-generation devices and data-intensive applications and features.

Looking ahead, Broadband will continue to be a key pillar of growth. To drive the Group's performance in this segment, we will focus on enhancing customer engagement and satisfaction by introducing premium devices as well as complementary devices to enhance home broadband performance. This will address a broader trend of smart homes with multitude of connected devices which has given rise to a critical need for reliable home broadband experience.

<sup>1</sup> Source: CSISG 2022

<sup>2</sup> Source: Opensignal Mobile Experience Report, November 2022

<sup>3</sup> As disclosed during Investor Day in December 2022.

<sup>4</sup> By Service Revenue market share, based on internal estimates.

# Business Review

## Consumer

### Football for all



Our focused efforts on delivering the best Entertainment and content delivery experience to customers continues to position StarHub as a leading provider of quality content. We afford customers greater freedom of choice with a wide range of new and in-demand content delivered through 11 coveted OTT brands.

In March 2022, we were the first Entertainment service provider in Southeast Asia to offer customers access to Curiosity Stream and its collection of thousands of original and curated documentaries appealing to nature lovers, history buffs and tech enthusiasts. In the following month, we rolled out Viu, an OTT brand with an aggregate of over 12,000 hours of premium Korean, Chinese, Thai and Hong Kong drama content.



During the year, we launched TV+ Pro to deliver our suite of streaming services, apps and TV programmes. With an integrated

soundbar designed to captivate audiences with the most immersive TV experience delivered in Dolby Atmos® and Dolby Vision®, with audio tuning by Bang & Olufsen, customers are able to enjoy rich and authentic sounds matched with stunning images that effortlessly convert living spaces into enchanting home cinemas. Supporting Ultra HD content (4K) and Chromecast built-in, TV+ Pro includes access to enhanced

multi-tasking features through Google Assistant, providing customers with the best of entertainment and flexibility. TV+ Pro is testament to the way we plan and develop our products and services – by putting our customers front and center.

We entered into an exclusive agreement with the Premier League in 2022 to deliver six seasons of Premier League to customers through Premier+. From the onset, we wanted to deliver an unprecedented experience through an immersive, feature-rich and multi-platform OTT service – for the first time in Singapore or anywhere else in the world. This includes live match statistics, key highlights, interactive timeline and time-shift features, full match replays, amongst other features that will elevate the viewing experience for football fans. We see Premier League as a powerful acquisition tool that is core to our Infinity Play vision. Having Premier League on an OTT platform also meant that we will be able to extend our reach beyond our current pool of customers, allowing users to stream Premier League content flexibly anytime, anywhere, and across any network, with a highly-customised experience to suit varying preferences.

Riding on the success of Premier+, we have solidified our market positioning as the Home of Sports, boasting the widest range of sports content that was expanded further in 2H2022. This included ICC Men's T20 World Cup Australia 2022, which was

featured on Hub Sports 4, our new dedicated cricket channel; and all 64 matches of the FIFA World Cup Qatar 2022, which were streamed 'live' or on-demand on any device.

The strategy and initiatives we have employed for Entertainment have sharpened our niche, which has also contributed to higher advertising revenue. We have not only emerged as the market leader amongst Pay TV operators in Singapore in FY2022 (by service revenue and subscriber market share), this is also reflected in improved ARPU's achieved during the year and a 7.6% YoY growth in FY2022 total Entertainment subscribers.

As a result of our efforts, StarHub was recognised for delivering market leading Entertainment experiences in FY2022. We were named Best Pay TV Service Provider (Singapore)<sup>5</sup> and ranked first in the industry for delivering TV customer satisfaction<sup>6</sup>.

Over the next 12 months, we will continue to bolster the breadth and depth of content on our platform, and focus on driving innovation for content delivery.

Buoyed by our progress, we continue to drive customer satisfaction and stickiness by enhancing our networks and infrastructure to deliver unsurpassed streaming experiences. We will focus on delivering progressive roll-out for first-in-market Premier League digital features and continue driving hybrid TV+ adoption.



<sup>5</sup> Source: HWM + HardwareZone.com Tech Awards 2022.

<sup>6</sup> Source: CSISG 2022.

## EXPANDING OUR INFINITY PLAY UNIVERSE

During the year, we introduced three new verticals to our Consumer business, allowing us to enlarge our revenue streams beyond Mobile, Broadband and Entertainment. Our proactive efforts to drive customer consumption also seeks to address muted contributions from traditional services, which continues to be affected by the challenging market dynamics.

Our new verticals: GameHub+, ProtectHub+ and LifeHub+ have been designed with a 'go-to-market' approach. These new services are not exclusive to StarHub subscribers. Anyone can subscribe to the new services that are mostly contract-free, presenting customers with flexibility and choice.

These new verticals are asset-light and have very scalable business models, which we are able to potentially replicate across the region. Furthermore, these verticals can be delivered with cost discipline being based on a per-user variable cost model.



### GameHub+

Adding to the breadth of Infinity Play, we launched GameHub+, a product that we envision will be the powerhouse of gaming for customers. Beyond just consolidation of games, StarHub is building an ecosystem for gaming customers to live out their fullest gaming potential without the need for expensive gaming equipment. We entered into a strategic partnership with NVIDIA GeForce NOW in September 2021, seeding the ground on which GameHub+ was formed. Today, GameHub+ has a broad reach across the region, of which over 50% are based outside of Singapore. Our subscribers are very active having recorded more than 16 hours<sup>7</sup> of gameplay per subscriber per month on average.

In February 2022, StarHub unveiled an exclusive deal alongside Samsung, pairing the latest Samsung Galaxy S22 Series 5G smartphones purchased on StarHub's 5G Mobile+ plan with six-month access to the *GeForce NOW Powered by StarHub* subscription. This service on GameHub+ allows customers to enjoy over 1,000 game titles on their new Galaxy S22 Series 5G handsets, at blazing speeds for a super smooth cloud gaming experience. The collaboration was brought to life via an exciting gaming tournament, "Samsung Smash Arcade", amassing challengers to compete in a game of Rocket League. The event was held onsite at StarHub's store in Tampines Mall over two days, where winners took home exclusive Samsung prizes including the Galaxy S22 Ultra 5G handset and gaming passes.



### ProtectHub+

Through ProtectHub+, we seek to offer consumers holistic protection from everyday risks in their digital lives through a growing suite of services such as Device Protection with SmartSupport, CyberCover, CyberProtect and Insurance.

CyberCover seeks to help customers mitigate the impact of online risks, including cyber-bullying, identity theft, unauthorised transactions, and undelivered or discrepancies in online purchases. CyberCover was designed in partnership with Chubb Insurance Singapore Limited to give customers peace of mind in their digital lives.

CyberProtect provides an all-in-one online protection service for devices, integrating antivirus, virtual private network (VPN) access, and advanced parental controls in a single app.

Powered by award-winning global cybersecurity company F-Secure, CyberProtect protects against viruses, ransomware, and other harmful apps that steal users' personal data.

Our insurance segment currently covers two types of risks. In June 2022 and with the renewed momentum of international travel, we launched TravelProtection, which is co-designed with Chubb Insurance Singapore Limited, to give customers peace of mind on their travels. In December 2022, we launched SmartSupport Home in partnership with Asurion Singapore Pte Ltd, which is underwritten by Liberty Insurance Singapore. SmartSupport Home is a comprehensive tech care product covering the repairs and replacements of multiple devices. In addition, it provides customers with access to a Security Advisor™ service, which safeguards online identities and detects leaked personal information online.



<sup>7</sup> As disclosed during Investor Day in December 2022.

# Business Review

## Consumer

LIFEHUB+ | POWERED BY STARHUB



### LifeHub+

LifeHub+ seeks to champion the digitalisation of healthcare and integrate its products and services into consumers' daily lives. Launched in October 2022, LifeHub+ is a digital health service in partnership with Alexandra Hospital and ConnectedLife with Fitbit. Users can choose to share their Fitbit data through the LifeHub+ app, and receive dynamic health scores, data alerts, and metrics that offer simple, clear insights into their health for tracking and daily improvement.

A first in the market, customers can grant access to a pre-determined team of healthcare practitioners to their health data via a dedicated secure LifeHub+ dashboard. LifeHub+ can also be programmed to nudge users to improve their health, for example, to reduce sedentary time throughout the day, and can be used to toggle reminders on medication, exercise, or schedule medical check-ups. We intend to scale this rollout with our partners from ConnectedLife with Fitbit, Alexandra Hospital and more medical practitioners across Singapore.



### SEAMLESS DIGITAL ENGAGEMENT

Cognisant that customers prefer a digital engagement model, we continue to focus on delivering a zero-touch, end-to-end digital experience for our customers via a unified and scalable platform. These platforms seek to deliver enhanced digital capabilities that afford customers ease of transactions, personalised digital engagement, data-driven marketing, and engagement and rewards, amongst others.

Affirming the quality of our customer engagements on zero-touch platforms, StarHub's digital channels continue to record higher levels of customer satisfaction. Our giga! net promoter score is more than nine times the level recorded for traditional mobile. 70% of giga!'s customers engage with the brand through the giga! app, and 30% of giga!'s sales are referrals. StarHub's TV+ net promoter score is more than 15% higher than that of legacy TV.

Customer migration to digital platforms gained traction in FY2022. Sales via digital platforms were 25% higher YoY, and the average daily active users on My StarHub App increased 15% over the same period.<sup>8</sup>

An advertisement for giga!. It features a cartoon cat mascot with a pink collar that says "giga!". The cat is standing next to a smartphone. The phone screen shows a digital payment interface with the text "Select your method of payment" and icons for Apple Pay, Google Pay, and other payment methods. The main text on the ad reads "ON BOARD WITH giga!" and "NEW DIGITAL PAYMENTS ON GIGA!".

ON BOARD WITH giga!

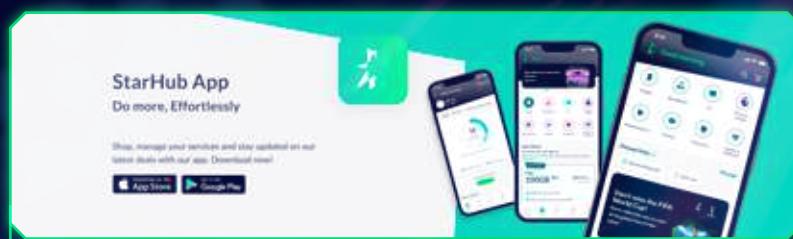
NEW DIGITAL PAYMENTS ON GIGA!

Select your method of payment

Pay with Giga!, Apple Pay, Google Pay, etc.

giga! is the first and only telco in Singapore to launch Apple Pay and Google Pay as digital payment options for customers.

<sup>8</sup> As disclosed during Investor Day in December 2022.



Our first release achieved over **20% YoY increase in monthly average users**

**>80% accuracy** in chatbot and bot handling rates

We recorded over **14% YoY increase in online transactions**

We launched the beta version of our app platform in November 2022, providing customers with access to our growing suite of Infinity Play products and services. This first release is a significant milestone as we look to radically transform our digital stacks, customer interfaces and enhance our capabilities to tap our rich data to offer personalised experiences and targeted marketing.

For customers, the new app platform will mean a simpler, frictionless digital experience as we continue to expand our Infinity Play offerings to become an integral part of our customers' digital lives. Customers will also be able to self-serve for a faster, seamless and more secure experience on our digital touchpoints, including customer service that is available round the clock. For StarHub, the digitalisation of our operation model and transition to an agile tech stack will enable faster to market, lower cost-to-serve, as well as smarter business decisions leveraging data insights.

We expect to release enhanced versions of our app with new features in the coming quarters, with a target to complete end-to-end digital transformation within 18 months in FY2023.

## SUSTAINING MOMENTUM FOR THE ROAD AHEAD

We set four business priorities for FY2023 to ensure our leadership position. We will continue to *Strengthen Our Core*: driving greater 5G take-up, accelerating our giga! digital brand, and differentiating our premium and lifestyle offerings for greater ARPU growth. Secondly, we will focus on *Growth Acceleration*, deepening adoption across our existing customer base and attracting new customers with our Infinity Play differentiation. Through our *Digital First* approach, we will migrate customers to our apps for a fully digital sales and service subscription experience. Concurrently, we will *Accelerate Performance* of StarHub by monetising existing assets and cost management.

We believe that we are well-positioned to benefit from COVID-19 recovery – with the reopening of borders that will accelerate roaming revenue and Prepaid business recovery. Additionally, we see connectivity to be increasingly vital to empower growing demand for connected lifestyles, which we will be able to address with our growing continuum of service offerings. We will continue to differentiate our brand and services through innovation, driving meaningful value to elevate our customers' lives.



### Network Excellence

#### Infocomm Media Development Authority IMconnected H2 2021 Report

StarHub delivered the fastest 4G median throughput and network latency

#### Opensignal's Singapore Mobile Network Experience Report (June 2022)

Only outright winner of the Download Speed Experience and Games Experience awards

Came in top for Overall Experience, winning in all five network experience categories

Largest haul of awards, leading in seven out of nine network performance categories

#### Opensignal's Singapore Mobile Network Experience Report (November 2022)

Winner in all nine network performance categories

Winner in all award categories for overall experience in Singapore

# Business Review Enterprise

## SETTING THE STAGE FOR SUSTAINABLE GROWTH

In year one of our 5-year DARE+ programme, we made progress across three strategic enterprise areas to set the foundation for our digital transformation and sustained growth over the longer term. First, we took steps to further our Connectivity, Cloud and Cybersecurity ("3C's") vision by pursuing strategic partnerships and raising awareness of our capabilities, intellectual properties and expertise amongst enterprise customers. Secondly, we took proactive steps to position ourselves for the recovery by engaging customers and increasing our share of wallet. Thirdly, we continued to accumulate our pipeline and acquire new customers for sustainable growth.

The promotional graphic for 'CyberSecure Business Solution' features the text 'CyberSecure Business Solution' in large, bold, white letters, with 'with Multi-layered Cyber Security Managed Services' in smaller text below it. At the bottom, there is a photograph of a person's hands typing on a keyboard, with a lock icon overlaid. The graphic is framed by a thick green border.

Powered by:

### Advancing the 3C's

During the year, we set our focus on enterprise business needs in the areas of digitalisation, sustainability and future of work that is powered by the 3C's. These areas of focus harness synergies and combines capabilities between StarHub Enterprise and our Regional ICT Services and Cybersecurity Services subsidiaries for mutual growth. More importantly, it also enhances our relevance and coverage of our customers' digitalisation and sustainability objectives while ensuring their hybrid workforce continues to be effective and efficient as the economy transitions out of the global pandemic that has shifted the way we work. We have been engaging closely with our Enterprise customers, and have received strong interest to leverage StarHub's expertise to co-create digital and sustainability solutions that will propel their respective agendas.

We reprioritised and organised resources in FY2022 to accelerate efforts to drive growth in the 3C's. We have employed a holistic approach and organised our teams in such a way that is agile and service-led, this also offers the teams full control and an end-to-end view to better serve customers and increase our share of wallet in the Enterprise Mobility and Connectivity segments. Meanwhile, we have increased our emphasis internally to encourage the take-up and nurture the ecosystem for new strategic services that serves to augment the needs of our customers, especially in the areas of Sustainability & Digitalisation, Advanced Infrastructure, Workplace Collaboration, Data Intelligence & IoT and other emerging technologies.

Following recent acquisitions, we have also made a concerted effort in FY2022 to capitalise on our strengthened value proposition and competitiveness through deeper collaboration across the enlarged StarHub group – namely, with JOS Singapore, JOS Malaysia, Ensign and Strateq. We are now positioned strongly as a strategic enabler for organisations seeking expertise and leading-edge support in their digital transformation journey.

Our 3C's partner platform is only as strong as the diversity of our ecosystem. To this end, we have broadened our partnership ecosystem to sharpen our product and service offering and adding to our credibility and value proposition with potential and existing clients.

We added new clients with the launch of our secured connectivity solutions, such as the Managed SD-WAN and SASE services. In addition, we continued growing our on-premise wireless network for campus and commercial properties. This is made possible with our strong partnerships with leading global technology partners such as Aruba, Cisco, Huawei and Palo Alto. Along the same vein, we have also bolstered our workplace collaboration by offering with integrated voice and collaboration solution using Cisco Webex and Microsoft Teams.



During the year, we also fortified our Cloud connectivity partnership platform with the addition of Alkira. Alkira joins other global leaders such as AWS, Microsoft and Workato, who have partnered StarHub to introduce multi-cloud area network services for our Enterprise clients. Integrating Alkira's Cloud Network-as-a-Service (CNaaS) into our enterprise connectivity solutions, we are able to provide and scale high-performance networking capacity across multiple cloud regions and multiple clouds, and to integrate cloud and data center operations for our customers. In the area of Cybersecurity, we added to our robust suite of Cybersecurity products and solutions through services in partnership with Ensign, Palo Alto and Zimperium.

Working closely with three cyber protection heavyweights: Ensign InfoSecurity, Palo Alto Networks, and Veeam, we launched the StarHub CyberSecure Business Solution ("SCBS"), a one-stop managed service that provides a suite of cyber defences for enterprises. Warmly received by the market, SCBS secures network frontlines as well as back-end systems, and integrates crisis and incident response management, digital forensics, cloud-delivered threat detection, and secure data backup and recovery services. Essentially, SCBS is a state-of-the-art solution for Enterprise customers seeking to fortify network entry points for quicker threat detection, maintains backups offsite for maximum business continuity, and ensures ready access to cyber security experts for hands-on assistance.

We have also integrated Zimperium's mobile threat defence into our Enterprise mobility solutions. This provides continuous, on-device monitoring to detect known and unknown threats in real-time across the kill chain: device, network, phishing, and application attacks, without the need for a connection. In addition, we have started offering our Enterprise clients Microsoft 365 Business Premium, which incorporates Microsoft Defender for Business.

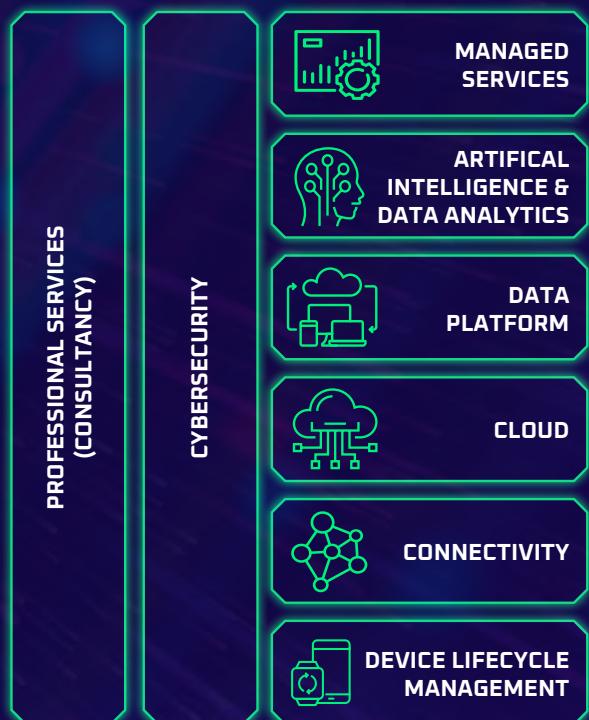
Adding to our Cybersecurity credentials, we were recognised by the Cyber Security Agency of Singapore (CSA) as a SG Cyber Safe Partner, and a partner for the CSA Cyber Essentials mark.

## Addressing the Industry's Unmet Need for Green Tech

At StarHub, we understand that sustainability for enterprises goes beyond reducing waste, reusing materials, and recycling matter. The Singapore government has legislated more stringent regulatory requirements and environmental targets for local companies under the Singapore Green Plan 2030. This calls for all business sectors to take immediate and sustained action to limit global warming and become more resilient in the face of climate change.

Responding to this development, we have seen an increase in interest from Enterprise clients seeking innovative ideas and solutions to further their sustainability journey. Towards this end, we are working closely with customers to co-create Smart, Safe and Sustainable solutions, offering our expertise in the areas of workflow digitalisation and automation, workplace collaborations, data analytics, as well as engineering know-how in design, secure and manage critical facilities.

Our Green Tech Managed Services brings together enabler technologies such as 5G, IoT, Machine Learning and Big Data to enhance resource efficiency and limit greenhouse gas (GHG) emissions in areas such as smart hygiene, smart facilities, smart connectivity and smart logistics.



# Business Review Enterprise



We have garnered early momentum for Green Tech Managed Services, counting the National University of Singapore ("NUS") as an early adopter of our solution. During the year, we implemented Singapore's first solar-powered outdoor 5G WiFi at the NUS smart campus, minimising cost, labour and resource through smart, sustainable and safe solutioning in partnership with the NUS IT team. Two solar-powered WiFi access points were deployed under the pilot project, eliminating the need for underground cables, with each setup taking only four days to install instead of the usual three-week lead time. The self-sustainable solution has helped NUS achieve optimised power consumption and network performance of its outdoor wireless infrastructure, even in hard-to-reach areas, enabling seamless connectivity outdoors.

Following the success of the pilot project, NUS has awarded StarHub Enterprise with a contract to extend this smart and sustainable wireless service throughout the entire campus grounds. We will continue collaborating closely with NUS to co-create new solutions that will accelerate the university's sustainability objectives. StarHub will also extend its expertise in connectivity (wired, wireless, mobile), digitalisation (leveraging cloud technologies), IT infrastructure and engineering capabilities in operational technologies and facilities management.

StarHub Enterprise won the award "**Connectivity – Telecommunications**" at the Annual SBR Technology Excellence Awards in May 2022.

In collaboration with NUS, the university won the Gartner Eye on Innovation Awards for Education 2022 in the Infrastructure category for its **Outdoor WiFi Powered by 5G and Solar Energy solution**.

During the year, we also piloted a cloud-based Internet of Things ("IoT") platform for NUS that aids in the monitoring, tracking and analysis of real-time data. Leveraging a customised dashboard built to NUS' specifications, the facilities management team is able to identify, analyse, and resolve issues in the piloted restrooms deployed with IoT sensors within its campus and integrated with a complementary Smart Hygiene solution. This has uplifted the user experience and optimised cleaning resources. Critical issues are highlighted on the IoT dashboard on mobile devices and cleaners are alerted whenever restrooms require cleaning or consumable replenishment. Demand for such solutions is fast growing in other sectors, and we have since extended our services to integrated and residential buildings in Singapore.



Since January 2021, StarHub has been collaborating with Hydroinformatics Institute (H2i), a water technology scale-up to tap on StarHub's ubiquitous network of mobile base stations as "opportunistic" rainfall sensors. Analysing the effect that rain has on mobile signal strength provides accurate and dynamic rainfall data and forecast for effective flood management solutions, offsetting expenditure that clients would otherwise need to incur on costly rainfall measurement infrastructure. This demonstrates StarHub's ability to design a green and sustainable solution that does not require additional infrastructure or investments, using existing signal attenuation data for a meaningful purpose.



# Business Review

## Enterprise

### We are the Future of Work

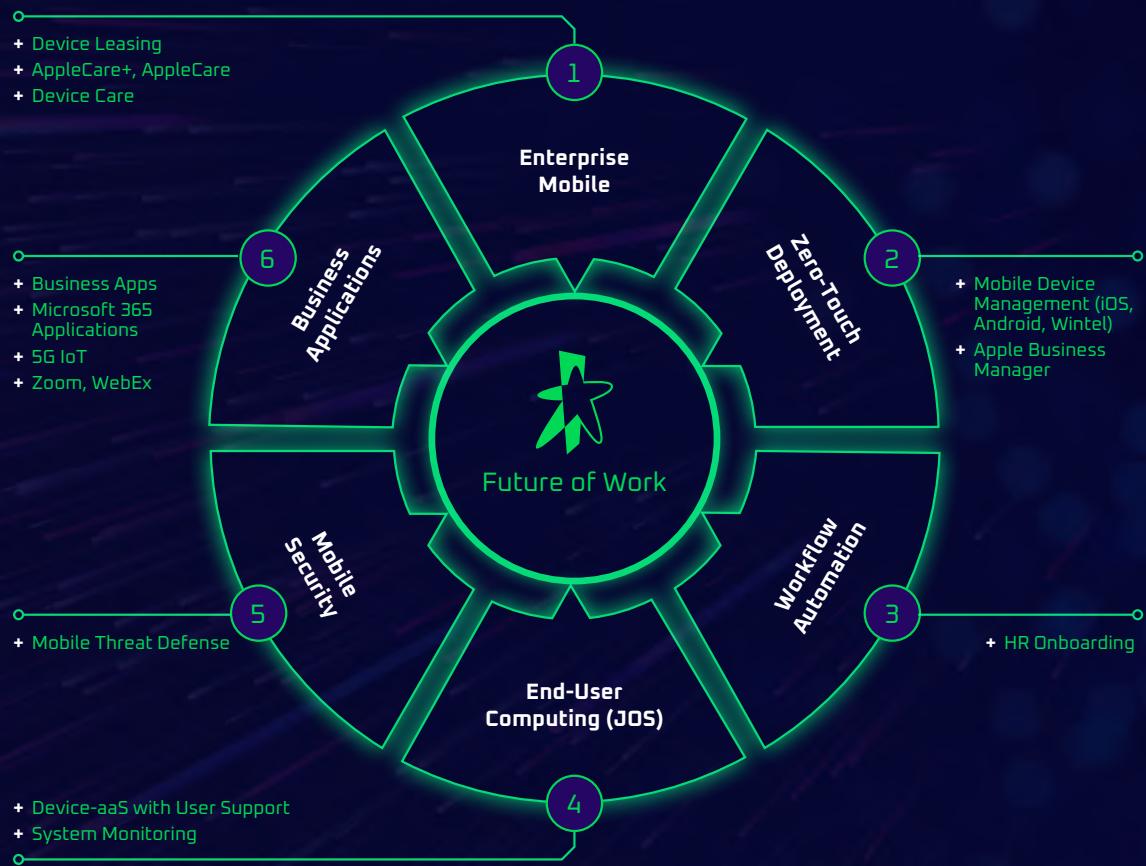
As enterprises transition out of the global pandemic, there is a clear trend that hybrid work is here to stay. With the implementation of a permanent hybrid work arrangement, our clients are increasingly seeking innovative digital solutions to enable their workforce to be productive and effective from any location.

We have launched the Future of Work solution, which offers secure enterprise applications, workflow automation and workflow collaboration enabling a hybrid workforce to be effective and secure anytime, anywhere. This fully-integrated solution combines

StarHub's enterprise mobility capabilities with end-user expertise from JOS SG, as well as complementary capabilities from our gold-standard industry partners.

Our expertise and intellectual property, in collaboration with JOS SG, covers six key areas: Enterprise Mobility, zero-touch deployment, workflow automation, end-user automation, mobile security and business applications. Our unique comprehensive offering is highly sought-after in the market, garnering more than \$8 million in contract wins for end-user computing and services as well as over \$6 million in contract wins for virtual desktop infrastructure from the healthcare sector.

### End-to-End Solution for Mobile Workforce & Hybrid Workplace



## Nurturing the 5G Ecosystem

To develop our 5G ecosystem, we are having active conversations to gain a deep understanding of our customers' needs and growth aspirations. This allows us to create compelling and sustainable solutions alongside our customers to develop meaningful use cases that leverages our expertise and track record.

Launched in 2022, StarHub's Digital Experience Showcase was attended by almost 70 enterprise customers and partners. At the event, we demonstrated the benefits and ease of implementation of digital technologies and solutions for business use cases. This included thematic customer journeys for a Smart Data Center, Smart Construction, Smart Retail and Future of Work collaborations. Broad-based engagements with customers from various industries provided us with a deeper understanding of their unique needs and aspirations.



Showcase: Smart Construction



Showcase: Smart Data Center



Showcase: Smart Construction



Current Showcase: Future of Work collaborations through 5G use cases, smart operations & Smart Retail B2B customer journey

# Business Review

## Enterprise

### CYBERSECURITY SERVICES

Ensign, StarHub's cybersecurity subsidiary continued to outperform in FY2022, contributing \$301.0 million of revenue in FY2022, an increase of 12.1% from \$268.5 million in FY2021. The increase was primarily attributable to higher revenues derived from overseas markets.

Ensign continued to bolster its cybersecurity capabilities during the year, maintaining its position as Asia's largest pure-play cybersecurity services company with an end-to-end offering: from consulting, to design and build, operating cybersecurity management systems, to incident response and recovery.

To support Ensign's global growth aspiration, we have set up a new office in Jakarta, Indonesia, in addition to our stable of offices in Hong Kong, South Korea and Malaysia. This move enables us to better serve our existing customers and to meet increasing demands for cybersecurity solutions in Indonesia's rapidly developing digital sector.

As cyber threats continue to evolve globally, Ensign Labs, Ensign's R&D unit, continued to develop solutions to address complex cyber threats. We are pleased to report that two of our Artificial Intelligence-based innovations are patented, with two more patents pending. We are also in the midst of filing global patents.

In October 2022, Ensign launched the Helios Cyber Analytics Suite ("Helios"), a solution which provides comprehensive protection against advanced threats, supplementing existing cybersecurity solutions to detect evolving threats that are able to bypass conventional rule-based systems. Helios currently powers Ensign's Managed Security Service offering, leveraging Artificial Intelligence-powered cyber analytics backed by patented techniques for high efficacy.

In the same month, Ensign introduced its Artemis Incident Response solution which leverages a series of Artificial Intelligence

and Machine Learning algorithms to process digital forensic evidence at scale. Artemis allows incident responders to analyse evidence quickly during cyber attacks, eliminating human error whilst optimising manpower. Helios and Artemis have proven to be valuable tools as the industry continues to face a talent crunch for cyber specialists.

During the year, Ensign also brought to market its in-demand Regional SOC-as-a-Service, an end-to-end subscription-based service for clients to outsource the entire process of SOC build, management and operations, and threat hunting. This solution is a part of Ensign's efforts to boost their service offerings to optimise their revenue mix and increase recurring revenue.

These solutions position Ensign as a forerunner in the Cybersecurity space, solidifying its foothold as the preferred pure-play cybersecurity solutions provider for Governments and large enterprises. We will continue to invest in Ensign's R&D efforts and niche talent pool and prioritise growth for Ensign, while maintaining cost discipline for the segment. Ensign contributed an FY2022 operating profit of \$13.6 million to StarHub, a \$6.0 million year-on-year growth excluding the effect of a one-off inventory write-off recorded in FY2021.

Looking ahead, Ensign will continue to pursue higher value and more complex projects that offer higher margins, and make simultaneous moves to boost the proportion of recurring income in Singapore and the region. We will also continue to deepen our foothold in existing geographies while exploring opportunities in new regional markets to keep up the growth momentum.

The cybersecurity industry is expected to experience strong growth over the next few years and we will continue to enhance our capabilities to meet the rapidly evolving needs of enterprises battling growing cybersecurity threats that are getting increasingly more sophisticated. This will allow us to sustain the revenue-generating momentum of Ensign and bolster our end-to-end cybersecurity value proposition.

### REGIONAL ICT SERVICES

Our Regional ICT Services business unit is anchored by Strateq, as well as JOS Singapore and JOS Malaysia ("JOS SG & MY") that were acquired in FY2022. The segment recorded 162.2% year-on-year growth in FY2022 revenue to \$198.9 million compared to \$75.8 million in FY2021, mainly lifted by the consolidation of JOS SG and MY in FY2022.

Regional ICT Services has a robust ecosystem comprising JOS SG & MY, Strateq and StarHub Enterprise. FY2022 marked the first year that synergies were harnessed across the ecosystem to bolster our competitive edge and maximise business opportunities. As a combined entity, Regional ICT Services is able to leverage the combined experience, resources and capabilities to reach a wider network of customers to cross- and up-sell opportunities, as well as participate in joint tenders, for mutual growth; while providing maximum value to Enterprise customers in Singapore and regionally.



StarHub Enterprise and JOS Singapore at ITAP 2022, showcasing combined digital capabilities for Industry 4.0.

Our Regional ICT Services segment is focused on building vertical solutions, especially for the Healthcare, Education, Energy, Financial Services, Public sectors. Concurrently, with the addition of JOS SG & MY, we are able to leverage our strengthened horizontal capabilities to drive greater value to our customers and be more competitive during tenders and bids. As testament to this, JOS MY and Strateq recorded a landmark win in securing a project for Malaysia's upcoming financial district.

Looking ahead, we will seek to accelerate revenue growth for Regional ICT Services, in tandem with the greater demand for digital services as economies recover. We seek to prudently pursue opportunities regionally beyond Malaysia and explore bolt-on acquisitions to expand our suite of capabilities and customer reach. In addition, we will also look to drive cost efficiencies across the enlarged Group to generate better margin efficiencies in the long run.



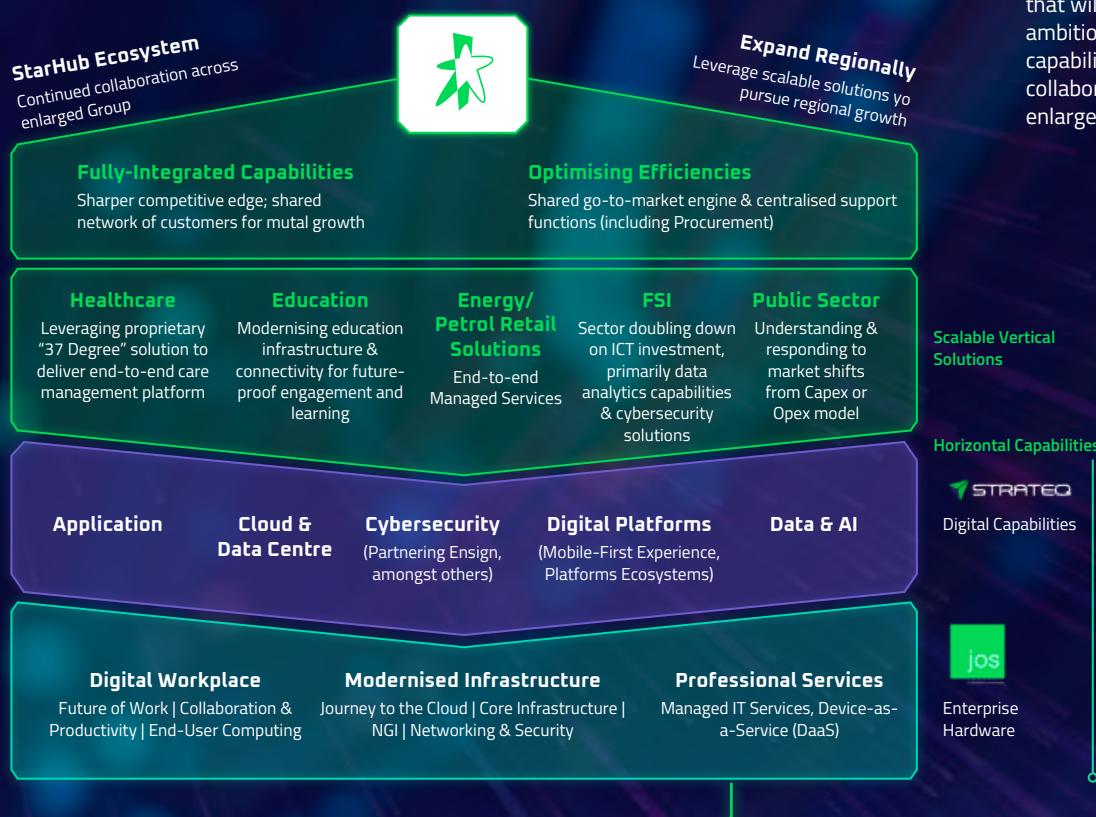
Launch of StarHub's secondary headquarters in Strateq's office, Kuala Lumpur, Malaysia.

## FY2023 GROWTH PRIORITIES

Our Enterprise business has maintained good growth momentum, as we accelerate our trajectory by delivering compelling customer experience leveraging our comprehensive suite of capabilities across our ecosystem of strategic partners and regional subsidiaries to exceed client expectations. By doing so, we seek to move up the value chain to continue delivering meaningful growth, targeting landmark projects and cultivating demand for emerging solutions such as the convergence of the 3C's, as well as digital solutions enabled by seamless and reliable connectivity.

As StarHub continues to scale up emerging growth areas, we will continue to seek strategic partners that will expedite our DARE+ ambitions; accumulate new capabilities; and deepen collaboration across the enlarged Group.

### Scaling Up Regional ICT Services



# Group Financial Review

## 1.1 REVENUE

	Year ended 31 December					
	2022 \$m	2022 %	2021 \$m	2021 %	Incr/(Decr) \$m	Incr/(Decr) %
<b>Mobile<sup>(1)</sup></b>	564.4	24.3	525.0	25.7	39.4	7.5
<b>Broadband<sup>(1)(2)</sup></b>	242.4	10.4	193.8	9.5	48.6	25.1
<b>Entertainment<sup>(1)</sup></b>	216.3	9.3	186.3	9.1	29.9	16.0
<b>Enterprise Business</b>	865.5	37.2	706.1	34.6	159.4	22.6
– Network Solutions <sup>(2)(3)</sup>	365.6	15.7	361.8	17.7	3.9	1.1
– Cybersecurity Services <sup>(4)</sup>	301.0	12.9	268.5	13.1	32.5	12.1
– Regional ICT Services <sup>(5)</sup>	198.9	8.5	75.8	3.7	123.0	162.2
Total service revenue	1,888.6	81.1	1,611.2	78.9	277.3	17.2
Sales of equipment <sup>(6)</sup>	438.7	18.9	431.4	21.1	7.3	1.7
<b>Total</b>	<b>2,327.3</b>	<b>100.0</b>	<b>2,042.6</b>	<b>100.0</b>	<b>284.6</b>	<b>13.9</b>

Numbers may not add up due to rounding.

<sup>(1)</sup> Comparatives have been restated to take into account the reclassification of Entertainment OTT from Mobile and Broadband to Entertainment.

<sup>(2)</sup> Includes service revenue from MyRepublic Broadband.

<sup>(3)</sup> Includes Data & Internet, Managed Services and Voice Services.

<sup>(4)</sup> Includes service revenue from Ensign and D'Crypt.

<sup>(5)</sup> Includes service revenue from Strateq, JOS SG and JOS MY.

<sup>(6)</sup> Includes sales of equipment revenue from MyRepublic Broadband.

The Group's total revenue of S\$2,327.3 million in 2022 was S\$284.6 million or 13.9% higher year-on-year ("YoY"), mainly due to higher revenue contributions from all segments during the year.

Mobile service revenue in 2022 was 7.5% higher YoY, mainly due to higher Postpaid revenue offset by lower Prepaid revenue. The increase in Postpaid revenue was due to higher roaming revenue, higher VAS (value-added services) revenues and higher data subscriptions; partially offset by lower revenue from an infrastructure project of S\$1.7 million recognised in 2022 compared to S\$4.0 million in 2021, and lower voice subscription due to an SFRS(I) adjustment of S\$2.2 million made in 2022. Excluding this revenue and SFRS(I) adjustment on voice subscription revenue, Mobile service revenue would have been S\$43.9 million or 8.4% higher YoY in 2022. Despite an increase in the number of tourists and foreign workers from the reopening of borders, Prepaid revenue was lower YoY in 2022, mainly due to lower IDD usage, lower SMS usage and lower data subscriptions, partially offset by higher Prepaid expired credits.

Broadband service revenue increased 25.1% YoY in 2022, mainly due to the consolidation of MyRepublic Broadband that contributed revenue of S\$37.8 million in 2022, coupled with higher subscription revenue achieved that also lifted ARPU. Excluding contributions from MyRepublic Broadband, Broadband service revenue would have been S\$10.8 million or 5.6% higher YoY in 2022.

Entertainment service revenue increased 16.0% YoY in 2022, mainly due to higher subscription revenue, higher commercial TV revenue and higher advertising revenue. These increases were mainly driven by Premier League and World Cup.

Enterprise Business revenue increased 22.6% YoY in 2022, mainly due to the consolidation of JOS SG and JOS MY under Regional ICT Services that contributed revenue of S\$119.5 million in 2022, coupled with higher revenues from Network Solutions due to the consolidation of MyRepublic Broadband that contributed revenue of S\$13.0 million in 2022, as well as higher revenue from Cybersecurity Services. Excluding contributions from JOS SG, JOS MY and MyRepublic Broadband, Enterprise service revenue would have been S\$26.9 million or 3.8% higher YoY in 2022.

Revenue from Sales of Equipment increased 1.7% YoY in 2022, mainly due to higher unit selling price of 5G handset models, partially offset by lower volume of handsets sold.

## 1.2 OPERATING EXPENSES

	Year ended 31 December			
	2022 \$m	2021 \$m	Incr/(Decr) \$m	%
Cost of sales <sup>(1)</sup>	908.8	783.5	125.3	16.0
Other operating expenses <sup>(1)</sup>	781.8	694.2	87.6	12.6
Cybersecurity Services <sup>(2)</sup>	294.6	273.2	21.4	7.8
Regional ICT Services <sup>(3)</sup>	195.9	74.2	121.8	164.2
<b>Total</b>	<b>2,181.1</b>	<b>1,825.0</b>	<b>356.1</b>	<b>19.5</b>

Numbers may not add up due to rounding.

<sup>(1)</sup> Includes cost of sales and other operating expenses from MyRepublic Broadband.

<sup>(2)</sup> Includes cost of sales and other operating expenses from Ensign and D'Crypt.

<sup>(3)</sup> Includes cost of sales and other operating expenses from Strateq, JOS SG and JOS MY.

The Group's total operating expenses in 2022 was S\$356.1 million higher YoY. This was due to S\$30.8 million in non-recurring provisions relating to DARE+ initiatives that had contributed to higher cost of sales and other operating expenses, as well as increased operating expenses relating to Cybersecurity Services and Regional ICT Services. As a percentage of the Group's total revenue, total operating expenses in 2022 was at 93.7%, compared to 89.3% last year.

Excluding the above non-recurring provisions of S\$30.8 million, the Group's total operating expenses in 2022 would have been S\$2,150.3 million; as a percentage of the Group's total revenue, total operating expenses in 2022 would have been 92.4%, compared to 89.3% last year.

### Cybersecurity services<sup>(1)</sup>

	Year ended 31 December			
	2022 \$m	2021 \$m	Incr/(Decr) \$m	%
Cost of sales	159.9	155.1	4.8	3.1
Other operating expenses	134.7	118.0	16.7	14.1
<b>Total</b>	<b>294.6</b>	<b>273.2</b>	<b>21.4</b>	<b>7.8</b>

Numbers may not add up due to rounding.

<sup>(1)</sup> includes cost of sales and other operating expenses from Ensign and D'Crypt.

As a percentage of Cybersecurity Services revenue, Cybersecurity Services' operating expenses in 2022 was 97.9%, compared to 101.7% last year.

### Regional ICT services

	Year ended 31 December			
	2022 <sup>(1)</sup> \$m	2021 <sup>(2)</sup> %	Incr/(Decr) \$m	\$m
Cost of sales	126.2	33.0	93.3	nm
Other operating expenses	69.7	41.2	28.5	69.2
<b>Total</b>	<b>195.9</b>	<b>74.2</b>	<b>121.8</b>	<b>164.2</b>

Numbers may not add up due to rounding.

<sup>(1)</sup> Includes cost of sales and other operating expenses from Strateq, JOS SG and JOS MY.

<sup>(2)</sup> includes cost of sales and other operating expenses from Strateq.

As a percentage of Regional ICT Services revenue, Regional ICT Services' operating expenses in 2022 was 98.5%, compared to 97.8% last year.

# Group Financial Review

A breakdown of total operating expenses is as follows:

## (i) Cost of sales

	Year ended 31 December			
	2022 \$m	2021 \$m	Incr/(Decr) \$m	%
Cost of equipment sold	401.1	401.3	(0.2)	(0.0)
Cost of services	427.6	316.1	111.4	35.3
Traffic expenses	43.9	42.6	1.3	3.0
Customer acquisition costs	36.2	23.4	12.8	54.6
Cost of sales (excluding Cybersecurity services and Regional ICT services)	908.8	783.5	125.3	16.0
Cost of sales (Cybersecurity services)	159.9	155.1	4.8	3.1
Cost of sales (Regional ICT services)	126.2	33.0	93.3	nm
<b>Total</b>	<b>1,194.9</b>	<b>971.6</b>	<b>223.3</b>	<b>23.0</b>

*Numbers may not add up due to rounding.*

### Cost of Sales (excluding Cybersecurity Services and Regional ICT Services)

Cost of sales in 2022 increased S\$125.3 million YoY, mainly due to higher cost of services, higher traffic expenses and higher customer acquisition costs, partially offset by lower cost of equipment sold.

Cost of equipment remained stable in 2022.

The YoY increases of 35.3% for cost of services in 2022, was mainly due to higher Postpaid Mobile costs, higher Broadband costs, higher Network Solutions costs, higher Pay TV content costs and a non-recurring provision relating to DARE+ initiatives of S\$22.6 million. Excluding this non-recurring provision, cost of services would have been S\$88.8 million or 28.1% higher in 2022.

Traffic expenses in 2022 increased 3.0% YoY, mainly due to higher roaming cost in line with higher roaming revenue, partially offset by lower domestic and international traffic volumes.

The higher customer acquisition costs of 54.6% YoY in 2022, was mainly due to higher Prepaid Mobile and Broadband acquisition costs, partially offset by lower dealer commission for Postpaid Mobile and Entertainment.

### Cost of Sales (Cybersecurity Services)

The YoY increase in cost of sales in 2022 was in line with higher Cybersecurity Services revenue generated.

### Cost of Sales (Regional ICT Services)

The YoY increase in cost of sales in 2022 was primarily due to the consolidation of JOS SG and JOS MY under Regional ICT Services.

## (ii) Other operating expenses

	Year ended 31 December			
	2022 \$m	2021 \$m	Incr/(Decr) \$m	%
Staff costs	199.7	172.5	27.2	15.8
Operating leases	34.6	30.8	3.7	12.2
Marketing and promotions	27.4	20.9	6.5	31.1
Loss allowance for trade receivables	10.9	3.6	7.3	nm
Repairs and maintenance	112.7	86.8	25.9	29.8
Other expenses	168.2	135.4	32.8	24.2
Depreciation and amortisation	228.3	244.2	(15.9)	(6.5)
Other operating expenses (excluding Cybersecurity services and Regional ICT services)"	781.8	694.2	87.6	12.6
Other operating expenses (Cybersecurity services)	134.7	118.0	16.7	14.1
Other operating expenses (Regional ICT services)	69.7	41.2	28.5	69.2
<b>Total</b>	<b>986.2</b>	<b>853.5</b>	<b>132.7</b>	<b>15.6</b>

Numbers may not add up due to rounding.

The Group's total other operating expenses in 2022 was S\$132.7 million higher YoY. As a percentage of total revenue, other operating expenses was 42.4% in 2022, compared to 41.8% last year.

#### Other operating expenses (excluding Cybersecurity Services and Regional ICT Services)

An analysis of major variances in other operating expenses (excluding Cybersecurity Services and Regional ICT Services) is provided below:

##### Staff costs

Staff costs was 15.8% higher YoY in 2022, mainly due to the consolidation of MyRepublic Broadband, higher recruitment cost and non-recurring DARE+ provision of S\$4.0 million, as well as provisions for certain staff compensation and restructuring costs made in 1H2021 that were no longer required. Excluding the non-recurring DARE+ cost provision of S\$4.0 million and prior year expenses no longer required, staff costs would have been S\$15.0 million or 8.3% higher YoY in 2022, due to higher headcount.

##### Operating leases

Operating leases was 12.2% higher YoY in 2022, mainly due to an increase in contract capacity for the StarHub Hyperscale Data Centre @ Loyang coupled with the base station rental accruals in 2H2021 that were no longer required. Excluding this adjustment in these rental accruals, operating leases would have been S\$0.7 million or 2.2% higher YoY in 2022.

##### Marketing and promotions

Marketing and promotions expenses was 31.1% higher YoY in 2022, as a result of higher spend mainly relating to the launch of Premier League and World Cup.

##### Loss allowance for trade receivables

Loss allowance for trade receivables was S\$7.3 million higher YoY in 2022, mainly due to increase in general allowance as a result of higher trade receivables, partially offset by lower bad debt written off.

# Group Financial Review

## Repairs and maintenance

Repairs and maintenance expense was 29.8% higher YoY in 2022, mainly due to higher maintenance costs for network infrastructure and certain IS contracts that were novated back to the Group, higher submarine cable repair costs coupled with higher base station relocation costs including a non-recurring DARE+ provision of S\$3.0 million. Excluding this non-recurring provision, repairs and maintenance would have been S\$109.7 million or 26.4% higher YoY in 2022.

## Other expenses

Other expenses in 2022 was S\$32.8 million higher YoY, mainly due to higher licence fees, higher occupancy cost as a result of higher utilities rate, higher professional fees including a non-recurring DARE+-related provision for professional fees of S\$1.2 million, and lower miscellaneous income; partially offset by lower IT outsourcing costs, lower miscellaneous expense and higher foreign exchange gain. Excluding this non-recurring provision for professional fees, other expenses would have been S\$167.0 million or 23.3% higher YoY in 2022.

## Depreciation and amortisation

Depreciation and amortisation expense was S\$15.9 million lower YoY in 2022, mainly due to lower depreciation of property, plant and equipment ("PPE") and lower depreciation of right-of-use ("ROU") assets, partially offset by higher amortisation of intangible assets.

## Other operating expenses (Cybersecurity Services)

Other operating expenses in 2022 was higher YoY primarily due to higher staff costs; partially offset by lower depreciation and amortisation for Cybersecurity Services.

## Other operating expenses (Regional ICT Services)

The increase in other operating expenses was due to the consolidation of JOS SG and JOS MY under Regional ICT Services.

## 1.3 PROFITABILITY

	Year ended 31 December			
	2022 \$m	2021 \$m	Incr/(Decr) \$m	%
Total revenue	2,327.3	2,042.6	284.6	13.9
Operating expenses	(2,181.1)	(1,825.0)	356.1	19.5
Other income	8.5	14.2	(5.7)	(40.2)
Profit from operations	154.7	231.8	(77.1)	(33.3)
Non-operating income	31.4	1.3	30.1	nm
Non-operating expense	(60.1)	(3.0)	57.1	nm
Finance income	8.2	4.1	4.0	97.8
Finance expense	(45.2)	(49.1)	(3.9)	(8.0)
	88.9	185.1	(96.2)	(52.0)
Share of gain of associate, net of tax	0.6	3.4	(2.8)	(81.3)
Share of gain of joint venture, net of tax	3.5	1.7	1.9	(110.5)
Profit before taxation	93.1	190.2	(97.1)	(51.0)
Taxation	(23.3)	(40.1)	(16.8)	(41.9)
Profit for the year	69.8	150.1	(80.3)	(53.5)
Service EBITDA	379.4	480.8	(101.4)	(21.1)
Service revenue	1,888.6	1,611.2	277.3	17.2
Service EBITDA as a % of service revenue	20.1%	29.8%	-9.7% pts	

nm - not meaningful

Numbers may not add up due to rounding.

Profit from operations in 2022 decreased S\$77.1 million YoY to S\$154.7 million. Operating profit from Cybersecurity Services increased S\$10.2 million to S\$13.6 million in 2022, mainly due to higher revenue and absence of a one-off inventory write-off of S\$4.2 million in 2H2021, partially offset by higher operating expenses. Excluding the inventory write-off, operating profit from Cybersecurity Services would have increased S\$6.0 million or 78.6% YoY in 2022. Operating profit from Regional ICT Services increased S\$1.4 million to S\$3.1 million in 2022, due to the consolidation of JOS SG and JOS MY. Excluding Cybersecurity Services and Regional ICT Services, profit from operations in 2022 would have been S\$138.0 million, which was S\$88.7 million or 39.1% lower YoY. This was due to higher operating expenses (including the non-recurring DARE+ provisions of S\$30.8 million) and lower other income mainly due to lower JSS payouts, lower income grants coupled with lower TPG tunnel fees cost recovery, partially offset by higher revenues from Mobile, Broadband, Entertainment and Network Solutions and higher margin from Sales of Equipment. Excluding these non-recurring DARE+ provisions of S\$30.8 million, profit from operations (excluding Cybersecurity and Regional ICT Services) of S\$168.8 million would have been S\$57.9 million or 25.5% lower YoY.

Service EBITDA margin in 2022 was 20.1%, 9.7% points lower compared to last year. Excluding the non-recurring DARE+ provisions of S\$30.8 million under operating expenses, Service EBITDA margin would have been higher at 21.7% in 2022.

Non-operating income of S\$31.4 million in 2022 was \$30.1 million higher YoY due to the recognition of a fair value gain of S\$22.4 million arising from the decrease in forward liability that was recorded at the date of acquisition of Strateq and the recognition of a fair value gain of S\$8.5 million arising from the financial liabilities measured at fair value associated with the contingent consideration of MyRepublic Broadband, coupled with a fair value gain from the settlement of contingent consideration of S\$0.5 million for Strateq in 1H2022, offset by the absence of a S\$1.3 million gain on the liquidation of StarHub (Mauritius) Ltd in 1H2021.

Non-operating expense was higher YoY at S\$57.1 million in 2022, mainly due to the recognition of impairment loss of goodwill and intangible assets of S\$21.6 million as a result of the discontinuation of one of Strateq's business lines and S\$38.5 million of impairment of network assets relating to the shutdown of StarHub's legacy infrastructure; partially offset by the absence of S\$3.0 million in fair value loss recognised from the financial liabilities measured at fair value associated with the contingent consideration of Strateq in 2021.

Finance income was higher in 2022, compared to last year. Finance expense was lower YoY in 2022, mainly due to lower borrowings as a result of a bond redemption in 3Q2022, lower finance cost on financial liabilities associated with the consolidation of Strateq and lower interest cost on lease liabilities.

Share of results of associate was lower in 2022, compared to last year.

Share of results of joint venture was higher in 2022, compared to last year.

Profit before taxation of S\$93.1 million in 2022, was S\$97.1 million lower YoY as a result of lower profit from operations contributed by the non-recurring DARE+ provisions of S\$30.8 million, higher non-operating expense, partially offset by higher non-operating income. Taxation expenses was lower correspondingly at S\$23.3 million in 2022. Excluding the non-recurring DARE+ provisions of S\$30.8 million under operating expenses as well as the non-operating expense and non-operating income incurred, profit before taxation would have been S\$152.6 million in 2022.

Profit after taxation in 2022 was S\$69.8 million. Excluding the non-recurring DARE+ provisions of S\$30.8 million under operating expenses as well as the non-operating expense and non-operating income incurred and the corresponding tax effects, profit after taxation would have been S\$119.8 million in 2022.

# Group Financial Review

## 1.4 LIQUIDITY AND RESOURCES

	Year ended 31 December	
	2022 \$m	2021 \$m
Profit before taxation	93.1	190.2
Non-cash items & net finance expenses adjustments	331.9	325.3
Operating cash flow before working capital changes	425.0	515.5
Changes in operating assets and liabilities	19.0	224.5
Income tax paid	(60.3)	(82.9)
Net cash from operating activities	383.7	657.1
Net cash used in investing activities	(235.0)	(286.9)
Net cash (used in)/ from financing activities	(403.6)	47.8
Net change in cash and cash equivalents	(254.9)	418.0
Exchange difference on cash and cash equivalents	0.6	(0.2)
Cash and cash equivalents at beginning of the year	821.5	403.7
Cash and cash equivalents at end of the year	567.2	821.5
<b>Free Cash Flow<sup>(1)</sup></b>	<b>222.3</b>	<b>484.6</b>

Numbers may not add up due to rounding.

<sup>(1)</sup> Free Cash Flow refers to net cash from operating activities less purchase of property, plant and equipment and intangible assets in the cash flow statement.

The Group's net cash from operating activities in 2022 of S\$383.7 million was S\$273.4 million lower YoY. The decrease recorded in 2022 was mainly due to lower cash from operations and higher working capital needs, partially offset by lower income tax paid.

The positive working capital changes of S\$19.0 million in 2022, was mainly due to lower contract costs, higher contract liabilities, higher trade and other payables and higher net balances due to related parties; partially offset by higher trade receivables, higher other receivables, deposits and prepayments and higher contract assets.

Net cash used in investing activities decreased by S\$51.9 million to S\$235.0 million in 2022, mainly due to the absence of a bridge loan extended to MyRepublic Holdings Ltd in September 2021 coupled with lower Capex payments, higher interest received and lower investment in the joint venture; partially offset by the funds used for the acquisitions of JOS SG, JOS MY and MyRepublic Broadband of S\$51.8 million which comprised S\$82.6 million in gross consideration offset by the net repayment of S\$30.8 million<sup>1</sup> from MyRepublic Holdings Ltd, and deferred consideration paid to the founding shareholders of D'Crypt and Strateq.

The Group's Capex payments amounted to S\$161.4 million in 2022, representing 6.9% of total revenue. Capex payments was S\$11.1 million lower YoY in 2022, mainly due to decreased PPE purchases, partially offset by an increase in the purchase of intangible assets.

Free cash flow of S\$222.3 million in 2022, was S\$262.3 million lower YoY, mainly due to lower cash from operating activities offset by lower Capex payments.

Net cash used in financing activities was S\$403.6 million in 2022, as compared to a net cash from financing activities of S\$47.8 million last year, mainly due to the redemption of S\$220.0 million in 10-year fixed-rate notes that were due in September 2022, the absence of proceeds from the S\$200.0 million issuance of 10-year fixed-rate notes in January 2021, coupled with higher payment of lease liabilities and higher dividends paid.

The resulting net cash generated was a deficit of S\$254.9 million in 2022, leading to a lower cash and cash equivalents balance (excluding restricted cash) of S\$567.2 million as of 31 December 2022.

<sup>1</sup> Repayment of a S\$105.0 million bridge loan extended in September 2021 offset by the disbursement of a new loan of S\$74.2 million upon completion of the MyRepublic Broadband acquisition in March 2022.

## 1.5 FINANCIAL POSITION

	Year ended 31 December	
	2022 \$m	2021 \$m
Non-current assets	1,714.6	1,640.0
Current assets	1,419.3	1,602.9
Less: Current liabilities	1,160.2	1,093.9
Less: Non-current liabilities	1,289.9	1,452.8
<b>Net assets</b>	<b>683.8</b>	<b>696.2</b>
Shareholders' equity	683.8	696.2
Attributable to owners of the Company	530.4	589.5
Non-controlling interests	153.4	106.7

*Numbers may not add up due to rounding.*

As at 31 December 2022, the Group's total non-current assets of S\$1,714.6 million was S\$74.6 million higher compared to S\$1,640.0 million as at 31 December 2021. The increase was primarily due to higher intangible assets as a result of the recognition of goodwill relating to the acquisition of MyRepublic Broadband and higher other receivables and prepayments due to a new loan of S\$74.2 million extended to MyRepublic Broadband upon completion of the acquisition in March 2022; partially offset by lower PPE, lower ROU and lower contract assets.

Total current assets as at 31 December 2022 decreased by S\$183.6 million to S\$1,419.3 million, mainly due to lower cash and cash equivalents after redemption of notes and lower other receivables, deposits and prepayments, partially offset by higher balances in inventories, trade receivables and contract assets.

Total current liabilities increased by S\$66.3 million to S\$1,160.2 million as at 31 December 2022, mainly due to the reclassification of a S\$120.0 million bank loan from non-current borrowings to current borrowings, higher trade and other payables, higher contract liabilities and higher amounts due to related parties; partially offset by lower provision for taxation and redemption of S\$220.0 million in 10-year fixed-rate notes that were due in September 2022.

The decrease in total non-current liabilities by S\$162.9 million to S\$1,289.9 million as at 31 December 2022 was primarily due to the reclassification of S\$120.0 million from non-current borrowings to current borrowings (as explained above) coupled with lower trade and other payables, lower lease liabilities and lower deferred tax liabilities.

The Group's shareholders' equity decreased by S\$59.1 million to S\$530.4 million as at 31 December 2022 (excluding non-controlling interests of S\$153.4 million). The decrease was mainly due to lower retained profits.

Following the disposal of D'Crypt in September 2019 to Keele, D'Crypt became an indirect subsidiary of Ensign as a result of the rights accorded to Ensign through the purchase of Preference Shares of Keele. The Group now holds 55.73% of the economic interest in D'Crypt through its shareholding and interest in Ensign.

The Group holds 88.28% economic interest in Strateq following the completion of its acquisition in July 2020.

The Group holds 60.0% economic interest in JOS SG and JOS MY following the completion of the acquisitions in January 2022.

The Group holds 50.1% economic interest in MyRepublic Broadband following the completion of the acquisition in March 2022.

The non-controlling interests represent the balances of 44.27% effective economic interest in Ensign, 11.72% effective economic interest in Strateq, 40.0% effective economic interest in JOS SG and JOS MY and 49.9% effective economic interest in MyRepublic Broadband, attributable to non-controlling interest shareholders.

### Gearing

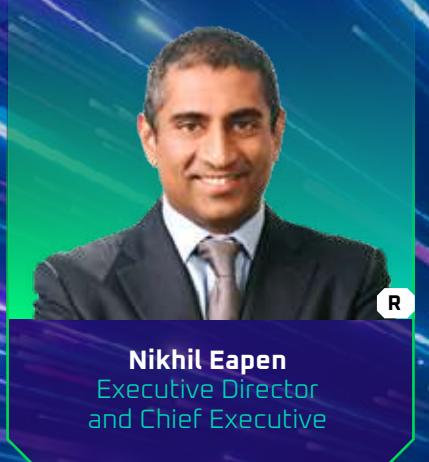
The Group's secured and unsecured borrowings was lower by S\$214.4 million as of 31 December 2022.

Due to the lower cash and cash equivalent balance, net debt was S\$44.8 million higher at S\$576.7 million as of 31 December 2022 compared to S\$531.9 million as of 31 December 2021. As a ratio of the past 12 months' EBITDA, the Group's net debt increased to 1.38 times as of 31 December 2022 compared to 1.04 times as of 31 December 2021.

# Board of Directors



**Olivier Lim**  
Independent  
Non-Executive Chairman



**Nikhil Eapen**  
Executive Director  
and Chief Executive



**Paul Ma**  
Independent Director



**Ng Shin Ein**  
Independent Director



**Lionel Yeo**  
Independent Director



**Teo Ek Tor**  
Non-Executive Director

## A DIVERSE AND EXPERIENCED BOARD

Our Board leads and oversees the strategic direction and performance of the Group, guiding towards value creation and long-term success.

### Key to Committee Membership

**A** Audit Committee

**R** Risk and Sustainability Committee

**N** Nominating and Governance Committee

**E** Executive Resource and Compensation Committee

Committee Chairman

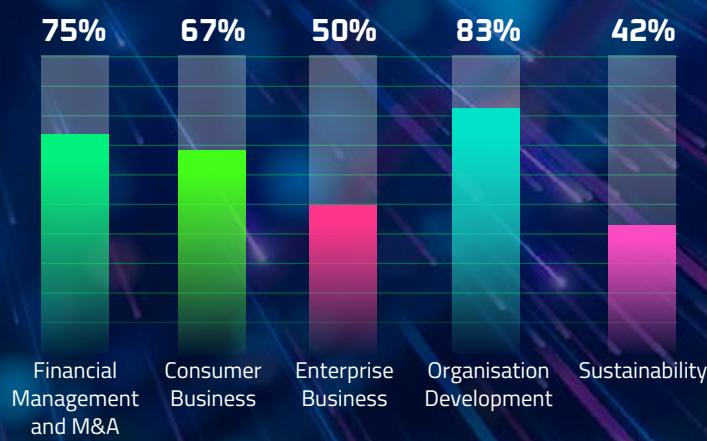
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STRATEGYBUSINESS  
REVIEW

## GOVERNANCE

## SUSTAINABILITY

## FINANCIALS

**SKILLS****INDEPENDENCE****GENDER DIVERSITY**

Financial Management and M&A      Consumer Business      Enterprise Business

Organisation Development

Sustainability

Independent Directors      Non-Independent Directors

Male      Female

# Board of Directors

## Olivier Lim

Independent Non-Executive Chairman

**Date of Appointment:**  
12 February 2022

**Last Re-elected:**  
26 April 2022

**Member, Nominating and Governance Committee**

Olivier is Chairman of Certis CISCO Security Pte. Ltd. and PropertyGuru Group Limited and the Deputy Chairman of Singapore Tourism Board. He is the Lead Independent Director of DBS Group Holdings Ltd and DBS Bank Ltd and a Director of Raffles Medical Group. He also serves on the Securities Industry Council.

Olivier has previously served as Chairman of ASX listed Australand Holdings Limited, globalORE Pte Ltd, Mount Faber Leisure Group, and the Advisory Council of the Singapore CFO Institute. He has also held directorships in several SGX-listed companies including Banyan Tree Holdings, CapitaMalls Asia, and served on the boards of Singapore Management University, Jurong Town Corporation, Sentosa Development Corporation and the Accounting and Corporate Regulatory Authority (ACRA).

Olivier worked at CapitaLand Limited from 2003 to 2014 and served as Group Deputy Chief Executive Officer, Group Chief Investment Officer and Group Chief Financial Officer (CFO) during his career there. He was named CFO of the Year in the Business Times Singapore Corporate Awards 2007. Between 1989 and 2003, he worked at Citibank Singapore in various roles in the corporate and investment banking units and was Head of the Real Estate Unit in his ultimate role. Olivier holds a First Class Honours degree in Civil Engineering from the Imperial College of Science, Technology and Medicine in the United Kingdom.

## Nikhil Eapen

Executive Director and Chief Executive

**Date of Appointment:**  
11 August 2021

**Last Re-elected:**  
26 April 2022

**Member, Risk and Sustainability Committee**

Nikhil is Chief Executive and Executive Director of StarHub. He brings 20 years of experience in the global ICT sector working with senior executive teams to drive growth and make synergistic investments in infrastructure and enterprise communications and technology. Nikhil is responsible, together with the Executive team, for leading StarHub's transformation and competitiveness and creating value for all stakeholders.

Prior to StarHub, Nikhil was Deputy Chief Executive Officer, Singapore Technologies Telemedia Pte Ltd (ST Telemedia) and President & Group Chief Executive Officer of ST Telemedia's Infrastructure Technology (InfraTech) where he led corporate development activities across its communications, data centre and technology holdings, in addition to building and acquiring cloud-centric platforms in IT, cybersecurity and enterprise software.

Before joining ST Telemedia, Nikhil was an investment banker for over 18 years at Citigroup, working in the firm's Hong Kong, New York and South East Asian offices. From 2008 to 2015, he was Managing Director & Head of Asia-Pacific Technology, Media & Telecommunications Corporate & Investment Banking at Citigroup, based in Hong Kong, where he led capital markets and M&A transactions across South East Asia, Greater China, India and the US.

Nikhil holds a Bachelor of Science (Honours) in Economics from University College London.

## Paul Ma

Independent Director

**Date of Appointment:**  
23 September 2015

**Last Re-elected:**  
26 April 2022

**Chairman, Audit Committee**

**Member, Risk and Sustainability Committee**

Paul is a member of the Advisory Board of The Asian Civilisations Museum. He has previously served on the boards of Mapletree North Asia Commercial Trust Management Ltd. and Mapletree Investments Pte Ltd. Paul was a senior partner of KPMG Singapore, where he was in charge of the Audit & Risk Advisory Practice and Risk Management function until his retirement in September 2003. Paul is a Fellow of the Institute of Chartered Accountants in England and Wales, and a Member of the Institute of Singapore Chartered Accountants.

**Nihal Kaviratne**  
Lead Independent Director

**Date of Appointment:**  
16 August 2004

**Last Re-elected:**  
30 April 2021

Chairman, Nominating and Governance Committee

Member, Audit Committee

Nihal serves on the board of Olam Group Limited in Singapore and is the Chairman of Caraway Pte. Ltd. He is also a Senior Advisor of Bain & Company for SEA, the Chairman of the Advisory Panel for Indonesia, SATS Ltd, a Member of the Advisory Board of the Indian Pediatric Hematology Oncology Group, and a Member of the Global Corporate Resilience Advisory Council of McKinsey & Company, Inc. Nihal held various senior level management positions in the Unilever group across Asia, Europe and Latin America over forty years. Nihal was cited in the Queen's 2004 New Year Honours List in the UK and was awarded the CBE (Commander of the Order of British Empire) for services to UK business interests in Indonesia. He was chosen by Business Week in 2002 for the Stars of Asia Award as one of the "25 leaders at the forefront of change". Nihal holds a Bachelor of Arts (Honours) with a major in Economics from Bombay University, India and has attended various management development programmes in India, Australia, the UK and the USA, including the Advanced Executive Programme conducted by Kellogg School of Management, Northwestern University and the Advanced Management Program at the Harvard Business School, USA.

**Nayantara Bali**  
Independent Director

**Date of Appointment:**  
6 August 2018

**Last Re-elected:**  
26 April 2022

Chairman, Risk and Sustainability Committee

Nayantara is a Director of ANV Consulting Pte Ltd, Torrent Pharmaceuticals Limited, Inchcape plc and Marico Ltd. She is a business leader with over 28 years of Asia-Pacific CEO and leadership experience at Procter & Gamble (P&G). At P&G, Nayantara held various senior level management positions, including Vice-President of the Asia-Pacific Beauty Care, Global Skin Care and Gillette Asia business units. Nayantara has vast experience in the FMCG sector including how to build winning customer centric plans in a fast changing and digitally disrupted environment. She served on the Boards of P&G Gillette India from 2011 to 2013 and P&G Health & Hygiene India from 2003 to 2005. Nayantara was a member of P&G's Global Business Leadership Council and Global Diversity & Inclusion Council. Nayantara holds a Bachelor of Arts in Economics from Stella Maris College, University of Madras, and a Post Graduate Diploma in Business Management from the Indian Institute of Management - (IIM) Ahmedabad.

**Michelle Guthrie**  
Independent Director

**Date of Appointment:**  
25 August 2017

**Last Re-elected:**  
30 April 2021

Chairman, Executive Resource and Compensation Committee

Michelle is non-executive Chairman of Mighty Kingdom Limited and a Director of Catapult Group International Limited and BNK Banking Corporation Limited, all of which are listed on the Australian Securities Exchange. She is also Chairman of TRAVLR Pty Ltd. Michelle has extensive experience and expertise in media management, content development, and a detailed knowledge of both traditional broadcasting and the new digital media landscape. Over the last 27 years, Michelle has worked for a range of broadcasting and media organisations in Australia, Europe and Asia, including the Australian Broadcasting Corporation, BSkyB, Star TV and Google. She is well placed to guide StarHub's strategic development, with her extensive knowledge of the Asian media market, digital technology and digital disruption. Michelle holds a Bachelor of Arts and Law (Honours) from Sydney University.

# Board of Directors

## Ng Shin Ein

Independent Director

**Date of Appointment:**  
17 September 2018

**Last Re-elected:**  
26 April 2022

Member, Audit Committee

Shin Ein brings with her a blend of legal, business and diplomatic experience. She is a legally trained private equity entrepreneur and co-founder of Gryphus Capital, a pan-Asian private equity firm. Prior to this, she spent a number of years at the Singapore Exchange where she was responsible for developing Singapore's capital market and bringing foreign companies to list in Singapore. Additionally, she was part of the Singapore Exchange's IPO Approval Committee, where she contributed industry perspectives and acted as a conduit between the market and regulators.

Shin Ein was admitted as an advocate and solicitor of the Singapore Supreme Court in 1998 and practiced as a corporate lawyer in Messrs Lee & Lee.

Shin Ein has served on boards of companies listed on Nasdaq, the Singapore Exchange and the Australian Securities Exchange. She has steered some of these companies through their IPOs and seen others through their privatisations. She presently serves on the boards of Grab Holdings Inc and CSE Global. She is also on the Board of Governors of the Singapore International Foundation.

In 2015, Shin Ein was awarded the Friend of Labour award for her service as a board member of Fairprice.

Apart from corporate boards, Shin Ein serves as Singapore's Non-Resident Ambassador to the Republic of Hungary. In 2021, she was awarded the Commander's Cross, Order of Merit, the second highest civilian state award of Hungary.

## Lionel Yeo

Independent Director

**Date of Appointment:**  
10 January 2019

**Last Re-elected:**  
26 April 2022

Member, Nominating and Governance Committee

Member, Executive Resource and Compensation Committee

Lionel is an Advisor at Insignia Ventures Partners Fund III GP Ltd and an Elected Member, Committee of Management of Ngee Ann Kongsi. Lionel was Chief Executive Officer and Director of SportsHub Pte. Ltd. from February 2020 to December 2022, CEO Advisor at Grab from September 2018 to 31 December 2019, and the Chief Executive of the Singapore Tourism Board from June 2012 to May 2018. Prior to that, he was the Dean & CEO of the Singapore Civil Service College and Deputy Secretary (Development) in the Public Service Division of the Prime Minister's Office. His work for the Singapore government also included securing FTAs and market access for Singapore companies (Ministry of Trade & Industry), designing tax reforms for economic competitiveness and fiscal sustainability (Ministry of Finance), and promoting culture and the arts (Ministry of Information and The Arts). Lionel holds a Bachelor of Science (BSc) in Economics from the London School of Economics and Political Science and a Master of Business Administration (MBA) from the Massachusetts Institute of Technology – Sloan School of Management.

## Teo Ek Tor

Non-Executive Director

**Date of Appointment:**  
16 August 2004

**Last Re-elected:**  
22 May 2020

Member, Audit Committee

Ek Tor is Chairman of PrimePartners Group Pte Ltd, PrimePartners Corporate Finance Pte Ltd and Aris PrimePartners Asset Management Pte Ltd, a joint venture asset management company based in Singapore. He is also Non-Executive Chairman of ST Telemedia, STT Communications Ltd and Asia Mobile Holdings Pte. Ltd. and a non-executive director of STT GDC Pte. Ltd and Ensign InfoSecurity Pte. Ltd. Ek Tor has vast experience in investment banking and asset management in Asia, and brings with him in-depth financial and analytical expertise. He had contributed to and been instrumental in the development of two major regional investment banking groups – Morgan Grenfell Asia (1980-1993) and BNP Prime Peregrine (1997-1999). Ek Tor held senior executive positions within the Morgan Grenfell Asia group and was the Regional Managing Director of BNP Prime Peregrine (Singapore) Ltd. He holds a Bachelor of Arts (Honours) in Business Administration, from the University of Western Ontario, Canada.

**Stephen Miller**  
Non-Executive Director

**Date of Appointment:**  
1 January 2017

**Last Re-elected:**  
22 May 2020

**Member, Nominating and Governance Committee**

**Member, Executive Resource and Compensation Committee**

Stephen is the President & Group Chief Executive Officer of ST Telemedia and is also a member of ST Telemedia's Board of Directors. He also serves on the Board of TeleChoice International Limited. Stephen joined ST Telemedia in 2005 and held various senior positions including Chief Financial Officer and President & Chief Operating Officer. He played a crucial role in enhancing ST Telemedia's business competitiveness and asset portfolio while simultaneously maintaining prudent financial management. Prior to joining ST Telemedia, Stephen was Financial Advisor to the company on the combination of its data centre business with Equinix and Pihana Pacific, creating one of the world's largest carrier-neutral data centre networks. Stephen has more than 26 years of global investment, financial management, strategic planning and Communications, Media and Technology (CMT) industry experience. He spent over 14 years of his career in investment banking with Credit Suisse, primarily heading its telecommunications and media group throughout Asia and the Pacific. Stephen holds a Bachelor's Degree in Commerce, with First Class Honours in Economics and Finance, from the University of New South Wales, Australia.

**Naoki Wakai**  
Non-Executive Director

**Date of Appointment:**  
30 August 2017

**Last Re-elected:**  
30 April 2021

Wakai-san is an Executive Officer of NTT Communications Corporation (NTT Com) in Japan, in charge of Global Business. He is a Director of PLDT, Inc., a company registered in the Philippines and listed on the Philippine Stock Exchange. Wakai-san joined Nippon Telegraph and Telephone Company (NTT) in 1989 and has more than 26 years' experience in international telecommunications and IT business. He was involved in the establishment of subsidiaries and branch offices in China, Taiwan and Korea, and played a major role in the construction of international submarine cable systems. After serving as Senior Manager of IP Transit Business at NTT Com Asia (Hong Kong) and Director of International Business at Verio (USA), he became Head of Server Hosting Team in 2006, Head of Carrier Relations in 2008, and VP of Global IP Network in 2009. He served as Deputy Managing Director and COO of NTT Europe Limited for five years. Prior to becoming an Executive Officer of NTT Com, Wakai-san was CEO of NTT Singapore Pte. Ltd. for four years until 2021. Wakai-san holds a Bachelor of Laws from the Keio University, Japan and a Master of Economics from the International University of Japan.

**Ahmad Al-Neama**  
Non-Executive Director

**Date of Appointment:**  
11 August 2021

**Last Re-elected:**  
26 April 2022

Ahmad is Group Regional CEO at Ooredoo Group and a Commissioner of Indosat Ooredoo Hutchison. Prior to that he was President Director and Chief Executive Officer of Indosat Ooredoo. Ahmad is the Chairman of Ooredoo Myanmar Ltd., Ooredoo Tunisie and Ooredoo Algerie. He also serves on the Boards of Asia Mobile Holdings Pte. Ltd. and Shenington Investments Pte Ltd. He has more than 17 years of experience with the Ooredoo Group in various operational and management roles, including Group Chief Technology Officer, Chief Sales & Service Officer and Senior Director of Radio Networks. He has extensive experience in the telecommunications industry, with a proven track record of effective management, team leadership, project management, business development and strategy. Ahmad holds a degree in Engineering (Electrical and Electronics Engineering) from the University of Colorado at Denver.

# Directors' Particulars

**Olivier Lim, 59**

Independent  
Non-Executive Chairman

## Principal Commitments

- » DBS Bank Ltd (Lead Independent Director)
- » Singapore Tourism Board (Deputy Chairman)
- » Certis CISCO Security Pte. Ltd. (Director/Chairman)

## Listed Company Directorships

- » DBS Group Holdings Ltd (Lead Independent Director)
- » PropertyGuru Group Limited (Director/Chairman)
- » Raffles Medical Group Ltd (Director)

**Nikhil Eapen, 51**

Executive Director  
and Chief Executive

## Principal Commitments

- » StarHub Cable Vision Ltd. (Director)
- » StarHub Mobile Pte Ltd (Director)
- » StarHub Online Pte Ltd (Director)
- » MyRepublic Broadband Pte. Ltd. (Chairman)
- » JOS (SG) Pte. Ltd. (Chairman)
- » JOS Applications (S) Pte. Ltd. (Director)
- » Malaren International Sdn. Bhd. (Chairman)
- » JOS (Malaysia) Sdn. Bhd. (Chairman)
- » Nettilling Sdn. Bhd. (Chairman)
- » Taman Kenyir Holdings Sdn. Bhd. (Chairman)

## Listed Company Directorships

- » Nil

**Paul Ma, 76**

Independent Director

## Principal Commitments

- » Nil

## Listed Company Directorships

- » Nil

**Ng Shin Ein, 49**

Independent Director

## Principal Commitments

- » Nil

## Listed Company Directorships

- » Avarga Limited (Director)
- » Grab Holdings Inc. (Director)
- » CSE Global Limited (Director)
- » SingLand Properties Limited (Director)

**Lionel Yeo, 51**

Independent Director

## Principal Commitments

- » Insignia Ventures Partners Fund III GP Ltd (Advisor)
- » Ngee Ann Kongsi (Elected Member, Committee of Management)

## Listed Company Directorships

- » Nil

**Teo Ek Tor, 70**

Non-Executive Director

## Principal Commitments

- » PrimeFounders Pte Ltd (Director)
- » PrimePartners Group Pte Ltd (Chairman)
- » PrimePartners Corporate Finance Pte Ltd (Chairman)
- » Aris PrimePartners Asset Management Pte Ltd (Chairman)
- » Singapore Technologies Telemedia Pte Ltd (Chairman)
- » STT Communications Ltd (Chairman)
- » Asia Mobile Holdings Pte. Ltd. (Chairman)
- » Asia Mobile Holding Company Pte. Ltd. (Director)
- » STT GDC Pte. Ltd. (Director)
- » WhiteRock Medical Company Pte Ltd (Chairman)
- » Prime Agri Limited (Chairman)
- » Ensign InfoSecurity Pte. Ltd. (Director)
- » Food Ventures Pte. Ltd. (Director)

## Listed Company Directorships

- » Nil

**Nihal Kaviratne, 79**

Lead Independent Director

**Principal Commitments**

- » Bain & Company South East Asia (Senior Advisor)
- » Caraway Pte. Ltd. (Chairman)
- » McKinsey & Company, Inc. (Member of the Global Corporate Resilience Advisory Council)
- » St Jude India ChildCare Centres (Founder)
- » SATS Ltd, Singapore (Chairman of the Advisory Panel for Indonesia)
- » Indian Pediatric Hematology Oncology Group (Advisory Board Member)

**Listed Company Directorships**

- » Olam Group Limited (Director)

**Nayantara Bali, 57**

Independent Director

**Principal Commitments**

- » ANV Consulting Pte Ltd (Director)
- » Marico Ltd (Director)

**Listed Company Directorships**

- » Torrent Pharmaceuticals Ltd. (Director)
- » Inchcape plc (Director)

**Michelle Guthrie, 58**

Independent Director

**Principal Commitments**

- » TRAVLR Pty Ltd (Chairman)

**Listed Company Directorships**

- » Mighty Kingdom Limited (Chairman)
- » Catapult Group International Limited (Director)
- » BNK Banking Corporation Limited (Director)

**Stephen Miller, 60**

Non-Executive Director

**Principal Commitments**

- » Singapore Technologies Telemedia Pte Ltd (President & Group CEO and Director)
- » Asia Mobile Holdings Pte. Ltd. (Director)
- » STT GDC Pte. Ltd. (Director)
- » Antina Pte. Ltd. (Director)
- » Armor Defense Inc (Director)
- » Armor Defense Asia Pte. Ltd. (Director)
- » 2<sup>nd</sup> Watch, Inc. (Director)
- » Australian Chamber of Commerce, Singapore (Board Member)
- » Climate Governance Singapore Limited (Steering Committee Member)

**Listed Company Directorships**

- » TeleChoice International Limited (Deputy Chairman / Director)

**Naoki Wakai, 58**

Non-Executive Director

**Principal Commitments**

- » NTT Communications Corporation (Executive Officer)
- » PT NTT Indonesia Ltd. (Director)

**Listed Company Directorships**

- » PLDT, Inc. (Director)

**Ahmad Al-Neama, 43**

Non-Executive Director

**Principal Commitments**

- » Ooredoo Group (Group Regional CEO)
- » Ooredoo Myanmar Ltd. (Chairman)
- » Asia Mobile Holdings Pte. Ltd. (Director)
- » Ooredoo Tunisie (Chairman)
- » Shenington Investments Pte Ltd (Director)
- » Ooredoo Algerie (Chairman)

**Listed Company Directorships**

- » PT Indosat Tbk (doing business as Indosat Ooredoo Hutchison) (Commissioner)

# Senior Executives



Ayush Sharma

Network

Tim Goodchild

Government & Strategic Affairs

Nikhil Eapen

Chief Executive and Executive Director



# Senior Executives

## Nikhil Eapen

### Chief Executive

Nikhil is Chief Executive and Executive Director of StarHub. Nikhil brings 20 years of experience in the global ICT sector working with senior executive teams to drive growth and make synergistic investments in infrastructure and enterprise communications and technology. Nikhil is responsible, together with the Executive team, for leading StarHub's transformation and competitiveness and creating value for all stakeholders.

Prior to StarHub, Nikhil was Deputy Chief Executive Officer, ST Telemedia and President & Group Chief Executive Officer of ST Telemedia's Infrastructure Technology (InfraTech) where he led corporate development activities across its communications, data centres and technology holdings, most recently building and acquiring cloud-centric platforms in IT, cybersecurity and enterprise software. Nikhil also previously served as a member of StarHub's Board Strategy Committee.

Before joining ST Telemedia, Nikhil was an investment banker for over 18 years at Citigroup, working in the firm's Hong Kong, New York and South East Asian offices. From 2008 to 2015, he was Managing Director & Head of Asia-Pacific Technology, Media & Telecommunications Corporate & Investment Banking at Citigroup, based in Hong Kong, where he led capital markets and M&A transactions across South East Asia, Greater China, India and the US.

Nikhil holds a Bachelor of Science (Honours) in Economics from University College London.

## Dennis Chia

### Finance

Dennis oversees StarHub's financial health, develops and executes strategies through financial management and ensures that business decisions are financially sound. He is also responsible for investor relations, merger and acquisition activities, procurement, supply chain and enterprise risk management.

Prior to joining StarHub, Dennis was the Senior Vice President and Chief Financial Officer (CFO) of STATS ChipPAC (Worldwide), a leading provider of advanced semiconductor packaging and test services. He was also with Lear Corporation as its Vice President of Finance, Asia Pacific Operations and CFO of Behringer Corporation and Frontline Technologies Corporation.

Dennis is a Chartered Accountant and currently a council member with the Institute of Singapore Chartered Accountants. He holds a Bachelor of Accountancy (Honours) from the National University of Singapore and a Master of Business Administration from the University of Hull, United Kingdom.

**Johan Buse**  
Consumer

Johan leads the Consumer Business Group and is responsible for product development, marketing, TV operations, Customer Lifecycle Management and sales. He manages product-focused teams across the Mobile (including StarHub's digital brand, giga!), Entertainment and Broadband segments, delivering innovative products and services for consumers and SMEs. Johan also drives the Consumer Business Group's strategy, including building of new digital products and services, and the transformation of business delivery within an agile set-up. He also charts StarHub's brand evolution.

Prior to joining StarHub, Johan's 22 years of experience in the telecommunications industry has brought him across Europe, Asia and the Middle East. Most recently, he was the Chief Commercial Officer of Ooredoo Oman, where he was responsible for marketing, sales and customer experience for mobile, fixed-line and new businesses. Before that, he held senior positions in Deutsche Telekom (T-Mobile), Axis (STC) and Singtel.

Johan was recognised by Forbes as one of the world's 50 most influential CMOs in 2014. He holds a Bachelor of Science, Commercial Economics – Communications from Hogeschool Breda, Netherlands.

**Tan Kit Yong**  
Enterprise

Kit Yong leads the Enterprise Business Group, a growing segment that delivers leading connectivity, platforms, applications and tailored industry solutions and services to enable the business of StarHub's enterprise and government customers to thrive in the digital economy. He was the company's Vice President of Enterprise Sales and ICT prior to his current appointment.

A maven in the info-communications industry, Kit Yong has extensive experience leading and executing business strategies across diverse industries such as financial services, telecommunications, healthcare, automotive and transportation & logistics. He last held the positions of General Manager, Global Technology Services (GTS) at IBM Singapore. His prior position within IBM was APAC Service Leader for Managed Applications (SAP & Oracle) on multi-cloud and Hybrid Cloud Services and Interim General Manager, GTS at IBM Philippines, where he accelerated IBM's journey to cloud growth in Asia Pacific.

Kit Yong holds a Bachelor of Finance and Marketing from Curtin University, Australia.

# Senior Executives

## Ayush Sharma Network

Ayush provides leadership to maintain a robust and efficient network to support StarHub's multiple lines of business. He is also responsible for advancing StarHub's network transformation initiatives to accelerate business growth. Ayush brings more than 20 years of experience in delivering ground-breaking technologies and industry-first products, and was most recently the Vice President, Head of Metaverse & Edge Platforms Business, Rakuten (USA). He is also a successful entrepreneur, having co-invented "Latency-as-a-Service" architecture and algorithms to help MotoJeannie, a start-up business, deliver engaging rich-media interactive streaming, gaming, and XR-based collaboration experiences.

With previous leadership experience at Cisco, Ericsson, and Huawei, Ayush has led the design and technology adoption programs for over 30 fixed, satellite, mobile, and cloud networks globally. He launched several successful initiatives that have helped shape the industry, pioneering solutions ranging from the world's first Wi-Fi calling platform and first router in Outer Space, to the first commercial-grade Software Defined Networking controller.

Ayush holds a Master of Science in Data Communications from Brunel University London, United Kingdom and has completed the Stanford Executive Management program.

## Kee Yaw Yee Information Services

Yaw Yee is responsible for the Information Technology (IT) strategy, IT infrastructure, systems and applications required to support StarHub's business growth and customer goals.

Prior to joining StarHub, Yaw Yee has held leadership roles in multinational companies like Accenture, Hewlett-Packard and AsiaInfo. With over 24 years of experience in IT and management consulting, he has consistently delivered large-scale transformational programmes for local and regional clients, using different methodologies and technology solutions.

Yaw Yee was recognised as one of the top 50 CIOs in Southeast Asia and Hong Kong by IDG CIO50 ASEAN Awards 2020. Yaw Yee holds a Bachelor (Honours) of Electrical Engineering and Electronics from the University of Manchester, Institute of Science and Technology in the United Kingdom. He has a Performers' Diploma in piano from the Trinity College of Music, London.

## Catherine Chia Human Resource

Catherine leads the overall human resource strategy, programmes and services, to accelerate the growth and performance of StarHub.

Prior to joining StarHub, Catherine was Vice President of People Operations & Development at LEGO. Catherine has extensive human resource experience in organisations spanning multiple industries and geographies, such as Dell, GE and United Overseas Bank. In her previous roles, Catherine has implemented organisational change and transformation initiatives as well as developed leadership capabilities through robust talent management programmes.

Catherine holds a Bachelor of Social Science (Honours) from the National University of Singapore.

**Veronica Lai****Corporate Services and Sustainability**

Veronica is responsible for StarHub's Legal, Corporate Secretariat, Regulatory, Corporate Communications and Sustainability functions.

With over two decades of experience in the info-communications industry, Veronica was the Group's General Counsel and Company Secretary prior to her current role. Before joining StarHub, she practised law at Rajah and Tann Singapore LLP.

Veronica serves as the Honorary Treasurer of the Global Compact Network Singapore's Management Committee and is appointed as a specialist mediator by the Singapore International Mediation Centre. She was conferred the Chief Legal Officer 2020 Award by the Singapore Corporate Counsel Association, and is listed in Legal 500's GC Powerlist. She also received the Asian Company Secretary 2013 Award for Singapore by Corporate Governance Asia.

Veronica holds a Bachelor of Laws (Honours) from the National University of Singapore.

**Tim Goodchild****Government & Strategic Affairs**

Tim is responsible for managing StarHub's relationship with the regulators, and for providing regulatory support to StarHub's lines of business. He has more than 30 years' experience in telco regulatory issues.

Prior to joining StarHub, Tim's career has given him exposure to regulatory regimes throughout the Asia-Pacific region. This has included time with Telecom New Zealand, the Telecommunications Authority of Singapore (now the Infocomm Media Development Authority of Singapore), Millicom International Cellular, and Equant Singapore.

Tim holds a Bachelor of Economics (Honours) from Victoria University of Wellington, New Zealand.

# Corporate Governance



**Driving long-term value  
with responsible stewardship  
and accountability**

## CORPORATE GOVERNANCE STATEMENT

StarHub is dedicated to upholding the highest standards of corporate governance. We firmly believe that a robust and sound governance framework is the foundation for long-term sustainable holistic performance in a purpose led organisation. This foundation facilitates the creation of value for all our stakeholders, advancing our talent, culture and sustainability aspirations, solidifying customer and investor confidence, and ultimately increasing total shareholder returns. Transparency, accountability and integrity are the cornerstones of all we do, and are reflected in our focus on robust stewardship, effective risk management and governance practices.

# CORPORATE GOVERNANCE REPORT 2022



This report describes our corporate governance framework, practices and policies for the financial year ended 31 December 2022 (FY2022) with reference to the principles and provisions of the Code of Corporate Governance (Code) issued by the Monetary Authority of Singapore on 6 August 2018. **We are pleased to confirm that StarHub has complied with all principles and provisions of the Code for FY2022.**

As a reflection of StarHub's commitment to corporate governance, we have received the following recognitions in FY2022:

**Investors' Choice Awards 2022 by Securities Investors Association (Singapore)**

Most Transparent Company (Communications category)

**Singapore Governance and Transparency Index 2022**

**34<sup>th</sup>**

out of 489 SGX-listed companies

**Institutional Shareholder Services group of companies (ISS) Governance Quality Score 2022**

Achieved best possible score of

**"1"** for low Governance risk

**IR Magazine Forum & Awards – South East Asia 2022**

Best Investor Event

**ASEAN Corporate Governance Scorecard 2021**

Recognised amongst ASEAN Asset Class (Singapore) top publicly listed companies

**Corporate Knights Global 100 for 2023**

**World's most sustainable Telecommunication Service Provider**  
(Fixed and Wireless)

Ranked

**34<sup>th</sup>**

amongst the world's most sustainable corporations

**Singapore Apex Corporate Sustainability Awards 2022**

Sustainable Business Winner

**Equileap 2022 Gender Equality Report & Ranking**

Ranked

**7<sup>th</sup>**

in Singapore for policies and commitment to gender equality

**CDP Climate Change Assessment 2022**

**A–**

leadership score

# Corporate Governance



## 1. BOARD MATTERS

### A. THE BOARD'S CONDUCT OF AFFAIRS

#### Board Duties

The Board oversees the business performance and affairs of the StarHub Group (Group) and is responsible for its long-term success. The Board guides and works closely with Management to ensure the alignment of interests of the Board and Management with that of shareholders particularly, and with stakeholders more broadly.

**The Board's key roles and responsibilities are:**

- |  |   |  |  |
|--|---|--|--|
|  | Set StarHub's values and standards (including ethical standards) and corresponding corporate culture, to ensure that our obligations to shareholders and stakeholders are well-understood and duly met;                               |  | Ensure regular and transparent communications with shareholders and guide Management to manage relationships with identified key stakeholder groups, including staff, customers, suppliers and business partners;                          |
|  | Provide proactive and focused leadership and guidance to Management and steer the Group in the appropriate strategy and corporate plan;   |  | Regularly review the performance of Management and the remuneration framework of the Board and Management, and perform succession planning for the Board and Management;   |
|  | Review and approve key operational and business initiatives, annual budgets, major funding and investment proposals, acquisitions and divestments;  |  | Consider sustainability in steering the Group's strategy and corporate plan, and ensure adoption of environmental, social and governance (ESG) factors; and  |
|  | Establish a framework of prudent and effective controls supported by clear and robust procedures and delegated authorities, which enables risks to be assessed and managed to safeguard shareholders' interests and StarHub's assets; |  | Ensure the Group's compliance with all relevant laws and regulations (including legal, regulatory and financial compliance), ethical standards and the implementation of related policies and processes, and ensure proper accountability. |
|  | Ensure that the necessary financial and human resources are in place for the Group to meet its objectives;  |  |  |

The Board has established a framework on approval and authorisation limits for capital and operating expenditure, interested person transactions as well as specified transactions including acquisitions and disposals of investments, procurement of goods and services, bank facilities and cheque signatories. Within this framework, the Board has set relevant approval and authority sub-limits for delegation to various Management levels to optimise operational efficiency when undertaking the day-to-day running of the business.

The Board and individual Directors act in good faith and make decisions objectively in the best interests of StarHub and all our shareholders.

The Chairman and the Directors support the Chief Executive and Management in stakeholder engagements, including with shareholders, business partners and regulators.

### **Access to Management, Advisers and Information**

In furtherance of their duties, the Directors are given access to independent professional advice at StarHub's expense. At least once a year, non-executive Directors (NED) meet to discuss, *inter alia*, Management's performance without the presence of Management. In FY2022, a NED meeting and an independent non-executive Directors' (ID) meeting were held, as chaired by the Chairman and the Lead Independent Director respectively.



In FY2022, StarHub transitioned to an improved Board management solution (Board Portal). All Directors have direct access to the Board Portal, which allows the Directors to securely access and read Board and Board Committee materials electronically at their convenience, in a more sustainable manner. Aligned with StarHub's green practices, written resolutions are now circulated to the Board via the Board Portal, for secure reading and approval. The Board Portal also provides relevant information and up-to-date policies that will help Directors discharge their duties, including:

- + Board meeting information and Board papers;
- + Information on Directors' statutory and other duties and responsibilities;
- + Terms of Reference of the respective Board Committees and Board policies;
- + Insider trading policy and Directors' share trading policy of StarHub securities;
- + Key industry news; and
- + Business performance updates.

At least five business days prior to each Board or Board Committee meeting, Management provides the Directors with timely and relevant information pertaining to matters on the agenda, save for sensitive matters to be tabled at the meeting itself. All sensitive Board materials that are communicated electronically are encrypted with passwords to safeguard their security.

The Chief Executive provides a quarterly report on the state of the business, including analysis of trends and actionable insights. Any material variance between budgets and actual results are disclosed and discussed. Other related business reports and updates are also provided to the Board regularly and upon request by the Board. Collectively, this enables the Directors to keep abreast of key issues and developments in the business and the industry as well as challenges and opportunities for the Group, enabling sound decisions.

Management is available to answer any queries raised by the Directors and to provide additional information as needed. Frequent dialogue and interactions take place between Management and the Directors, facilitating a good understanding of StarHub's operations and related information.

# Corporate Governance

## Delegation to Board Committees

The Board has constituted the following principal Board Committees to assist the Board in the discharge of its functions.



Note: Composition reflected is as at 30 March 2023.

The composition of the Board Committees and their specific responsibilities and authority are set out in the relevant sections of this report. Each committee has clear written Terms of Reference setting out its composition, authorities and duties, which are available on the StarHub Investor Relations (IR) website. A Board Committee is required to operate and make decisions on matters within its Terms of Reference. Additional Board Committees may be formed to undertake specific duties if necessitated by business requirements.

The Board Committee Chairmen provide updates to the Board at Board meetings, on key matters discussed and/or decisions made at the last-held meeting of each Board Committee. For matters which require the Board's approval, the Board Committees would also recommend the course of action to the Board for its consideration and decision. Minutes of the Board Committee meetings are made available to the Board for its information.

## Board Meetings

Board and Board Committee meetings for the upcoming financial year are scheduled in advance before the end of the current financial year to enable Directors to plan and attend the meetings according to the respective meeting schedules.

For FY2022, the Board held a total of five meetings, including the annual Board Strategy meeting to review and discuss in detail the Group's strategic direction, and to consider the Group's budget for the upcoming financial year. The annual Board Strategy meeting

provided a key opportunity to discuss, challenge and develop the Group's strategy, alongside Management. Additional Board meetings were also convened to consider urgent proposals or matters which required the Board's approval.

Directors' attendance at Board and Board Committee meetings, the Annual General Meeting (AGM) and the Extraordinary General Meeting (EGM) held in FY2022, is set out in the table below. There was full board attendance at the AGM and EGM, as well as for all scheduled Board meetings, save for one meeting which one Director did not attend.

**Table 1: Directors' Attendance at Board/General Meetings During FY2022**

	AGM & EGM	Board Meetings		Board Committee Meetings		
		AC	NGC	RSC	ERCC	
No. of Meetings Held	1	5	4	2	2	4
Steven Terrell Clontz <sup>(a)</sup>	1	5	–	2	–	–
Olivier Lim <sup>(b)</sup>	1	4	–	1	–	–
Nikhil Eapen	1	5	–	–	2	–
Paul Ma	1	5	4	–	2	–
Nihal Kaviratne	1	5	4	2	–	–
Nayantara Bali	1	5	–	–	2	–
Michelle Guthrie	1	5	–	–	–	4
Ng Shin Ein	1	5	4	–	–	–
Lionel Yeo	1	5	–	2	–	4
Teo Ek Tor <sup>(c)</sup>	1	5	3	–	–	–
Stephen Miller	1	5	–	–	2	4
Naoki Wakai	1	4	–	–	–	–
Ahmad Al-Neama	1	5	–	–	–	–

<sup>(a)</sup> Mr Steven Terrell Clontz retired from the Board with effect from 1 January 2023. Prior to his retirement, he had attended all convened Board meetings as well as the AGM and EGM in FY2022.

<sup>(b)</sup> Mr Olivier Lim was appointed as a Director and a member of the NGC on 12 February 2022. He attended all Board and NGC meetings that were held after his appointment.

<sup>(c)</sup> Mr Teo Ek Tor was appointed as a member of the AC on 12 February 2022. He attended all AC meetings that were held after his appointment.

# Corporate Governance

## Board Orientation and Continual Training & Development

All newly appointed Directors participate in a comprehensive orientation programme that is bespoke for the Group's business and operations, including the opportunity to meet with the Chief Executive and Management, to be given an overview of the Group's business activities, strategic directions, financials, policies, governance practices, corporate culture as well as key regulatory, legal and industry developments which affect the Group. The Company Secretaries facilitate the newly appointed Directors' understanding of their Board and Board Committee membership details, director fees, statutory and other duties and responsibilities. Arrangements are also made for newly appointed Directors without prior experience as a director of a listed company on the SGX-ST, to undergo mandatory training conducted by the Singapore Institute of Directors on their roles and responsibilities. Mr Olivier Lim, who was appointed to the Board on 12 February 2022, is experienced as a director of a SGX-ST listed company, and accordingly was not required to complete the said mandatory prescribed training.

The Board recognises that ongoing professional development is important for the Directors to serve effectively and contribute to the Board. The Directors are encouraged to continually develop and refresh their professional knowledge and skills, and to keep themselves abreast of relevant developments in the Group's business, and the regulatory and industry-specific environments in which the Group operates. To this end, internal briefings as well as external seminars are arranged for the Directors. In addition, the Company Secretaries and members of Management also provide regular updates to the Directors during Board meetings, as well as through emails and the Board Portal, on key industry, technology, legal, regulatory, accounting and sustainability updates which affect the Group. These include updates from the management of subsidiaries such as Ensign, Strateq Group and JOS Group.

In FY2022, the professional development programmes attended by the Directors included the following:

Topic	Courses Attended
Sustainability	All Directors have completed the mandatory sustainability training as required by the enhanced SGX-ST sustainability reporting rules. In this regard, Directors each attended one of the following approved courses: <ul style="list-style-type: none"><li>• Sustainability Education Online Programme (by Cambridge and Earth-on-Board)</li><li>• Environmental, Social and Governance Essentials (by Singapore Institute of Directors)</li><li>• Sustainability In-Person Director Programme (by Cambridge and Earth-on-Board)</li></ul> In addition to the mandatory training, some Directors also attended other sustainability-related courses such as the Climate Implications for the Board seminar by Climate Governance Singapore.
Technology	Directors also attended specialised technology-related sessions by global technology companies, covering consumer, enterprise and cloud, as well as detailed training on Cloud and IT by Management.
StarHub	Under StarHub's Project LIFE (Learn In Frontline and Enhance), Directors were given the opportunity to join sales colleagues at StarHub stores to observe the interaction with customers, and provide feedback as a basis for future enhancements.
Corporate Governance	A number of Directors also attended corporate governance-related courses organised by the Singapore Institute of Directors and the Securities Investors Association (Singapore).

In addition, the Directors are free to conduct independent or collective discussions with Management and subject matter experts on any areas of interest or concern.

## Company Secretaries

The Directors have separate and independent access to the Company Secretaries, who are qualified lawyers and trained in company secretarial practices. The Company Secretaries administer, attend and prepare minutes of all Board and Board Committee meetings (except for the ERCC) and are responsible for ensuring that board procedures are adhered to, and that the Group's Constitution and applicable laws and regulations are complied with. Working closely

with the Chairman, they advise the Board on all legal and corporate governance matters, and facilitate good communication within the Board and Board Committees, as well as between the Board and Management. The Company Secretaries are the primary channel of communication between StarHub and the SGX-ST and the Accounting and Corporate Regulatory Authority (ACRA). They also facilitate the orientation of new Directors and assist in arranging training for the Directors. The appointment and removal of the Company Secretaries are subject to the Board's approval.

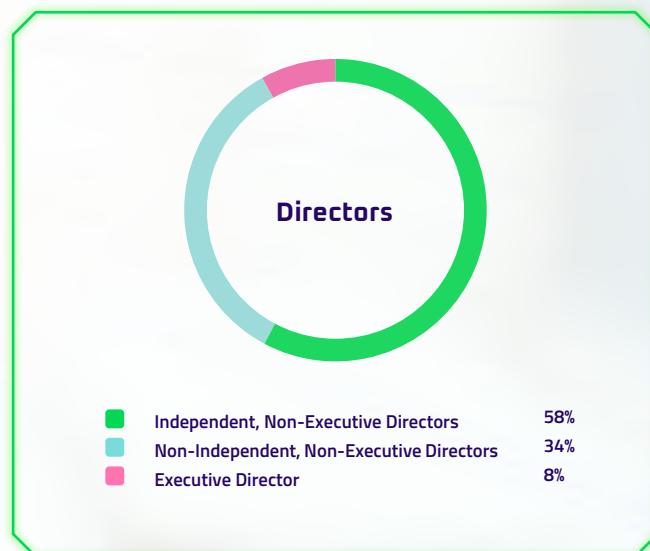
## B. BOARD COMPOSITION AND GUIDANCE

Independent, Non-Executive Directors	Non-Independent, Non-Executive Directors	Executive Director
<b>Mr Olivier Lim</b> (Chairman)	<b>Mr Teo Ek Tor</b>	<b>Mr Nikhil Eapen</b> (Chief Executive)
<b>Mr Nihal Kaviratne</b> (NGC Chairman and Lead Independent Director)	<b>Mr Stephen Miller</b>	
<b>Mr Paul Ma</b> (AC Chairman)	<b>Mr Naoki Wakai</b>	
<b>Ms Nayantara Bali</b> (RSC Chairman)	<b>Mr Ahmad Al-Neama</b>	
<b>Ms Michelle Guthrie</b> (ERCC Chairman)		
<b>Ms Ng Shin Ein</b>		
<b>Mr Lionel Yeo</b>		

### Board Size and Composition

As of 30 March 2023, the Board comprises 11 NEDs and 1 Executive Director (ED), the majority of whom are IDs. In FY2022 and the financial year ending 2023 (FY2023), as part of a continual Board refresh, the following changes were made to the Board and Board Committees:

- + Mr Steven Terrell Clontz retired from the Board of Directors, and as a member of the NGC, with effect from 1 January 2023.
- + Mr Olivier Lim was appointed as an independent NED and a member of the NGC on 12 February 2022, and was subsequently appointed as independent Chairman of the Board on 1 January 2023.
- + Mr Teo Ek Tor was appointed to the AC on 12 February 2022.
- + Mr Stephen Miller retired from the RSC with effect from 1 January 2023, and was appointed a member of the NGC on 1 January 2023.
- + Ms Nayantara Bali was appointed as Chairman of the RSC on 1 January 2023.



# Corporate Governance

In addition, the following changes will be made to the Board and Board Committees within FY2023:

- Mr Nihal Kaviratne will retire from the Board of Directors at the conclusion of the AGM on 21 April 2023.
- Mr Olivier Lim will be appointed as Chairman of the NGC on 21 April 2023.
- Ms Nayantara Bali will be appointed as a member of the AC on 21 April 2023.

The Chairman of the Board, Mr Olivier Lim, is regarded an ID within the meaning of the Code and SGX-ST Listing Rule 210(5)(d)(i).

The Board, through the NGC, reviews the size and composition of the Board annually to ensure its overall effectiveness. The current Board size is 12, and this is expected to reach 11 within FY2023 with the above changes to the Board.

The Board has put in place a set of Board Composition Governance Guidelines. The Guidelines set out the principles governing the Board's approach towards Board size, Director recruitment, Board refresh and Director retirement by rotation, and serve as guidance to the Board in the continual Board refresh.

## Board Diversity

In FY2022, the Group put in place a Board Diversity Policy which sets out the Group's policy, framework and targets pertaining to diversity on the Board. The NGC is responsible for setting and continually reviewing the Board Diversity Policy, which has been approved by the Board. The Board Diversity Policy:

- Addresses gender, skills, experience (local and international), age, ethnicity, geography and other relevant aspects of diversity, recognising that diversity is multi-dimensional in nature; and
- Includes a measurable target to be achieved within an appropriate timeline.

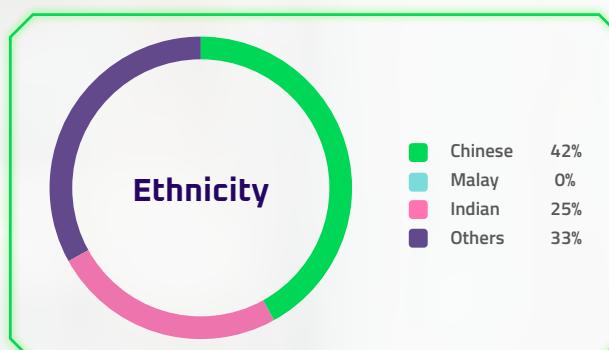
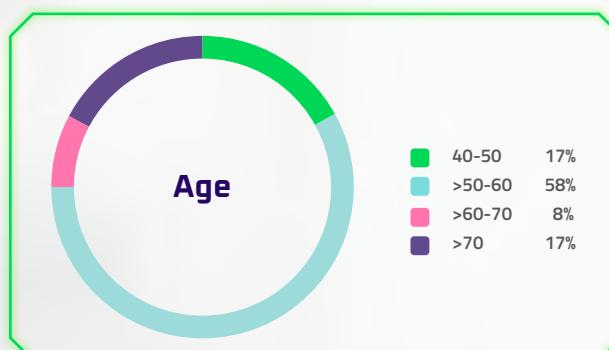
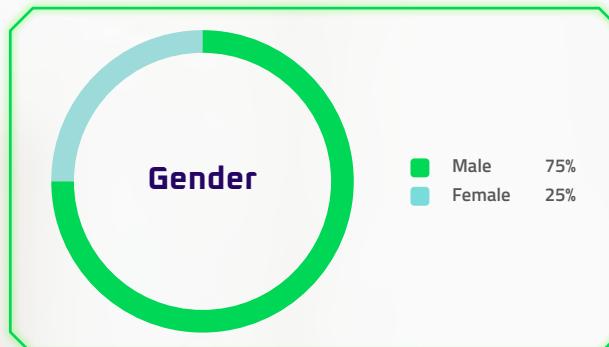
In particular, the Board believes that gender is an important aspect of diversity and targets to maintain a minimum of 25% female representation on the Board within the next 3 to 5 years, recognising that the Board's needs will change over time.

Since FY2018, the Board has three female Directors on the Board (including the RSC Chairman and the ERCC Chairman), which equates to a 25% female representation on the Board. The continual Board refresh also reflects an improved age diversity – the Directors' age range has broadened, with Directors' ages ranging from 43 to 79.

The current composition of the Board serves StarHub's needs and plans within the context of current plans and future strategy. It reflects StarHub's firm belief that a well-balanced, diverse and inclusive Board will contribute positively in overseeing the delivery of the Group's strategy, bringing fresh perspectives and providing constructive challenges to Management. The Board consists of Directors who are business leaders and professionals of high calibre and integrity, with a broad range of core competencies and

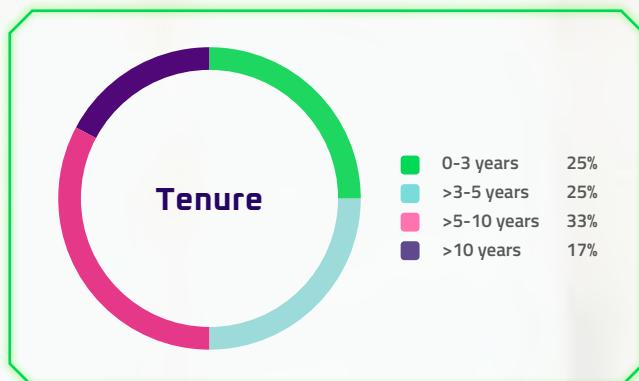
experience in enterprise and banking, accounting and finance, investment, risk management, legal, regulatory, technology, cybersecurity, business and industry knowledge, management and strategic planning experience, sustainability as well as customer-based experience and knowledge. The immense network of contacts across various industries has proven invaluable to StarHub.

Collectively, the Board constantly seeks to identify areas of focus and maintain an optimal mix of diversity. In this regard, the NGC has developed a skills matrix as one criterion for Director appointments, which is reviewed by the Board on an annual basis. The skills matrix covers areas of expertise considered to be optimal for the Board given the evolving business landscape in which the Group operates.



## Board Tenure

The tenure of the Directors as a whole, and the IDs in particular, is actively managed by the Board. Since 2017, there has been a constant refresh of the Board. Of the 12 Directors on the Board, 6 Directors have served for 5 years or less, with 2 Directors having served for more than 10 years. Amongst the 7 IDs, the majority have a tenure of 5 years or less.



## Lead Independent Director

The Lead ID, Mr Nihal Kaviratne, is also the NGC Chairman, and has been serving as the Lead ID since 1 October 2018. His role includes:

- + Ensuring he is available to shareholders for consultation and direct communication, where contact via the normal channels of the Chairman, the Chief Executive or the Chief Financial Officer (CFO) is inappropriate or has failed to resolve their concerns;
- + Serving as a liaison between the Chairman and the IDs;
- + Providing a channel to IDs for confidential discussions on any concerns and to resolve conflicts of interest as and when necessary; and
- + Having the authority to call for and lead meetings of IDs without the presence of Management and provide feedback to the Chairman as appropriate.

Mr Nihal Kaviratne will retire from the Board of Directors on 21 April 2023. As Mr Olivier Lim has been appointed as an independent Chairman, there will be no replacement for a Lead ID.



*The individual profiles of the Directors can be found in the Board of Directors and Directors' Particulars sections on pages 56 to 61 and pages 62 to 63 of the Annual Report respectively.*

## C. CHAIRMAN AND CHIEF EXECUTIVE

StarHub has a clear division in responsibilities between the leadership of the Board and Management. The Chairman and the Chief Executive are separate persons, ensuring an appropriate balance of powers, increased accountability and greater capacity for the Board to make independent decisions. No single individual has unfettered powers of decision-making within the Group.

The independent Chairman, Mr Olivier Lim, is unrelated to the Chief Executive. He:

- + Leads the Board to ensure its effectiveness on all aspects of its role;
- + Sets the agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues;
- + Promotes a culture of open interaction and constructive debate at the Board level;
- + Ensures that the Directors receive complete, adequate and timely information. He works with the Chief Executive in relation to the Board's requirements for information in order to contribute effectively to the Board decision-making process;
- + Encourages effective communication with shareholders;
- + Encourages constructive relations within the Board and between the Board and Management. As the primary link between the Board and Management, he provides continuity between Board meetings and thereby oversees the effective implementation of all Board decisions;
- + Facilitates the effective contribution of NEDs; and
- + Promotes high standards of corporate governance.

The Chief Executive, Mr Nikhil Eapen, leads the Management and has full executive responsibility for the day-to-day running of the Group's business operations as well as the effective implementation of the Group's strategies and policies.

# Corporate Governance

## D. BOARD MEMBERSHIP

The NGC has been delegated responsibility to review and make recommendations to the Board regarding Board composition. It leads and facilitates the Director nomination process based on written Terms of Reference that set out its authority and duties.

### Nominating and Governance Committee

Membership	Key Responsibilities
<b>Mr Nihal Kaviratne,</b> NGC Chairman and Lead ID <sup>(1)</sup>	<ul style="list-style-type: none"><li>+ Lead and facilitate a formal and transparent process for the selection, appointment and re-appointment of Directors to the Board and Group company boards</li></ul>
<b>Mr Olivier Lim,</b> non-executive Chairman of the Board <sup>(2)</sup>	<ul style="list-style-type: none"><li>+ Regularly review the size, structure and composition (including the skills, qualification, experience and diversity) of the Board and Board Committees and the succession plans for Directors, including development and maintenance of a skills matrix, and recommend changes to the Board</li></ul>
<b>Mr Lionel Yeo,</b> ID	<ul style="list-style-type: none"><li>+ Conduct an annual review of the independence of individual Directors</li></ul>
<b>Mr Stephen Miller,</b> NED <sup>(3)</sup>	<ul style="list-style-type: none"><li>+ Implement and oversee the annual evaluation of the performance and effectiveness of the Board and Board Committees, including the communication of the results of such evaluations to the Board</li><li>+ Review the adequacy of the Group's corporate governance policies and where appropriate, recommend to the Board any proposed changes to such policies from time to time</li><li>+ Work with the RSC to ensure thought leadership and action on sustainability, particularly in relation to governance, and with the ERCC on Chief Executive succession and appointment</li><li>+ Ensure that new Directors receive the requisite training, and review training and professional development programmes for the Board</li></ul>
The NGC comprises four NEDs, with the majority (including the NGC Chairman) being IDs. During FY2022, the NGC held two meetings.	

<sup>(1)</sup> Mr Nihal Kaviratne will retire from the Board of Directors at the conclusion of the AGM on 21 April 2023, including stepping down from the NGC, and will be succeeded as Chairman of the NGC by Mr Olivier Lim.

<sup>(2)</sup> Mr Olivier Lim was appointed as an NGC member on 12 February 2022, and will be appointed as Chairman of the NGC upon Mr Nihal Kaviratne's retirement on 21 April 2023.

<sup>(3)</sup> Mr Stephen Miller was appointed as an NGC member on 1 January 2023.

### Process and Criteria for New Board Appointment and Re-election

In proposing candidates for appointment or re-election as Directors, the NGC considers several factors, including (a) the composition, the diversity and the need for progressive renewal of the Board, (b) each candidate's competencies, commitment, contribution and performance (including attendance, preparedness, participation and candour) and (c) potential conflicts of interest. This ensures that the Board composition reflects an appropriate mix having regard to skills, experience, expertise, diversity and independence, which enables the Board to stay engaged and agile in meeting the needs of the Group. External consultants can be engaged to assist with the selection process if necessary. All new appointments to the Board are also subject to the approval of StarHub's industry regulator, the Infocomm Media Development Authority of Singapore.

In FY2022, one new Director – Mr Olivier Lim – was appointed to the Board. Mr Olivier Lim was subsequently appointed as Chairman of the Board on 1 January 2023.

In accordance with StarHub's Constitution, all Directors who are appointed by the Board during the course of the financial year are required to retire and offer themselves for re-election by shareholders at the first AGM of StarHub after their appointment. In line with the Code and SGX-ST Listing Rule 720(5), StarHub also requires all Directors to retire and offer themselves for re-election by shareholders at least once every three years, if the Board, on the recommendation of the NGC, deems it appropriate that they remain in office.

## Board Independence

The NGC assesses the independence of each Director annually, and as and when circumstances require. Evaluation of director independence is an important factor for NGC's annual review of the composition of the Board. To facilitate the assessment, StarHub has adopted an annual verification procedure on director independence, conflicts of interest, interested person transactions and other commitments that could compromise a Director's independence. Directors are required to provide sufficient information for the evaluation of his/her independence, including their professional engagements, positions and directorships, and notify the Board of any changes in such information.

Director independence is assessed based on the independence criteria under the Code and SGX-ST Listing Rule 210(5)(d), as well as other factors and circumstances that may potentially affect the status or perception of a Director's independence, in the overall evaluation from the standpoint of both StarHub and the Directors.

When assessing objectivity and independent judgement, the NGC and the Board consider, *inter alia*, the approach, character and attitude of each Director and the value each Director brings, including whether such Director:

- + Is free from any interest and any business or other relationship which could, or could reasonably be perceived to, interfere with the exercise of the Director's independent business judgement with a view to the best interests of the Group;
- + Has been employed by StarHub or any of our related corporations during the financial year in question or in any of the previous three financial years;
- + Has an immediate family member who is employed or has been employed by StarHub or any of StarHub's related corporations for the past three financial years, and whose remuneration is determined by the ERCC; or
- + Has any material contractual relationship with the Group other than as a Director.

The NGC also has the discretion to consider that a Director is not independent even in the absence of specific relationships or circumstances described in the Code and SGX-ST Listing Rule 210(5)(d), and similarly provides its views to the Board for the Board's determination. The NGC has considered and is of the view that as of 31 December 2022, all the IDs are sufficiently independent and are able to objectively exercise their judgement in the best interests of the Group.

Any Director who has an interest or relationship which is likely to impact on his/her independence or conflict with a subject under discussion by the Board is required to immediately declare his/her interest or relationship to the Board, remove himself/herself from the information flow, and abstain from participating in any further discussion or voting on the subject matter.

Pursuant to the new amendments made to SGX-ST Listing Rule 210(5)(d) and the Code, a director who has been a director of the company for an aggregate period of more than nine years may only be considered independent until the conclusion of the annual general meeting for the year ending 31 December 2023. As at 30 March 2023, one ID, namely Mr Nihal Kaviratne, has served on the Board for more than nine years. In compliance with the then-in-force regulations, namely SGX-SG Listing Rule 210(5)(d)(iii), Mr Kaviratne's continued appointment as an ID was approved in separate resolutions at the 2021 AGM by (a) all shareholders, and (b) all shareholders excluding shareholders who also serve as Directors or the Chief Executive (and their associates).

As Mr Nihal Kaviratne will be retiring from the Board of Directors at the conclusion of the AGM on 21 April 2023 and all remaining IDs have a tenure of less than nine years, StarHub will maintain full compliance with SGX-ST Listing Rule 210(5)(d) and the Code.



*The individual independent status of the Directors can be found in the Board of Directors section on pages 56 to 61 of the Annual Report.*

## Board's Time Commitment

Directors with multiple board representations and/or other principal commitments (as defined in the Code) must ensure that they are able to devote sufficient time and attention to the affairs of StarHub to adequately carry out their duties as Directors of StarHub. The NGC has reviewed the individual performance of each Director and is satisfied that all Directors have dedicated adequate time to the affairs of StarHub and have properly discharged their duties in FY2022, and will continue to do so in FY2023. Although no maximum limit has been formally set by the Board on the number of listed company board representations a Director may hold, the NGC is of the view that all Directors have fully discharged their duties as Directors of StarHub based on the time and attention devoted by each Director, their individual abilities and their respective contribution of skills, knowledge and experience as well as their commitment to the affairs of StarHub.

The Board does not have any alternate Directors. All Directors dedicate their personal time and attention to the affairs of StarHub.



*The attendance record can be found on page 75 of this report and the principal commitments and directorships in any listed companies currently held by the Directors can be found in the Directors' Particulars section on pages 62 to 63 of the Annual Report.*

# Corporate Governance

## E. BOARD PERFORMANCE

StarHub believes that Board performance is ultimately reflected in the performance of the Group. The NGC has the responsibility of assessing the effectiveness of the Board as a whole, as well as the contribution of the Board Committees and each Director to the effectiveness of the Board.

For FY2022, the Board engaged the assistance of Aon Solutions Singapore Pte Ltd (Aon Solutions) as independent external consultants to facilitate the annual evaluation of the performance of the Board and the Board Committees. The evaluation process identifies key issues pertaining to the effectiveness, efficiency and functioning of the Board and the Board Committees, in particular the following:

- Adequacy of the Board composition, including the Board size, the degree of Board independence, the mix and diversity of skills, experience, gender, knowledge and background of the Board and the Board's diversity policy for board refresh;
- Information management and Board processes, including adequacy and timeliness of information provided to the Board, insights by industry experts, and appropriate thresholds for escalating information surrounding material strategic or operational issues to the Board;
- Sustainability and Environmental, Social & Governance (ESG), including appropriate consideration for a holistic view of material stakeholder and ESG objectives for StarHub's long-term sustainability;
- Managing StarHub's performance and the Board's role in providing stewardship for the organisation and steering growth;
- Effectiveness of Board Committees and time spent on activities including strategy, execution and performance management;
- Chief Executive performance and ongoing succession planning for the Chief Executive and Management;
- Director development and management, including training and evaluation; and
- Reviewing the Group's risk management processes and addressing new or disruptive risks.

As part of the evaluation process, detailed questionnaires were completed by each Director, with feedback on the key areas.

The annual review process facilitates consideration by the Board on its membership and renewal. The results of the evaluation are collected, analysed and presented to the NGC, in consultation with the Chairman, and thereafter to the Board. The NGC reviews and recommends to the Board the follow-up actions required to strengthen the Board's leadership in order to improve the effectiveness of the Board's oversight of StarHub. Where appropriate, Management may also be involved in the review process, and will assist in implementing the necessary measures.



## 2. STRATEGIC MATTERS

With the increasing complexity of the industry, the Board takes the view that the entire Board should be allowed more time to consider and deliberate upon the strategic direction and focus of the Group. This would additionally improve efficiency in discussions across Board and Board Committee meetings. Since the dissolution of the Strategy Committee from 1 January 2022, strategic matters have been tabled at Board meetings directly, to facilitate participation and deliberation by the entire Board.

The annual Board Strategy meeting provides the Board with an opportunity to engage closely with Management for a more in-depth focus on the Group's overall strategy. In August 2022, a full day Board Strategy meeting was held offsite.





### 3. REMUNERATION MATTERS

#### A. PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The ERCC ensures the due implementation of a formal and transparent procedure for developing policies on executive remuneration and determining the remuneration packages of individual Directors.

Executive Resource and Compensation Committee	
Membership	Key Responsibilities
<b>Ms Michelle Guthrie,</b> ERCC Chairman and ID	<ul style="list-style-type: none"> <li>+ Succession planning and performance review for the Chief Executive, the CFO and other key management personnel. Potential candidates for immediate, medium and long-term needs are identified each year</li> </ul>
<b>Mr Lionel Yeo,</b> ID	<ul style="list-style-type: none"> <li>+ Working collaboratively with the NGC on the Chief Executive appointment process and terms of appointment</li> </ul>
<b>Mr Stephen Miller,</b> NED	<ul style="list-style-type: none"> <li>+ Assessing and approving candidates for key executive appointments</li> <li>+ Overseeing the development of Management, reviewing succession plans for key positions in the Group and overseeing the development of key and talented executives</li> <li>+ Ensuring the implementation of a formal and transparent procedure for developing policies on executive remuneration and determining the remuneration framework of the Directors to be recommended to the Board, and thereafter to shareholders, for approval</li> <li>+ Reviewing and recommending the remuneration package and service contract terms of the Chief Executive and key management personnel</li> <li>+ Assessing and approving restricted stock awards and performance share awards under StarHub's approved share plans, and recommending the grant of share awards to Directors and key management personnel for the Board's approval</li> <li>+ Overseeing and supporting employee value proposition put in place by Management</li> <li>+ Working with the RSC on sustainability practices with regards to employee inclusion, welfare, diversity and other consistent initiatives</li> </ul>
The ERCC comprises three NEDs, with the majority (including the ERCC Chairman) being IDs. During FY2022, the ERCC held four meetings.	

In overseeing StarHub's remuneration policies, the ERCC's key duties are to review and recommend the following to the Board for endorsement:

- + General remuneration framework for the Group and specific remuneration packages for key management personnel (as defined in the Code); and
- + Remuneration framework for the Board (including Director's fees, allowances and share-based awards) to be recommended to shareholders for approval.

# Corporate Governance

The ERCC's review and recommendation process covers all aspects of remuneration for employees, Management and Directors, including Directors' fees, employee salaries, allowances, bonuses, share-based incentives and awards, as well as benefits-in-kind and termination terms. The framework and packages are linked to:

- + The performance of the Group and the relevant individual;
- + Industry practices and compensation norms; and
- + The need to attract key management personnel in order to ensure the continual development of talent and the renewal of strong leadership for StarHub.

## B. LEVEL AND MIX OF REMUNERATION

The ERCC ensures that the remuneration paid to the Chief Executive and key management personnel is closely linked to the achievement of business and individual performance targets. The performance targets are determined by the ERCC based on realistic yet stretch levels each year to reward the Group and individual performance that supports strategic priorities of the business and promotes activities that help the business to successfully implement its strategy with emphasis on both short and long-term quantifiable objectives.

All decisions by the ERCC are made by a majority of votes of the ERCC members present and voting.

No ERCC member or any Director is involved in deliberations in respect of any remuneration, compensation, share-based incentives or any form of benefits to be granted to such individual, or where there are conflicts of interests.

The Chief Executive is present at all ERCC discussions on the compensation and incentive policies for StarHub's key personnel (such as share-based incentives, bonus framework, salary and other incentive schemes), save for discussions which relate to the Chief Executive's own compensation, terms and conditions of service or the review of his performance, for which he absents himself.

The ERCC has access to expert professional advice on the remuneration policies of the Board and executives. The ERCC has appointed Aon Solutions as its remuneration consultant for FY2022 and is satisfied that the independence and objectivity of Aon Solutions is not affected by any relationship between StarHub and Aon Solutions.

Prior to the termination of any key management personnel's contract of service, the ERCC's approval is required. The ERCC reviews StarHub's obligations arising in the event of such termination to ensure that the contracts of service contain fair and reasonable termination clauses. The ERCC aims to be fair and avoid rewarding poor performance.

## C. DISCLOSURE ON REMUNERATION

### Non-Executive Directors' Remuneration

The payment of board remuneration in cash and shares has been a practice at StarHub, to align NEDs' interests with those of shareholders and the long-term interests of the Group. NEDs receive 70% of their board remuneration in cash and the remaining 30% in share awards granted pursuant to the StarHub Restricted Stock Plan.

#### + Cash Component

Each NED receives a retainer fee. Overseas Directors are also entitled to a travel allowance. NEDs who serve on Board Committees receive additional retainer fees. In view of the greater responsibilities of the Board Chairman, the Lead ID and the Chairman of each Board Committee, they also receive a higher fee than the other members of the Board and the respective Board Committees.

#### + Share Component

Pursuant to the StarHub Restricted Stock Plan, the share awards are granted as fully-paid StarHub shares without any vesting conditions attached. Nonetheless, in order to align NEDs' interests with those of shareholders, NEDs who receive the share awards are required to hold a minimum number of StarHub shares with a value equivalent to the lower of (a) their prevailing annual retainer fee or (b) the aggregate of 100% of the total number of StarHub shares awarded for the financial year ended 31 December 2011 and each subsequent financial year thereafter, and 50% of the total number of StarHub shares awarded from the financial years ended 31 December 2007 to 31 December 2010. NEDs can only dispose of all their StarHub shares one year after ceasing to be a Director. The number of StarHub shares to be awarded to a participating NED will be determined by reference to the volume weighted average price of a StarHub share on the SGX-ST over the 14 trading days commencing on the ex-dividend date that immediately follows the forthcoming AGM. The number of StarHub shares to be awarded will be rounded down to the nearest hundred, with cash to be paid in lieu of the remaining StarHub shares.

The total NEDs' remuneration for FY2022 amounts to S\$1,694,360 and will be subject to shareholders' approval at the upcoming AGM in FY2023.

Mr Nikhil Eapen, who is an ED, receives remuneration as the Chief Executive, and does not receive a fee for serving on the Board and Board Committees.

**Table 2: Annual Fees for the Board and the Board Committees for FY2022**

<b>Annual Fees for the Board</b>		
Board Chairman		\$189,000
Lead ID		\$108,000
NED		\$90,000

**Additional Annual Fees for the Board Committees**

Type of Committee	Chairman	Member
Audit Committee	\$60,000	\$35,000
Nominating and Governance Committee	\$42,000	\$22,000
Risk and Sustainability Committee	\$42,000	\$22,000
Executive Resource and Compensation Committee	\$42,000	\$22,000

# Corporate Governance

## Breakdown of Directors' Remuneration

The following shows the composition of Directors' remuneration for FY2022:

Table 3: Directors' Remuneration for FY2022

Name of NED	NEDs' Remuneration		
	Cash-based (\$)	Share-based (\$)	Total (\$)
Steven Terrell Clontz	168,700	72,300	241,000
Olivier Lim	68,992	29,568	98,560
Paul Ma	120,400	51,600	172,000
Nihal Kaviratne	136,500	58,500	195,000
Michelle Guthrie	120,400	51,600	172,000
Nayantara Bali	78,400	33,600	112,000
Ng Shin Ein	87,500	37,500	125,000
Lionel Yeo	93,800	40,200	134,000
Teo Ek Tor	84,560	36,240	120,800
Stephen Miller <sup>(a)</sup>	107,800	46,200	154,000
Naoki Wakai <sup>(a) (b)</sup>	70,000	-	70,000
Ahmad Al-Neama	70,000	30,000	100,000

## Directorship on Subsidiary

Teo Ek Tor <sup>(c)</sup>	54,000	-	54,000
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<sup>(a)</sup> Cash component of fees are payable to Director's employer company.

<sup>(b)</sup> Mr Naoki Wakai had declined the share award. He will only receive the cash component of his remuneration. Mr Wakai does not hold any StarHub shares.

<sup>(c)</sup> Fees are payable to Mr Teo Ek Tor as a NED of Ensign InfoSecurity Pte. Ltd., a subsidiary of StarHub, in respect of the period from 1 January 2022 to 31 December 2022.

 Details of the share awards granted by StarHub to the Directors under the StarHub Restricted Stock Plan can be found in the Directors' Statement section on pages 178 to 186 of the Annual Report.

## Chief Executive and Key Management Personnel Remuneration

The ERCC seeks to ensure that the level and mix of remuneration for the Chief Executive and key management personnel are competitive and relevant, aligned with shareholders' interests and promote the long-term success of the Group.

Remuneration for the Chief Executive and key management personnel comprises a fixed component, a variable cash component, a share-based compensation and market-related benefits:

### + Fixed Component

The fixed component comprises the base salary, Annual Wage Supplement (AWS) and fixed allowances.

### + Variable Cash Component

The variable cash component includes the Annual Variable Bonus (AVB) and Economic Value Added (EVA) Incentive Plan.

#### *Annual Variable Bonus*

The AVB is a cash-based incentive for the Chief Executive and key management personnel that is linked to the achievement of annual performance targets.

Individual performance objectives which are aligned to the overall strategic, financial and operational goals of the Group are set at the beginning of each financial year, and are cascaded down to a select group of key management personnel, creating alignment between the performance of the Group and the individual.

While the performance objectives are different for each executive, they are assessed on the same principles across the following broad categories of targets:

- Business outcomes (65% weightage); and
- Customer, Process and People outcomes (35% weightage).

The target AVB for the Chief Executive and key management personnel is pre-set at a fixed percentage of their annual base salary, and subsequently adjusted based on the Group's performance at the end of each financial year. The final AVB payout can range from 0 to 2.25 times of the target AVB.

#### *EVA Incentive Plan (EIP)*

The EIP rewards employees for sustainable shareholder value creation over the medium-term, achieved by growing profits, deploying capital efficiently as well as managing the risk profile and risk time horizon of the Group's business. A portion of the annual performance-related bonus of key management personnel is tied to the EVA achieved by the Group in the financial year.

Under the EIP, a notional EVA bank account is set up for each key management personnel, into which the annual EVA incentive declared and earned by him for each year is credited. One-third of the accumulated EVA incentive, comprising the EVA incentive declared for the current financial year and the balance brought forward from preceding financial years, is paid out in cash each financial year. The remaining two-thirds are carried forward in each individual's EVA bank account, payable to him upon his resignation or termination of employment (other than for cause), subject to certain conditions being met. The balance in the EVA bank account will increase or decrease depending on StarHub's EVA performance in subsequent years. This mechanism encourages the Chief Executive and key management personnel to work for sustainable EVA generation and adopt strategies that are aligned with the long-term interests of the Group.

Based on the ERCC's assessment that the actual performance of the Group in FY2022 had met the pre-determined targets, the resulting annual payout under the EIP was adjusted accordingly to reflect the performance level achieved.

### + Share-based Compensation

#### *StarHub Performance Share Plan (PSP)*

The PSP serves as a long-term incentive to motivate key management personnel to strive for superior performance and to align their interests with that of shareholders.

Pursuant to the PSP, the ERCC has decided to grant contingent awards of StarHub shares on an annual basis, conditional on meeting targets set for a three-year performance period. The performance measures used in PSP grants during FY2022 are:

- Absolute Total Shareholder Return (Absolute TSR) against Cost of Equity hurdles (i.e. measure of Wealth Added);
- Relative Total Shareholder Return (Relative TSR) against customised MSCI APAC Telco and GICS Global Telco Peer List; and
- Transformation KPIs reflective of the strategic growth objectives of StarHub.

A minimum threshold performance is required for any StarHub shares to be released to the recipient at the end of the performance period. The actual number of StarHub shares released will depend on the achievement of set targets over the performance period. For the performance measure of Absolute TSR, the achievement factor ranges from 0 to 1.5 times of 30% of the conditional award. For the performance measure of Relative TSR, the achievement factor ranges from 0 to 1.5 times of 30% of the conditional award. For the performance measure of Transformation KPIs, the achievement factor ranges from 0 to 1.5 times of 40% of the conditional award.

# Corporate Governance



The final PSP award is conditional on the vesting of the StarHub shares under the Restricted Stock Plan which have the same performance end-period.

The Group has attained an achievement factor which is reflective of not meeting the pre-determined target performance levels for PSP awards granted in FY2020 based on the performance period from FY2020 to FY2022. The resulting shares vested were adjusted accordingly to reflect the performance level achieved.

## ***StarHub Restricted Stock Plan (RSP)***

The RSP has been established with the objective of motivating managers and key talent to strive for sustained long-term growth and superior performance of the Group. It also aims to foster a share ownership culture among employees within the Group and to better align employees' incentives with shareholders' interests.

Pursuant to the RSP, the ERCC has decided to grant contingent awards of StarHub shares on an annual basis, conditional on the achievement of annual Return on Invested Capital targets. The objective of the RSP is aligned to the overall financial performance of the Group and wealth creation for shareholders. The RSP acts as a medium-term incentive mechanism that drives business performance while retaining StarHub's key talent to drive shareholder value.

A minimum threshold performance is required for any StarHub shares to be released to the recipient at the end of the performance period. The actual number of StarHub shares released will depend on the achievement of the pre-determined target performance levels over the performance period, to be determined by the ERCC at the end of the performance period and capped at 1.0 times of the conditional award. The StarHub shares will be released in three equal tranches of 33% per tranche over three consecutive years.

The Group has attained an achievement factor which is reflective of meeting the pre-determined target performance levels for RSP awards granted in FY2022 based on the performance period of FY2022. The resulting shares vested were adjusted accordingly to reflect the performance level achieved.

## **Market-related Benefits**

The benefits provided are comparable with local market practices.

## Remuneration of the Chief Executive and Top Five Key Management Personnel

The details of the remuneration of the Chief Executive and the top five key management personnel (who are not Directors or the Chief Executive) are set out in Table 4 below (in bands of \$250,000 and percentage terms) for the services rendered by them to the Group for FY2022.

**Table 4: Remuneration of Chief Executive and Top 5 Key Management Personnel**

	Fixed <sup>(1)</sup> (\$)	Variable <sup>(2)</sup> (\$)	Benefits <sup>(3)</sup> (\$)	Share-based Compensation <sup>(4)</sup> (\$)	Total (\$)
<b>Chief Executive</b>					
Nikhil Eapen	1,119,980	1,131,815	119,908	1,066,088	3,437,791
Total paid, including shares vested based on actual performance					<b>2,503,543</b>

## Top 5 Key Management Personnel

	Fixed <sup>(1)</sup> (%)	Variable <sup>(2)</sup> (%)	Benefits <sup>(3)</sup> (%)	Share-based Compensation <sup>(4)</sup> (%)	Total (%)	Remuneration bands <sup>(6)</sup>
Dennis Chia	40	34	3	23	100	D
Johan Buse	40	30	3	27	100	C
Tan Kit Yong	45	32	4	19	100	B
Veronica Lai	47	29	4	20	100	B
Ayush Sharma <sup>(a)</sup>	35	41	4	20	100	A
Total including contingent shares granted but not vested, subject to performance <sup>(5)</sup>					<b>\$6,115,315</b>	
Total paid, including shares vested based on actual performance					<b>\$5,657,547</b>	

<sup>(1)</sup> Fixed refers to base salary, annual wage supplement and fixed allowances earned for FY2022.

<sup>(2)</sup> Variable refers to any applicable one-off incentive payments as well as incentives paid and accrued for the year pursuant to the AVB scheme and EIP for FY2022.

<sup>(3)</sup> Benefits are stated on the basis of direct costs to StarHub, and include non-cash benefits such as leave and medical scheme.

<sup>(4)</sup> Share awards granted under the RSP and the PSP are subject to pre-determined performance targets set over one-year and three-year performance periods respectively. The figures shown are based on the fair value of the StarHub shares at 100% of each of the RSP and PSP conditional awards, which may not be indicative of the actual value at vesting which can range from 0% to 100% of the RSP conditional award and 0% to 150% of the PSP conditional award. Over the last eight financial years ended 31 December 2015 to 31 December 2022, the average number of StarHub shares vested to participants of the RSP and the PSP has been less than 100% of the conditional awards granted.

<sup>(5)</sup> Refers to total remuneration including contingent shares granted but not vested, subject to performance.

<sup>(6)</sup> Remuneration bands:

"A" refers to remuneration between \$750,001 and \$1,000,000 per annum.

"B" refers to remuneration between \$1,000,001 and \$1,250,000 per annum.

"C" refers to remuneration between \$1,250,001 and \$1,500,000 per annum.

"D" refers to remuneration between \$1,500,001 and \$1,750,000 per annum.

<sup>(a)</sup> Mr Ayush Sharma joined StarHub with effect from 1 June 2022. Accordingly, the amount of actual compensation received was based on the period from 1 June 2022 to 31 December 2022.

If any key management personnel of StarHub (including the Chief Executive) is involved in fraud or misconduct, which results in a re-statement of StarHub's financial results or financial loss to StarHub, the Board may reclaim the unvested components of remuneration from such individual under all incentive plans for the relevant period, to the extent such incentive has been earned but not yet released or disbursed. The Board, taking into account the ERCC's recommendation, may decide whether, and to what extent, such

recoupment is appropriate, based on the specific facts and circumstances of the case. No such fraud or misconduct occurred in FY2022.

During FY2022, there was no employee of the Group who was a substantial shareholder of StarHub or an immediate family member of a Director, the Chief Executive or a substantial shareholder of StarHub, and whose remuneration exceeds \$100,000 per annum.

# Corporate Governance



## 4. ACCOUNTABILITY AND AUDIT

The Board provides a balanced and informed assessment of the Group's performance, position and prospects to shareholders in the Group's quarterly business performance updates and half-yearly operating performance and financial results which are released via SGXNET, together with the associated press releases and accompanying presentation slides.

For the half year financial statements, the Board provides a negative assurance confirmation to shareholders, in line with the requirements of the SGX-ST Listing Manual. StarHub recognises that prompt and full compliance with statutory reporting requirements is imperative in maintaining shareholder confidence and trust.

The Chief Executive updates the Board through quarterly reports on the state of the business, including key performance and financial highlights, issues and priorities which Management is focused on, and the longer-term challenges which Management is addressing to ensure StarHub stays committed on value creation for customers, employees and shareholders. Other related business reports and updates are also provided to the Board regularly and upon request by the Board, to keep the Board informed of the key business initiatives and the latest market developments and trends as well as challenges and opportunities for the Group.

StarHub has also procured the relevant undertakings from all Directors and executive officers, in compliance with SGX-ST Listing Rule 720(1).

### A. RISK MANAGEMENT AND INTERNAL CONTROLS

The Board provides oversight to the management of risk and internal controls of StarHub Group. To safeguard shareholder interests and Group assets, it reviews the adequacy of the Group's risk management system and internal controls with the support from the Risk and Sustainability Committee (RSC) and the Audit Committee (AC).

The RSC inventories all risks, but may direct oversight of certain categories of risks to be allocated to the appropriate Management and Board bodies that the RSC may identify to be the most appropriate for reviewing and overseeing such risks, as follows:

Board Oversight	Main Board
Management Oversight	Whole of StarHub Management
Risk Inventory	<p><b>Strategic</b></p> <ul style="list-style-type: none"><li>+ Ability to grow</li><li>+ Customer experience</li><li>+ Expand to new / adjacent businesses or diversify the business</li><li>+ Competition / disruption</li><li>+ Network Transformation / including 5G</li></ul>
Sustainability Inventory	<ul style="list-style-type: none"><li>+ Review and endorse Environmental, Social and Governance (ESG) framework and report</li><li>+ Ensure ESG is central to overall business strategy</li></ul>

	Audit Committee	Risk and Sustainability Committee	Executive Remuneration and Compensation Committee	Nominating and Governance Committee
	Finance	Management Risk Committee / Sustainability/ Operations	Chief Executive / HR	Chief Executive
	<p><b>Financial</b></p> <ul style="list-style-type: none"> <li>+ Accounting</li> <li>+ Disclosures</li> <li>+ Reporting</li> <li>+ Treasury and tax</li> <li>+ Internal audit</li> </ul> <p><b>Compliance</b></p> <ul style="list-style-type: none"> <li>+ Listing and statutory</li> <li>+ Business and processes</li> <li>+ Control self-assessment</li> <li>+ Fraud and whistle blowing</li> </ul>	<p><b>Operations</b></p> <ul style="list-style-type: none"> <li>+ Business continuity</li> <li>+ Cyber posture – potential breach; insurance; requirements; breach management</li> <li>+ Cyber regulatory – Critical Information Infrastructure (CII) needs; governance; reporting</li> <li>+ IT transformation</li> <li>+ Physical risks – data centres/ infrastructure etc.</li> </ul>	<p><b>Talent and Organisational Design</b></p> <ul style="list-style-type: none"> <li>+ Leadership strength</li> <li>+ Succession planning</li> <li>+ Employee Value Proposition</li> </ul>	<p><b>Board Composition</b></p> <ul style="list-style-type: none"> <li>+ Board strength</li> <li>+ Compliance with listing regulatory requirements</li> </ul> <p><b>CEO appointment</b> (working with the ERCC)</p>
	<ul style="list-style-type: none"> <li>+ TCFD Reporting (working with the RSC)</li> <li>+ Control assessments</li> </ul>	<ul style="list-style-type: none"> <li>+ TCFD Reporting (working with the AC)</li> <li>+ SGX 27 Metrics</li> <li>+ Target setting, execution and monitoring</li> <li>+ External verification - limited assurance</li> <li>+ Energy and climate change</li> <li>+ Circularity</li> <li>+ Green ICT solutions</li> <li>+ Online safety</li> <li>+ Data privacy and cybersecurity</li> <li>+ Product and Service Quality</li> <li>+ Digital inclusion and CSR</li> <li>+ Supply chain management</li> <li>+ Responsible selling</li> </ul>	<ul style="list-style-type: none"> <li>+ Sustainability linked compensation framework</li> <li>+ Talent Management (including equality, diversity and inclusion)</li> <li>+ Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>+ Governance framework (working with the RSC)</li> <li>+ Business conduct and ethics</li> <li>+ Stakeholder engagement</li> <li>+ Board Diversity, capability building and training</li> </ul>

# Corporate Governance

The RSC has full capacity to review risk matters within its Terms of Reference, while having access to Management for support and resources. It has the discretionary capacity to extend invitations to any Director or executive to attend its meetings.

In relation to sustainability matters, the RSC oversees responsibilities for the Group's sustainability vision, strategy, initiatives, policies and practices.

Risk and Sustainability Committee	
Membership	Key Responsibilities
<b>Ms Nayantara Bali<sup>(1)</sup>,</b> RSC Chairman	<ul style="list-style-type: none"><li>+ Review the types of business risk that the Group undertakes in achieving its business strategy, and the appropriate risk management framework and policies for managing StarHub's risks</li></ul>
<b>Mr Nikhil Eapen,</b> ED	<ul style="list-style-type: none"><li>+ Provide oversight in the design, implementation and monitoring of the risk management framework and internal controls for operations, compliance and information technology, and ensure that action plans to mitigate the identified risks are put in place</li></ul>
<b>Mr Paul Ma,</b> ID	<ul style="list-style-type: none"><li>+ Review the adequacy and effectiveness of StarHub's system of risk management and internal controls for operations, compliance and information technology</li></ul>
<b>Mr Peter Kaliaropoulos,</b> co-opted RSC member	<ul style="list-style-type: none"><li>+ Review the adequacy and effectiveness of policies and procedures for timely risk identification and remediation, including disclosure requirements for regulatory compliance</li><li>+ Oversee and review the development and implementation of the Group's sustainability commitments, strategies, targets, initiatives and policies, and how these could be integrated into the Group's general operations, stakeholder engagement and commercial objectives</li><li>+ Regularly review the Group's sustainability framework based on the three pillars of Environmental, Social and Governance, to ensure the relevance and achievability of the framework, review the communications elements of the sustainability topics and manage and report to the Board on all sustainability-related matters</li><li>+ Review and oversee the development and assurance progress, and recommend the annual Sustainability Report to the Board for approval</li><li>+ Oversee and review the management of the Group's impacts on economy, environment and people through identification, assessment and monitoring of material sustainability topics, risks and opportunities</li><li>+ Provide guidance on cybersecurity, data ethics and governance to ensure appropriate controls and measures are in place</li><li>+ Set and instil in StarHub an appropriate risk-awareness culture for effective risk governance</li><li>+ Ensure that all Group material risks are identified and inventorised, and direct oversight of certain categories of risks to be allocated to the appropriate management and Board Committee that the RSC may identify to be most appropriate</li><li>+ Work with the ERCC on employee engagement issues and the NGC on governance issues</li></ul>
During FY2022, the RSC held two meetings.	

<sup>(1)</sup> Ms Nayantara Bali was appointed as Chairman of the RSC on 1 January 2023, on the retirement of Mr Stephen Miller as Chairman and a member of the RSC.

The RSC is supported by the Management Risk Committee (MRC), which comprises key members of Management. The MRC assumes the execution and advisory role in overseeing the implementation of the Group's enterprise risk management programme, the corporate insurance programme as well as the facilitation of the self-assessment exercise required of business units on an annual basis. The MRC actively seeks to understand current and emerging risks that are crucial to business, while ensuring that they are managed to an acceptable level across the organisation. It also maintains oversight on cybersecurity, data ethics and governance, and sustainability. The MRC regularly updates the RSC on matters pertaining to oversight, assessment and implementation of organisational resilience and ensures timely actions and decisions are attended to key issues.



*Further details on StarHub's approach to sustainability can be found in the Sustainability Report on pages 112 to 176 of the Annual Report.*

## Enterprise Risk Management System and Internal Controls

The Group's Enterprise Risk Management (ERM) programme adopts a holistic and structured approach towards risk management that is embedded into the Group's key business activities and decision-making processes. The programme is integrative and multi-disciplinary, focusing on risks and opportunities that are pertinent to the Group's primary business operations while aligning to the Group's strategic priorities. StarHub strives to incorporate risk management in everyday corporate affairs across all levels and adopts a disciplined yet pragmatic approach to managing risks.

To optimise the management of risk, the RSC has identified top risks of the Group for tracking and monitoring. These risks are strategic, operational, regulatory/legal, information technology, governance, human resource and financial. In consultation with the Board and other Board Committees, the identified risk areas are mapped and assigned to the corresponding Board Committees for oversight, assessment and control. The RSC maintains the oversight and provides guidance on the identified top risks, which are subject to rigorous discussions at bi-annual MRC and RSC meetings.

Independent external and internal audits are conducted to assess the effectiveness of the Group's internal financial controls. The AC has the responsibility for reviewing audit findings along with the adequacy of actions taken by Management in addressing the matters raised in the auditors' recommendations. Material findings are then reported to the Board.

To ensure corporate assets are protected and public concerns are appropriately addressed, the Group maintains a crisis management plan as part of its business continuity management programme, which is regularly reviewed by the MRC.

**StarHub is committed to effective corporate governance driven by a robust enterprise-wide risk management framework and internal controls to safeguard stakeholders' interests and StarHub's assets.** This is achieved by ensuring the necessary resources are available for those tasked with managing and improving the corporate risk management framework. StarHub seeks to achieve the key outcomes of such a framework, namely, to have a thorough understanding of the Group's significant and emerging risks, and to ensure the exposures of these risks are within acceptable tolerances that reflect StarHub's values, objectives and commitments.

For FY2022, the Board has received written assurance from:

- + The Chief Executive and the CFO that the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- + The Chief Executive, the CFO, MRC members along with other key management personnel that the risk management and internal controls systems are adequate and effective to address the financial, operational, compliance, information technology risks as well as the risk management objectives which the Group considers applicable to its present business landscape and operational context.

In view of the Group's current risk management system and internal controls, the reviews of Management as supported by internal and external audit findings, together with the relevant written assurance from the Chief Executive, the CFO, MRC members and other key management personnel, **the Board (with the concurrence of the RSC and the AC) is of the opinion that as at 31 December 2022, the risk management system and internal controls of the Group are adequate and effective to address the financial, operational, compliance, information technology risks as well as the risk management objectives which the Group considers applicable to its present business landscape and operational context.**

Though the Board acknowledges that the Group has an adequate and effective risk management system and internal controls, there can be no absolute assurance that the Group will not be adversely impacted by unforeseen events since these are often unpredictable in nature, which could be exacerbated by material errors, human lapses and irregularities. However, the Board considers corporate prudence supported by appropriate risk counter-measures and internal controls as fundamental when conducting business affairs.



*Further details on StarHub's approach to enterprise risk management can be found in the Risk Management section on pages 103 to 109 of the Annual Report.*

# Corporate Governance

## B. AUDIT COMMITTEE

The AC oversees the effective governance of the Group's financial reporting and internal controls to ensure quality and integrity of its financial statements and the adequacy of related disclosures. The internal auditors and the external auditors both report to the AC.

Audit Committee	
Membership	Key Responsibilities
<b>Mr Paul Ma,</b> AC Chairman and ID	<ul style="list-style-type: none"><li>+</li><li>Reviewing and approving quarterly business performance updates and half yearly financial results announcements and financial statements, before recommending to the Board for approval</li></ul>
<b>Mr Nihal Kaviratne,</b> Lead ID <sup>(1)</sup>	<ul style="list-style-type: none"><li>+</li><li>Monitoring compliance with relevant statutory and listing requirements to ensure the integrity of the Group's financial statements and reporting, including the relevance and consistency of the accounting principles adopted</li></ul>
<b>Ms Ng Shin Ein,</b> ID	<ul style="list-style-type: none"><li>+</li><li>Providing oversight in the design, implementation and monitoring of the system of internal controls (financial controls, compliance with laws and regulations, and information technology (Financial Controls)), working with the RSC as required</li></ul>
<b>Mr Teo Ek Tor,</b> NED <sup>(2)</sup>	<ul style="list-style-type: none"><li>+</li><li>Reviewing and reporting to the Board at least annually on the adequacy and effectiveness of the Group's Financial Controls</li><li>+</li><li>Reviewing the adequacy, effectiveness, scope and results of the external audit, and the independence and objectivity of the external auditors (taking into account the nature, extent and cost of non-audit services provided by the external auditors during the financial year)</li><li>+</li><li>Reviewing the scope and results of the internal audit and the independence and objectivity of the internal auditors</li><li>+</li><li>Reviewing interested person transactions to ensure compliance with the SGX-ST Listing Manual and the Shareholders' Mandate for Interested Person Transactions that is renewable annually</li><li>+</li><li>Making recommendations to the Board on the proposals to shareholders for the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors</li><li>+</li><li>Commissioning and reviewing findings of internal investigations into suspected fraud, irregularity, failure of internal controls or violation of any law that is likely to have a material impact on the Group's results</li><li>+</li><li>Reviewing reports made under StarHub's Whistle Blowing Policy, and where appropriate, directing the investigation of such matters and any follow-up actions to be taken</li></ul>
The AC comprises four NEDs, with the majority (including the AC Chairman) being IDs. During FY2022, the AC held four meetings and a private session with the external auditors and internal auditors without Management being present.	

<sup>(1)</sup> Mr Nihal Kaviratne will retire from the Board of Directors, including from the AC, at the conclusion of the AGM on 21 April 2023, and will be succeeded on the AC by Ms Nayantara Bali.

<sup>(2)</sup> Mr Teo Ek Tor was appointed as an AC member on 12 February 2022.

The AC members are appropriately qualified to discharge their responsibilities and collectively have strong and recent accounting and related financial management expertise and experience. They keep abreast of changes to accounting standards and issues which affect the Group through, *inter alia*, consultation with the external and internal auditors and seminars (including those organised by the Singapore Institute of Directors).

The AC has explicit authority to investigate any matter within its Terms of Reference, with full access to and co-operation from Management. The AC also has full discretion to invite any Director or executive to attend its meetings, and to require Management to provide it with reasonable resources to enable it to discharge its functions properly. After each AC meeting, the AC Chairman reports to the Board on significant matters which have been discussed.

### **Key Audit Matters (KAMs)**

The significant areas of audit focus in relation to the financial statements for FY2022 are (a) revenue recognition, (b) acquisition of MyRepublic Broadband Pte Ltd (MyRepublic Broadband) and (c) valuation of non-financial assets. During FY2022, the AC received updates from Management on the status of these areas, reviewed and discussed with the external auditors on the results of their audit, including their findings on the key areas of audit focus.

In assessing the KAMs, the AC took into consideration the appropriateness of:

- Revenue recognition policies and assumptions adopted;
- Key assumptions applied in determining the fair value of identified assets acquired and liabilities assumed arising from the acquisition of MyRepublic Broadband; and
- Assumptions and estimates made in valuation of non-financial assets.



*Significant matters that were discussed with Management and the external auditors have been included as KAMs in the Independent Auditors' Report on pages 187 to 192 of the Annual Report.*

### **C. EXTERNAL AUDIT**

The AC has performed a review of the independence and objectivity of the external auditors, as well as the fees paid for and type of non-audit services provided by the external auditors to StarHub and the Group during FY2022. The AC meets with the external auditors without the presence of Management, at least annually.

The audit and non-audit fees paid/payable to KPMG LLP and its network firms (KPMG) for FY2022 are \$1.1 million and \$0.3 million respectively, as disclosed in Note 24.3 to the Financial Statements for FY2022. The non-audit fees as a percentage of the total fees paid to KPMG for FY2022 would be 28.6%. The non-audit services mainly included tax compliance and advisory services. These constitute permissible non-audit services under the Accountants (Public Accountants) Rules – Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (Accountants Rules). Audit fees refer to fees from audit of financial statements only, while non-audit services refer to all services excluding audit and audit related services permissible under the Accountants Rules.

The AC has evaluated the potential threats to KPMG's independence and objectivity arising from the provision of non-audit services by KPMG to the Group, and the appropriate safeguards that were put in place to mitigate such threats. Such safeguards included:

- having the non-audit services undertaken by a separate and different KPMG team from the audit team, with no overlap of lead partners on the respective team;
- StarHub taking management responsibility and decision for the results of the work performed by KPMG;
- obtaining the AC's approval prior to engaging KPMG to provide any non-audit service that results or may result in the aggregate non-audit services fees exceeding 50% of the Group's total audit and non-audit fees to KPMG for the relevant financial year. When giving its approval, the AC had to be satisfied that the provision of non-audit services does not impinge on the independence of the auditors; and
- reporting to the AC on a quarterly basis, the nature and extent of non-audit services procured, and the fees to be incurred, both for individual non-audit services and in aggregate, relative to the total audit and non-audit fees of the Group.

In addition, the AC has requested information on and reviewed KPMG's policies and processes for maintaining independence and monitoring compliance with relevant requirements, and KPMG has confirmed its independence as auditors of the Group.

# Corporate Governance

Based on the independence review, the AC is satisfied that the nature and extent of such non-audit services provided to the Group would not compromise the independence and objectivity of KPMG and that Rules 712 and 715 of the SGX-ST Listing Manual have been complied with.

Accordingly, and having regard to the adequacy of the resources and experience of the external auditors and the audit engagement partner and staff assigned to the audit, the AC has recommended to the Board that KPMG be nominated for re-appointment as the Group's external auditors at the upcoming AGM of StarHub. To further maintain the independence of KPMG and in accordance with Rule 713 of the SGX-ST Listing Manual, the AC ensures that the audit partner in-charge of the Group is rotated every five years. The current audit partner-in-charge had been appointed with effect from 1 January 2021. None of the Directors (including the AC members) or Management is or has in the past two years been a former partner, director or employee of the Group's external auditors.

The AC has also reviewed the appointment of different auditors for its subsidiaries pursuant to Rule 716 of the SGX-ST Listing Manual. The Board and the AC have confirmed that they are satisfied that the retention of: (a) Deloitte & Touche LLP (Deloitte) as the auditors of Ensign; and (b) PricewaterhouseCoopers LLP (PwC) as the auditors of MyRepublic Broadband, would not compromise the standard and effectiveness of the audit of the Group.

Deloitte, through its member firms, has provided non-audit tax advisory services to Ensign during FY2022. The Audit and Risk Committee of Ensign has carried out a review of Deloitte's independence, and it is satisfied with Deloitte's independence. Deloitte has further confirmed its independence, within the meaning of regulatory and professional requirements. Appropriate safeguards were also established to address any potential independence threats arising from the provision of non-audit services to Ensign as well as the Group. Such safeguards included (a) assigning a separate and different Deloitte team from the audit team for the provision of non-audit services to Ensign and/or the Group, (b) undertaking an independent internal quality control review with respect to the audit of Ensign and (c) obtaining the StarHub AC's approval before any engagement of Deloitte to perform non-audit services where the total non-audit fees exceed or may exceed 50% of the Group's total audit and non-audit fees for the relevant financial year.



PwC, through its member firms, has carried out the internal audit function of the Group (excluding Ensign) and provided non-audit services to certain subsidiaries of the Group. PwC has confirmed its independence within the meaning of regulatory and professional requirements, and appropriate safeguards were established to address any potential independence threats arising from the provision of non-audit services to MyRepublic Broadband as well as the Group. Such safeguards included (a) assigning a separate and different PwC team from the audit team for the provision of non-audit services, (b) ensuring that both the audit and non-audit services team do not place any reliance on work performed by each other, and (c) obtaining the AC's approval before any engagement of PwC to perform non-audit services.

StarHub's auditor, KPMG, has reviewed the audit work of Deloitte and PwC as part of its overall review of the StarHub subsidiaries' audited financial statements in order to express an opinion on the Group's consolidated statements.

For the Strateq and JOS Groups, they use the same auditors as StarHub, namely KPMG.



*Details of the aggregate amount of external auditors' fees paid for FY2022 and the breakdown for the audit and non-audit services are set out in Note 24.3 to the Financial Statements of the Annual Report.*

## D. INTERNAL AUDIT

The internal audit function of the Group (excluding Ensign) for FY2022 was carried out by PricewaterhouseCoopers Risk Services Pte. Ltd., an independent firm. The internal auditor is guided by the Standards for the Professional Practice of Internal Auditing, prescribed by the Institute of Internal Auditors.

The internal auditor reports to the AC functionally, and to the Chief Executive and the CFO administratively. The appointment, termination and remuneration of the internal auditor are approved by the AC. The internal auditor has unfettered access to all of StarHub's documents, records, properties and personnel, including access to the AC. The AC meets with the internal auditors without the presence of Management, at least annually.

The internal auditor adopts a risk-based auditing approach in developing the annual internal audit plan, which focuses on material internal controls across the Group's business, including financial, operational, compliance and information technology controls. The internal audit plan is submitted to the AC for its review and approval at the start of each financial year. Periodic internal audit reports are submitted to the AC detailing the internal auditor's progress in executing the internal audit plan and any major findings and corrective actions taken by Management.

PwC, though its member firm, also provided external audit services to MyRepublic Broadband. As noted above, appropriate safeguards were established to address any potential independence threats arising from the provision of internal audit services to MyRepublic Broadband as well as the Group.

Ensign maintains an in-house internal audit function, which reports to the Ensign AC. The Ensign internal audit function has unfettered access to all of Ensign's documents, records, properties and personnel, including access to the Ensign AC. The Ensign AC meets with the internal audit function at least annually. The Ensign internal audit report is reviewed by the AC as part of its overall review of the internal audit function of the StarHub Group.

The AC reviews the adequacy, effectiveness, scope and independence of the internal audit function (including the Ensign in-house internal audit function) annually. For FY2022, the AC is satisfied that StarHub and Ensign maintained an effective internal audit function that is adequately staffed and independent of the audited activities, and that the internal auditor has appropriate standing within StarHub and Ensign respectively to perform its function effectively.

## E. INTERESTED PERSON TRANSACTIONS

**Interested person transactions (IPTs)** entered into by any of the Group entities are governed by the Shareholders' Mandate for Interested Person Transactions (IPT Mandate) as approved by shareholders annually at StarHub's EGM, as well as the disclosure and shareholder approval requirements under Chapter 9 of the SGX-ST Listing Manual.

StarHub has established review procedures to ensure that all IPTs are undertaken on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of StarHub and its minority shareholders. Under the review procedures, the IPT terms and pricing are to be (a) consistent with StarHub's usual business practices and policies and no more favourable to the interested persons than those extended to unrelated third parties and are (b) fair and reasonable. StarHub will also consider factors such as specification compliance, track record, experience and expertise, as well as preferential rates or discounts for bulk purchases. An authorised senior officer who does not have any conflict of interests in relation to the IPT will determine whether the IPT terms and pricing are fair and reasonable. Where possible, competitive quotations or tenders for purchase transactions are procured. StarHub has also put in place procedures to identify interested persons and record and monitor the IPTs entered into by the Group.

All IPTs are subject to review and approval by the appropriate approving authority, including the AC, based on pre-determined threshold limits under the IPT Mandate. If any Director, AC member or authorised reviewing officer has a conflict of interests in relation to an IPT, he or she will abstain from reviewing that particular transaction.

The IPTs are reviewed by the internal auditors on a quarterly basis, and the quarterly audit reports on all such IPTs are provided to the AC. IPT disclosures are made via SGXNET announcements on a half yearly and annual basis at the same time as the Group's half-yearly and full-year results announcements.

In FY2022, there were no IPTs or related party transactions that can be classified as financial assistance to entities other than StarHub's subsidiary companies as well as associated companies.

StarHub does not provide loans to Directors as a matter of corporate policy and therefore no loans have been provided by StarHub to the Directors in FY2022.



Further details on StarHub's IPTs for FY2022 can be found in the Interested Person Transactions and Material Contracts section on page 283 of the Annual Report.

# Corporate Governance



## 5. SHAREHOLDER RIGHTS AND ENGAGEMENT

StarHub respects shareholders' rights and promotes the fair and equitable treatment of all shareholders. StarHub keeps all our shareholders sufficiently informed of our corporate affairs and activities, including any changes to the Group or our business which may materially affect the price or value of StarHub shares, on a timely basis.

All new material price-sensitive information is disclosed on an adequate, accurate and timely basis via SGXNET and on the StarHub IR website. StarHub recognises that the timely release of relevant information is central to good corporate governance and assists shareholders to make informed investment decisions.

### A. SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

#### General meetings

All shareholders are entitled to attend and vote at StarHub's general meetings and are afforded the opportunity to participate effectively in the general meetings. If shareholders are unable to attend, they are allowed to appoint up to two proxies to attend, speak and vote in their place at general meetings. Under StarHub's Constitution and pursuant to the Companies Act 1967, shareholders who are nominee companies, custodian banks or Central Provident Fund agent banks may appoint more than two proxies to attend, speak and vote at the upcoming AGM and at subsequent general meetings.

Notices of general meetings, together with the annual reports or circulars, are generally issued to all shareholders (including foreign shareholders) at least 14 days prior to the scheduled meetings. This provides ample time for shareholders to review the documents ahead of the meetings and appoint their proxies to attend the meetings if they wish. As part of StarHub's commitment towards more environmental-friendly and sustainable practices, StarHub makes our annual reports and circulars available online on the StarHub IR website.

StarHub encourages shareholder participation at general meetings. Shareholders are given the opportunity to seek clarification or direct questions on matters relating to the proposed resolutions. Each specific matter is proposed as a separate resolution, and sufficient information in relation to each resolution is provided to enable

shareholders to vote. An independent scrutineer validates the voting results. At each AGM, the Chief Executive presents an update on the Group's business performance over the preceding financial year. All Directors (in particular the Board Chairman and the respective Chairmen of the Board Committees) together with Management and the external auditors, are present at general meetings.

#### 2022 AGM and EGM

In FY2022, arising from the COVID-19 situation and in accordance with the various legislative measures passed to allow alternative arrangements for general meetings of companies, the AGM and EGM were convened and held by electronic means. Shareholders were afforded the opportunity to participate by:

- Observing and/or listening to the AGM and/or EGM proceedings via "live" audio-visual webcast or "live" audio-only stream;
- Submitting questions in advance as well as "live" at the meetings; and
- Voting "live" at the AGM and EGM respectively, or voting by appointing the Chairman of the AGM and Chairman of the EGM as proxy to vote on their behalf.

Substantial and relevant questions submitted by shareholders were answered prior to the AGM and EGM, and questions asked during the meeting were answered "live" during the AGM and EGM. The results showing the number of votes cast for and against each resolution and the respective percentages are announced via SGXNET on the same day of the general meeting. Minutes of general meetings are made available on the StarHub IR website. The minutes record substantial and relevant comments and questions from shareholders, and responses from the Board and Management.

#### 2023 AGM and EGM

In line with the revocation of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, and guidance by the SGX-ST, the AGM and EGM in FY2023 will be held in person, to give shareholders the opportunity to engage directly with the Board and Management. Details of the 2023 AGM and EGM are set out in a separate announcement released on SGXNet.

## B. ENGAGEMENT WITH SHAREHOLDERS

**StarHub remains committed to providing timely, fair, relevant and accurate information regarding the Group's performance, progress and prospects** as well as major industry and corporate developments and other relevant information to shareholders and the investment community to enable them to make informed investment decisions.

StarHub solicits and considers the views of shareholders via (a) regular and timely analyst and media briefings throughout the year, (b) frequent interactions between the Management, the StarHub IR team and both retail and institutional investors through investor roadshows and conferences organised by major brokerage firms, the SGX-ST and events organised by StarHub, including an Investor Day on 7 December 2022, and (c) third-party independent perception studies commissioned by StarHub. The StarHub IR team promptly provides feedback garnered from the investment community to senior management and the Board. As part of the Board's annual evaluation exercise conducted by an independent third-party provider, the Board solicits shareholder feedback via one-on-one interviews conducted by Aon Solutions to understand shareholders' perspectives on the effectiveness of the Board on matters relating to shareholder engagement, corporate governance and company management practices.

Apart from SGXNET announcements and the Annual Report, the regularly updated StarHub IR website at [IR.starhub.com](http://IR.starhub.com), is the main source of information for shareholders. It houses all media releases, financial results, annual reports, SGXNET announcements, presentation materials, archived webcasts and conference calls, as well as other corporate information relating to the Group such as the corporate group structure. Investors may also elect to be notified of any new updates via an email alert service. New material price-sensitive information such as financial results are released via SGXNET before being posted on the StarHub IR website or the conduct of any media or analyst conferences. This ensures fair and non-selective disclosure of information to all shareholders.

In line with amendments to Rule 705 of the SGX Listing Manual, StarHub had adopted half-yearly announcement of its financial results. The half-year and full-year financial results will contain detailed financial statements, key business drivers and management commentaries on the financial performance of the Group. They will be announced within 45 and 60 days from the end of each respective financial period. Voluntary quarterly business updates containing critical financial and operational data will be published for the first and third quarter of the financial year to give investors insight into the Group's interim business performance.

Shareholders may direct their queries and concerns to the StarHub IR team using the contact particulars listed on the StarHub IR website, and the StarHub IR team will respond promptly and effectively. The StarHub IR team is also prompt in keeping Management fully apprised of shareholder views and sentiments.

Dividends were declared on a half-yearly basis in FY2022, and shareholders were informed of the dividend payments in the respective half year financial results announcements via SGXNET and the StarHub IR website. In determining the dividend, the Board balances the need for a satisfactory return to shareholders against StarHub's investment requirement to ensure sustainable growth. StarHub is committed to its dividend policy to pay out at least 80% of net profit attributable to shareholders (adjusted for one-off, non-recurring items) as dividends, payable on a semi-annual basis. **Taking into consideration short-to-mid term business conditions (including the impact of COVID-19), cash flow and investment requirements, as well as results reaped from the ongoing business transformation initiatives, StarHub expects to declare a dividend per share of at least 5.0 cents for FY2023.**

## 6. MANAGING STAKEHOLDERS RELATIONSHIPS

### Engagement with Stakeholders

As hybrid meeting arrangements become the norm following COVID-19, StarHub continues to maintain effective stakeholder communication by holding our engagements in different modes, making ourselves more accessible and for greater flexibility. Events such as Investor Day 2022 have been held physically, while others such as employee townhalls continue to be held virtually. Active engagement with stakeholders enables us to understand our stakeholders' needs, gain better insights on our business risks and opportunities, and create value for all. Our key stakeholders' views have been identified through a stakeholder mapping exercise and are reviewed annually to assess their potential impact on our business. We promote and manage our stakeholder relations through regular and proactive engagement with our stakeholders, at the corporate level and functional divisions across the Group. In FY2022, the Group's key areas of focus in relation to the management of stakeholder relationships included continuing our digital transformation and providing more flexible and customised engagement to connect stakeholders' interests to our business goals.



*Further details on StarHub's communication with our shareholders and other stakeholders can be found in the Investor Relations section and Sustainability Report on pages 110 to 111 and 112 to 176 of the Annual Report respectively.*

# Corporate Governance



## 7. OTHER CORPORATE GOVERNANCE PRACTICES AND POLICIES

### A. DEALINGS IN SECURITIES

#### Insider Trading Policy

StarHub has adopted an enhanced **insider trading policy** with respect to dealings in StarHub securities by the Directors and Group employees. The policy imposes trading blackout periods which exceed the requirements of the SGX-ST Listing Manual, pursuant to which:

- + All Directors and Group employees are prohibited from dealing in StarHub securities during the period:
  - (a) commencing two weeks prior to the announcement of the Group's business performance update for each of the first and third quarters of our financial year and ending on the date of announcement of the relevant business performance update; and
  - (b) commencing one month prior to the announcement of the Group's half-yearly and full-year results and ending on the date of announcement of the relevant results.
- + All Management and employees directly involved in the preparation of the Group's quarterly business performance updates and the half-yearly and full-year results are prohibited from dealing in StarHub securities during the period commencing one month prior to the announcement of each of the Group's business performance updates and financial results and ending on the date of announcement of the relevant update or results.

All Directors, Management and Group employees are notified by email prior to the commencement of each trading blackout period and upon the lifting of the restrictions after the announcement of the respective business performance updates and financial results. The policy discourages trading on short-term considerations and reminds Directors, Management and Group employees of their obligations under insider trading laws.

#### Share Trading Policy

In addition, in order to facilitate compliance by the Directors and Management, StarHub has adopted a share trading policy which requires them to give prior notice of their intended dealing in StarHub securities to the Chairman and Chief Executive through the Company Secretaries.

StarHub also prohibits the acquisition of any StarHub shares pursuant to our Share Purchase Mandate where a price-sensitive development has occurred or been the subject of a decision, until the development has been publicly announced.

For the issue of new StarHub securities, while the SGX-ST Listing Manual permits the Board to seek a general mandate from shareholders to allot and issue up to 20% of StarHub's total issued share capital other than on a *pro rata* basis to existing shareholders, the Board has continued to voluntarily limit such mandate to 15% only.

In addition, for the specific mandate from shareholders to allot and issue StarHub shares under the RSP and the PSP, the Board has limited the aggregate number of StarHub shares available for grant under the RSP and the PSP to 8% of StarHub's total issued share capital (instead of the permitted 15% under the SGX-ST Listing Manual), taking into account any outstanding unvested share awards.

### B. WHISTLE BLOWING POLICY

StarHub adopts a **zero-tolerance policy against ethical and legal violations**. The Group has instituted a robust procedure which provides accessible channels for employees and external parties (such as our customers, suppliers, contractors and other stakeholders who may have a business relationship with the Group) to report in a responsible manner, anonymously or otherwise, any concern or complaint in relation to any irregularity, inappropriate behavior, legal or ethical violation or other serious breaches of internal processes. Such reporting channels have been communicated, and include a dedicated whistle blowing email and a direct channel to the AC Chairman and the General Counsel (via email and/or mail).

All complaints will be promptly and thoroughly investigated in confidence and on a need-to-know basis. The investigation outcome together with a recommendation on the necessary actions to be taken will be reported to the AC Chairman and the General Counsel, who will decide on the appropriate course of action. On a quarterly basis, a consolidated report of all whistle blowing cases for the quarter (if any) will be submitted for review by the AC.

The Group's Whistle Blowing Policy aims to encourage the reporting of such matters in good faith, by lending confidence that employees and other persons making such reports will be treated fairly and accorded due protection against reprisals or victimisation. The Group's Whistle Blowing Policy is available on StarHub's intranet and corporate website for easy access by all employees and the public.

## C. EMPLOYEE CODE OF CONDUCT AND RULES ON BUSINESS CONDUCT

StarHub has put in place the following policies and procedures to guide employees in carrying out their duties and responsibilities with high standards of personal and corporate integrity when dealing with StarHub, our competitors, customers, suppliers and the community:

- + Employee Code of Conduct and Ethics;
- + Anti-Corruption, Corporate Gift and Hospitality Policy;
- + Supplier Code of Conduct;
- + Responsible Sourcing Policy;
- + Management and Staff Diversity Policy;
- + Purchasing Procedure; and
- + Request for Proposal/Tender Procedure.

These policies and procedures cover (a) business conduct (including employees' compliance with anti-corruption and anti-bribery laws), (b) conduct in the workplace, (c) protection of StarHub's assets, proprietary and confidential information as well as intellectual property, (d) conflicts of interest, (e) anti-corruption and anti-bribery, (f) diversity of Management and staff, (g) non-solicitation of customers and employees and (h) workplace health and safety. In parallel, the Purchasing Procedure and Request for Proposal/Tender Procedure cover internal controls on tenders, vendor selection and purchasing to ensure transparency, objectivity and compliance. Given the importance of sustainability, StarHub also adopted the Responsible Sourcing Policy, which is aligned with the UN principles for universally recognised principles on human rights, including labour rights, the environment and corruption.

The Employee Code of Conduct and Ethics, the Management and Staff Diversity Policy, the Purchasing Procedure and the Request for Proposal/Tender Procedure are available on StarHub's intranet, while the Anti-Corruption, Corporate Gift and Hospitality Policy, the Supplier Code of Conduct and the Responsible Sourcing Policy are available on StarHub's intranet and corporate website for easy access by all employees and the public.

In addition, employees are also required to undergo a mandatory Code of Conduct e-learning course, and complete an annual declaration which includes the declaring of any potential, apparent or actual conflict of interest between their official duties at StarHub Group, and any other persons or interests.

## D. DOCUMENT CLASSIFICATION POLICY

StarHub's confidential information is one of its most important assets. To this end, StarHub has established a Document Classification Policy to guide employees on how to properly classify and apply the adequate level of protection on the information and documents they are entrusted with that relate to the Group's business, activities and operations. This helps to safeguard such information and documents, and ensures that only appropriate persons have access on a need-to-know basis.

## E. CYBERSECURITY AND DATA PROTECTION

Cybersecurity and data protection remain key strategic priorities for StarHub, particularly with the acceleration of digital transformation, adoption of cloud technology and new hybrid working model. Appropriate cybersecurity and data protection frameworks have been put in place to safeguard our networks/systems and customer and employee data and sensitive and/or confidential information from security risks and breaches, as well as to ensure the Group's compliance with all applicable laws, including the Cybersecurity Act 2018, the Personal Data Protection Act 2012 (PDPA) and sector-specific cybersecurity requirements imposed by the Infocomm Media Development Authority such as the Telecommunications CyberSecurity Code of Practice and the Broadcast CyberSecurity Code of Practice. These cybersecurity and data protection frameworks, which include policies, procedures, guidelines and checklists, are continually enhanced to enable StarHub to address the evolving cyber threats landscape and protect against cybersecurity and compliance risks.

As part of its best practices relating to cybersecurity, StarHub undergoes periodic audits by third party assessors as well as periodic risk assessment to ensure all potential risks are within an acceptable level. The Group continually executes our cybersecurity posture improvement plan from a 'People, Process and Technology' perspective:

**People:** Various cybersecurity virtual workshops and phishing email campaigns are conducted to strengthen our employees' awareness of cybersecurity risks. All StarHub employees are required to go through a series of cybersecurity e-learning modules covering different topics to fortify the last layer of security defense.

**Process:** The existing cybersecurity governance framework has been reviewed and revised. Amongst other things, StarHub has implemented a vulnerability disclosure program (VDP) to enable security researchers to report potential vulnerabilities to StarHub via a publicly accessible website. In FY2023, StarHub will launch a new Bug Bounty Program (BBP) to augment the existing VDP. The BBP will leverage on security professionals and experts to uncover security vulnerabilities in StarHub's Information Technology (IT) applications.

**Technology:** StarHub has implemented different technology stacks to strengthen multilayer defense for both external and internal threats.

# Corporate Governance



The Group, including Ensign, also provides end to end support for all segments within the enterprise sector, including for large enterprises, government, small and medium-sized enterprises, and retail consumers.

As a Critical Information Infrastructure (CII) owner, StarHub continues to strengthen its security posture in compliance with applicable regulatory requirements.

**StarHub has renewed its certification with the Data Protection Trustmark (DPTM)**, which is a voluntary enterprise-wide certification for organisations to demonstrate accountable data protection practices. Adapted from the PDPA, international benchmarks and best practices, the DPTM certification framework requires organisations to have sound data protection policies and practices to manage and protect personal data in accordance with the certification framework.

StarHub also conducts regular reviews of its data protection frameworks and awareness programs to ensure the Group's compliance with all applicable data protection laws and regulations. Notably in FY2022, newly acquired subsidiary companies' data protection processes and management programmes were assessed and improved.



Further details on StarHub's approach to cybersecurity and data protection can be found in the Data Privacy & Cybersecurity and Online Safety sections of the Sustainability Report on pages 140 to 141 of the Annual Report.



## F. COMPLIANCE LEAVE POLICY

StarHub has voluntarily put in place a Compliance Leave Policy as an additional risk mitigation measure to enhance corporate governance. The policy is applicable to employees who hold Senior Manager positions and above, finance advocates and employees with sensitive job functions such as handling monies, inventories, payroll processing and approvals, risk management as well as purchasing of goods and services. Under the policy, relevant employees are required to go on mandatory block leave for a period of at least five consecutive working days per calendar year, thereby allowing covering officers to fully step into their duties and act as an additional check and balance against any breaches.

## G. WORKPLACE SAFETY AND HEALTH

StarHub is committed to making continual efforts to support the health, safety and welfare of all our employees in carrying out business activities and operations. In FY2022, StarHub put in place hybrid working arrangements on a permanent basis, allowing greater flexibility and balance for employees. StarHub's Workplace Safety and Health (WSH) Committee continually enhances our work health and safety programme by reviewing policies and procedures to incorporate best practices, in line with applicable laws such as the Workplace Safety and Health Act and regulations.



Further details on StarHub's approach to workplace safety and health can be found in the Health, Safety and Well-being section of the Sustainability Report on pages 144 to 147 of the Annual Report.

# Risk Management

## OUR APPROACH TO ENTERPRISE RISK MANAGEMENT

Our Enterprise Risk Management ("ERM") is established based on a holistic and prudent approach to managing corporate risks. It is an integrative, multi-disciplinary programme focusing on risks and opportunities that are pertinent to business activities aligned to the Group's strategic objectives. We seek to embed the principles of risk management in our key corporate and decision-making processes across all levels of the organisation.

This is underpinned by our proactive approach to managing risks. We have key risk indicators in place to measure to track our progress on risk control measures and whether additional actions should be developed to minimise the downside effects of risks. We undertake regular reviews of our risk policy, processes, procedures and plans, which supports our overall risk framework, thereby keeping it relevant to our business. In essence, this ensures our risk strategy is capable to address the challenges of meeting our strategic objectives.

We continually strive for excellence in our management of risks. We recognise the need to effectively manage risk while optimising opportunities as an integral part of business operations. We take risk into consideration in our business decisions and activities, enabling us to pursue optimal balance between risk and return. Our ERM framework and processes are dynamic and embedded with flexibility and are constantly evolving to ensure that we are capable to address today's challenges in the business landscape. This is underpinned by knowledge and expertise collaboration across the organisation, as well as keeping abreast of emerging trends in risks and opportunities. As an inherent part of our risk management culture, we strive to maintain improvement in our risk systems and processes to ensure that our ability to manage and respond to risks and opportunities remains timely and effective.

## OUR RISK APPETITE STATEMENT

We operate with an appetite for appropriate risk-taking where there is a preference for conservative options, a practice that is embedded in our operations.

While we continue to drive business excellence, innovation and growth, we take a holistic view of the risks involved in doing so, while meeting regulatory and statutory requirements.

We balance the expectations of stakeholders and the need to take some level of prudent and educated risks in business, which are fundamental to StarHub's sustainable long-term growth.

# Risk Management

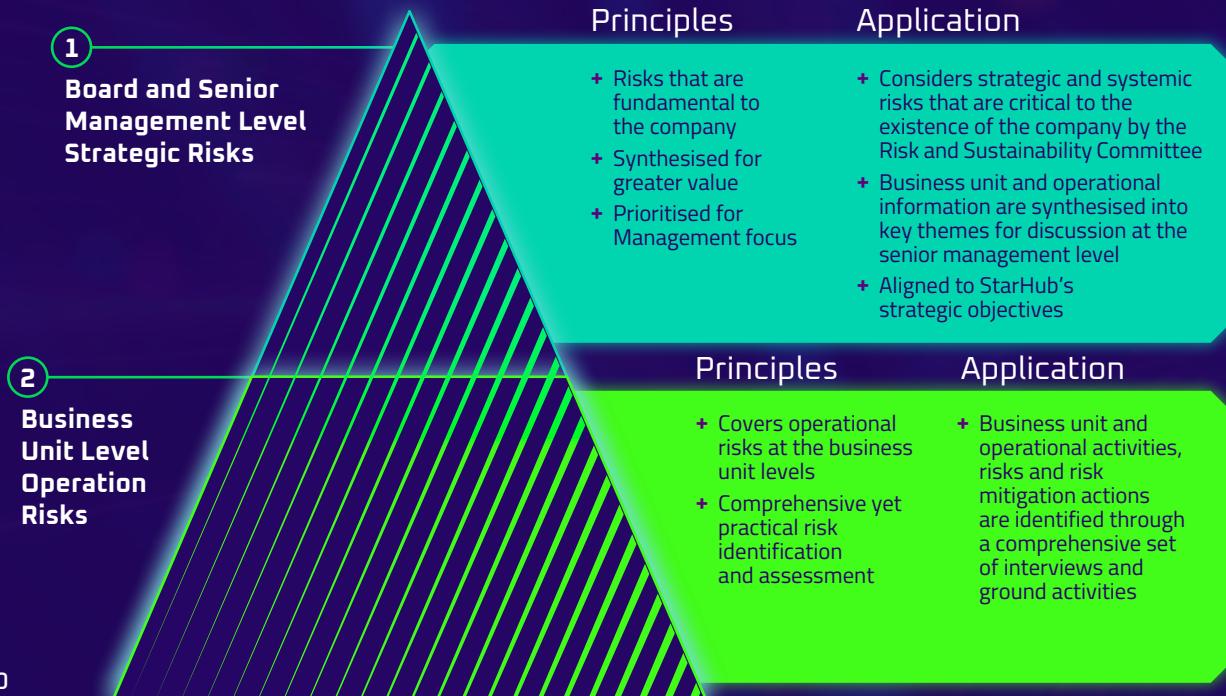
## OUR ENTERPRISE RISK MANAGEMENT FRAMEWORK

### Our ERM framework seeks to:

- + Achieve an accurate, comprehensive understanding of StarHub's key risks and opportunities through a top-down and bottom-up approach to identifying and mitigating risks;
- + Identify and prioritise key risks and opportunities that are aligned to business activities and strategic objectives;
- + Promote a culture of risk management that entails awareness, accountability and ownership of risk and risk mitigation;
- + Maintain consistent oversight of StarHub's Top Risks at the Board and Management levels

These are illustrated in the diagram below:

Macro



The Risk and Sustainability Committee ("RSC") assesses the adequacy and effectiveness of the risk systems and controls of the Group, inventorising risks, and may direct oversight of certain categories of risks to be assigned to the appropriate Management and Board bodies that the RSC may identify to be the most appropriate for reviewing and overseeing such risks. The Management Risk Committee ("MRC") consisting of StarHub's senior management team convenes bi-annually, supporting the functions of the RSC. This high-level oversight ensures that StarHub's ERM

programme remains effective and focuses on the Group's top risks and priorities, which are thoroughly addressed in deep dives presented by subject matter experts. Such in-depth reviews and discussions provide the basis on how the key risks are progressively tracked and managed across all levels.

Planned assessments are also conducted by an independent internal audit team to identify potential gaps and areas of improvement in our internal controls and processes. The Audit Committee ("AC") has the responsibility for reviewing these audit findings along with the adequacy of actions

taken by Management in addressing the matters raised in the auditors' recommendations. Material findings are then reported to the Board.

The RSC provides assurance to the Board yearly confirming the efficacy and effectiveness of the enterprise-wide risk management framework, internal controls and compliance. Such an assurance process demonstrates the Group's commitment to an effective corporate governance driven to safeguard stakeholders' interests and corporate assets.

## OUR TOP RISKS

To continually improve our risk management and mitigation effort, top risks are identified for tracking and monitoring. These risks are aligned with the company's strategic priorities, and are determined and ordered in consultation with the RSC and MRC. They are supported by bottom-up risk assessments conducted at the

business level to ensure that the risk information is adequately captured and synthesized into key themes for discussion at the strategic level. Furthermore, fit-for-purpose mitigation controls are devised to adequately address the key issues of each risk.

Our top risks are summarised in the table below (in no particular order):

Key Risk	Risk Description	Mitigation
<b>Inability to grow in key segments</b>	<p>Business growth in key segments has faced headwinds in recent years due to macroeconomic factors such as global inflationary pressures exacerbated by the war in Ukraine, as well as ongoing intense market competition locally. Additionally, the availability and ease of access to pirated content represents a risk to the Entertainment segment.</p>	<ul style="list-style-type: none"> <li>+</li> <li>We maintain a proactive approach to grow and differentiate the Consumer business, including the Infinity Play strategy that seeks to drive consumption amongst and beyond StarHub's customer base by continuously expanding our portfolio of innovative product offerings to be delivered on a single app platform, while constantly improving our digital touchpoints with customers</li> <li>+</li> <li>To counteract the commoditisation of core services, the Enterprise Business Group is prioritising with the objective of establishing StarHub as a leader in customer first, network-centric digital solutions for enterprises, developing digital propositions built on the foundation of our core network competencies</li> <li>+</li> <li>Through various acquisitions, we have also expanded the capabilities of our Enterprise business that will aid in driving mutual growth across the enlarged Group, while increasing the business' attractiveness and competitiveness to customers in providing integrated digital solutions converging Cloud, Cybersecurity and Connectivity</li> <li>+</li> <li>We are also able to harness cost synergies across the enlarged Group, such as joint procurement strategies to leverage economies of scale</li> <li>+</li> <li>In response to the ongoing global chip shortage, we increased common equipment stock for Enterprise customers to maintain a minimum inventory to address foreseeable demand, and has sought alternative sourcing options where possible</li> <li>+</li> <li>On piracy, we work closely with relevant government authorities to address/block access to unauthorised content and sites</li> </ul>
<b>Inability to exploit opportunities in new/adjacent businesses</b>	<p>The saturated telecommunications market has prompted us to venture out into new areas of opportunities to remain relevant and competitive. Such initiatives are challenged by crowded markets, competition from other potential investors, legal and regulatory restrictions, other socio-political factors.</p> <p>In addition, with the acquisition of new businesses, we face the challenge of identifying suitable targets, integrating newly acquired businesses into our operations, and generating synergies from these acquisitions.</p>	<ul style="list-style-type: none"> <li>+</li> <li>For the Consumer business, we are focused on the Infinity Play strategy. We are building upon the pace and traction for Cloud Gaming to a wider audience; adding more OTT entertainment offerings; the recent launch of a new digital health service (LifeHub+); and providing users peace of mind with protection for digital risks, devices at home (SmartSupport Home), and while travelling abroad (TravelProtection)</li> <li>+</li> <li>For our Enterprise business, we continue to develop capabilities in the areas of sustainability and digitisation, advanced infrastructure, workflow collaboration, data intelligence and IoT, and emerging technologies to generate alternative sources of revenue</li> <li>+</li> <li>We are also expanding our Enterprise ecosystem via synergistic M&amp;As and strategic partnerships. For instance, JOS Singapore has been successfully integrated with StarHub's Enterprise Business Group and the combined entity has been successful in winning a number of key enterprise customer contracts</li> <li>+</li> <li>We continue to conduct trials with our industry and tech partners, as well as customers, to develop innovative digital solutions anchored on 5G for both the Enterprise and Consumer segments</li> </ul>

# Risk Management

Key Risk	Risk Description	Mitigation
<b>Competition and technology/digital disruption</b>	<p>We continue to face intense competition with incumbent Mobile Network Operators (MNO), multiple Mobile Virtual Network Operators (MVNO) and Over-The-Top (OTT) providers. By venturing into new and adjacent businesses, we will be confronted with new challenges. We remain focused on our customers and will continue to create new experiences that fit their needs.</p>	<ul style="list-style-type: none"> <li>+ We differentiate ourselves by offering best-in-class customer experience and digital, zero-touch products while improving on network capacity, coverage, speeds, and overall value for money</li> <li>+ The Group's market differentiation for its Consumer business was sharpened in FY2022 by leveraging exclusive partnerships to deliver Infinity Play, such as Premier League, Disney+ and NVIDIA GeForce NOW, and bundling such services across Mobile, Entertainment and Broadband plans. We continue to strengthen our core through driving 5G, giga! and adjacent services across gaming, peace of mind and digital health. Through our DARE+ transformation programme that is anchored on digital strategies, we will accelerate our digitalisation of our sales, service and operating model</li> <li>+ We continue to enhance and refine our Enterprise propositions by offering end-to-end digital solutions tailored to customers' unique needs. We are also leveraging a growing demand for emerging technology pulling through Connectivity, Cybersecurity and Cloud to capture greater market share in adjacent verticals such as enterprise mobility solutions, data centre solutions, internet of things ("IoT") and data analytics</li> </ul>
<b>Network Transformation – 5G launch and compliance, fixed network and SDN</b>	<p>Following the award of the 5G licence in June 2020, we have conducted active trials and collaborations to develop new use cases for the new technology. However, the ecosystem remains nascent and key drivers like customer adoption and device ecosystems are still developing.</p> <p>Furthermore, cyber threats are getting increasingly sophisticated as it continues to evolve. With 5G being an end-to-end transformation of the wireless network, its interconnectivity also presents additional vulnerable nodes. In response to this, many new use cases enabled by 5G require built-in security that go beyond 3GPP standards and encompass automation, security orchestration, analytics to detect and mitigate threats.</p>	<ul style="list-style-type: none"> <li>+ We operate our current 3G/4G Mobile network in Telecommunication Cybersecurity compliance and have established an operational ecosystem of best-in-class vendors and solution to address the increasing security threats emerging in today's Internet. Security processes are operational and provide a solid foundation for security operations in 5G SA networks</li> <li>+ Our 5G SA security solution is implemented with below features to address the threats evolved in 5G network: <ul style="list-style-type: none"> <li>▪ Utilise the 3GPP (Standard) framework for 5G Security and ensure encryption and authentication is deployed pervasively in our 5G network</li> <li>▪ Implement Security Gateway for securing RAN communication with IPsec encryption as well as protection of 5G Core using GTP Firewall</li> <li>▪ Implementation of 5G Core Security e.g. Perimeter Security, Security Zoning, Defense in Depth, Traffic Separation, Micro-segmentation and DDoS Protection</li> <li>▪ Our 5G network complies to zero trust environment for trust access, trust communication and trust execution</li> <li>▪ We build on our existing ecosystem and expand security sensing, detection, intelligence and response using Security Information and Event Management (SIEM) and security orchestration system to achieve end-to-end security operations</li> </ul> </li> </ul>

Key Risk	Risk Description	Mitigation
<b>Failure to transform IT systems and adopting the appropriate IT right sourcing approach</b>	<p>Our customers' services and experience is highly dependent on the seamless availability of our IT systems.</p> <p>It is important that we ensure that our IT systems are constantly up-to-date and enhanced to secure an uninterrupted experience for customers.</p> <p>Furthermore, we need to ensure that there are adequate resources to maintain the availability of IT systems.</p>	<ul style="list-style-type: none"> <li>+</li> <li>We proactively monitor the availability and operational robustness of critical IT systems in real time</li> <li>+</li> <li>We have established Standard Operating Procedures (SOP) and performed periodic business continuity and disaster recovery exercise to mitigate system disruption caused by human or system errors</li> <li>+</li> <li>We have Service Level Agreements (SLA) in place and proactively monitor the performance of the IT service provider</li> <li>+</li> <li>We have critical business applications installed on high availability IT infrastructure as well as a disaster recovery data center</li> <li>+</li> <li>We are certified with ISO 22301 (Business Continuity Management System) as well as having defined business continuity management procedures and disaster recovery plans. We conduct simulated exercises to ensure operational readiness in the event of a business operations disruption</li> </ul>
<b>Lack of credibility as a trusted provider</b>	<p>With every one in two Singaporean households being a StarHub customer, it is imperative for us to ensure the confidentiality, integrity, availability and resilience of our infrastructure and systems. As with every digital-forward enterprise, we rely on information systems that exposed to cyber threats such as ransomware and data breaches. As custodians of customer data, we need to ensure that our infrastructure and systems are as robust and resilient as possible, alongside effective data privacy and security measures.</p>	<ul style="list-style-type: none"> <li>+</li> <li>We have policies, processes, and procedures in place to ensure that infrastructure and information systems are up-to-date, reliable and secure</li> <li>+</li> <li>We maintain strict compliance with Info-Communications and Media Development Authority of Singapore (IMDA) resiliency obligations, and are subjected to independent external audits on our infrastructure. We are also compliant to ISO 22301 to ensure resiliency of our critical infrastructure</li> <li>+</li> <li>We have a dedicated Data Protection Office with defined personal data protection procedures and guidelines to ensure strict compliance with applicable legislation such as the Singapore Personal Data Protection Act and to mitigate risks of data and privacy breaches. The Group's Information System Policy is also benchmarked to international standards such as ISO 27001</li> <li>+</li> <li>We have adopted a multi-layered cyber defense framework to safeguard valuable data and information from different attack vectors. This multi-layered cyber defense comprises a series of successive cybersecurity controls and mechanisms designed with intentional redundancies</li> </ul>
<b>Customer experience through transformation process</b>	<p>To gain an edge over competition, we need to take stock of industry trends and changes in our operating environment. This is to ensure our offers and engagement differentiates us from market competition, driving greater value to our customers.</p> <p>We also ensure that we keep abreast of customer' evolving needs and preferences to provide a positive customer experience backed by a seamless and reliable network experience.</p>	<p>We are committed to delivering superior customer experience across all services by:</p> <ul style="list-style-type: none"> <li>+</li> <li>Keeping a sharp focus on the ease of use and availability of various digital products and support channels</li> <li>+</li> <li>Tracking customers' user experience and determining the long-term value of the brand through the Net Promoter Score ("NPS") methodology</li> <li>+</li> <li>Consistently advancing customer experience objectives, as reflected in the year-on-year improvements on NPS</li> <li>+</li> <li>Utilising insights collated from customer feedback to analyse detractor statements and customer responses on the NPS scale, and taking actions that enhances customer experience</li> </ul>

# Risk Management

Key Risk	Risk Description	Mitigation
<b>Cyber breach and fine by authorities due to non-compliance</b>	<p>Being a Critical Information Infrastructure (CII) operator, we are exposed to a whole range of cybersecurity-related threats prevalent in today's digital era.</p> <p>A cybersecurity incident on our CII could potentially cause:</p> <ul style="list-style-type: none"><li>+ Disruptions to our corporate network and/or services provided to customers</li><li>+ Breach of sensitive and/or confidential information</li><li>+ Significant regulatory fines and penalties</li><li>+ Reputation damage</li><li>+ National security affected</li></ul>	<ul style="list-style-type: none"><li>+ We have implemented security policies, processes, and procedures based on international standards (i.e., ISO 27001, ISO 22301) and industry best practices, as well as local statutory requirements (i.e., Telecommunications Act, Broadcasting Act, and the Cybersecurity Act 2018). We continue to proactively benchmark against the latest relevant frameworks to enhance our cybersecurity readiness</li><li>+ We regularly conduct rigorous penetration testing and vulnerability assessments on our networks and systems to identify vulnerabilities and act accordingly in a timely and effective manner</li><li>+ We have ISO 22301 (Business Continuity Management System) certification with effective business continuity and disaster recovery plans and conduct regular exercises to ensure swift recovery following the event of a disruption</li><li>+ We proactively update regulatory requirements from government agencies and continually measure and track our cyber maturity level to prioritise cybersecurity investments on people, processes, and technology throughout the organisation. These enable us to develop/revise policies, processes, and procedures to minimize the occurrence of cyber risks</li><li>+ We have engaged third-party Managed Security Services to proactively monitor (24x7) any threat and vulnerabilities, triaging identified incidents, and escalate incident in a timely manner</li><li>+ We have implemented Vulnerability Disclosure Programme (VDP) to allow security researchers to notify us of any security issues and vulnerabilities. VDP provides a framework and workflow for us to manage such reports, ensuring that relevant information reaches the right teams in a timely manner</li><li>+ Guided by StarHub's DARE+ principles in becoming a full-on digital life and services provider, we partner with leading cloud providers and telco technology partners to bring forth Cloud Infinity, a low-latency multi-cloud infrastructure primed for exponential business growth. We will work closely with regulatory and various security consultant firms to ensure compliance and policies are in place for governance in embarking on Cloud infinity</li><li>+ We have a dedicated SOC team that is actively monitoring (24x7) for any threat and vulnerabilities, triaging identified incidents, and escalating to those that warrant it. The SOC team plays a key role in Cyber Incident Response Team (CIRT) structure and is responsible for assessing IT security infrastructure, executing response and recovery processes to remediate incidents' impact as well. The entire process is derived and also aligned adhered with the National Institute of Standards and Technology's (NIST) Cybersecurity Framework (CSF) standards</li></ul>

Key Risk	Risk Description	Mitigation
Leadership bench strength and succession	<p>We face intense competition in securing talent as we work towards implementing our DARE+ strategy, which aims to transform us into a provider of both digital life and digital services.</p> <p>To transform our business, the company must attract, develop, and cultivate individuals with the necessary future-proof skillsets and capabilities.</p>	<ul style="list-style-type: none"> <li>+</li> <li>We place strong emphasis on attracting, hiring and retaining talent with competitive remuneration packages, recognition awards and talent development programmes such as the MojoManager programme for frontline leaders and MojoMultiplier programme for senior leaders</li> <li>+</li> <li>We have put in place a robust talent review process to identify high potential talents who will go through a talent accelerator program, placed on critical assignments and be assigned with a coach and development sponsor</li> <li>+</li> <li>We are also partnering with the industry to broaden our hiring funnel and upskill employees – e.g. AWS on the re/Start programme, which provides providing fresh career opportunities to mid-career Cloud talent; and IMDA in the 5G Academy to train in 5G skills</li> <li>+</li> <li>We have a robust learning and development approach that combines “microlearning” though online platforms, peer teaching and face-to-face instructor-led learning programmes. This allows employees to take charge of their own learning and development</li> <li>+</li> <li>We have continuous employee listening programme to pulse employees to better understand and address employee concerns</li> </ul>
COVID-19 impact	<p>COVID-19 has caused major disruptions to work and daily lives over the past two years. While the situation has stabilised, it is a gradual transition to reopen the economy. There is also potential risk of subsequent/future pandemic variants (e.g. emergence of new variant(s)) that may impede this gradual recovery, such as travel restrictions, that has an impact on the Roaming and Prepaid segments.</p>	<ul style="list-style-type: none"> <li>+</li> <li>We have implemented an agile work arrangement and solutions to address the challenges faced in our operations so as to minimise disruptions to our customers, as we continually evolve towards a hybrid workforce. For instance, we have adopted SmartSIP for Teams, which provides seamless communication between unified voice and collaboration tools. We also continue to work closely with global security companies to strengthen our cybersecurity and digital networking solutions offered to enterprises to address the challenges brought about by today's increasingly distributed workforce</li> <li>+</li> <li>Furthermore, our corporate resilience against pandemic scenario is enhanced by our certified ISO 22301 business continuity management programme to ensure staff safety, business continuity plans and other business issues are adequately addressed. We are committed to regularly review our business continuity plans and preparation based on prior learnings/experience of COVID-19</li> </ul>

# Investor Relations

## Engaging the Financial Community Through Transparent and Timely Communication

In an increasing globalised and digital world, investors demand timely engagement, accurate disclosure and consistent communication. To this end, we run a comprehensive investor relations programme which positions StarHub at the forefront of the industry and empowers investors to make informed decisions. Our efforts to maintain open and transparent communication allows us to attract quality

investors and sustain value for our shareholders over the long-term.

We rolled out our five-year DARE+ transformation strategy in late-2021, which was received positively by the financial community at the point of its unveiling. As the year progressed, global events such as higher energy costs, elevated interest rates and geopolitical

uncertainties continued to impact our industry and economic conditions in our markets of operation. 2022 was the first year of our DARE+ execution, and significant investments were planned amidst these macro uncertainties. Hence, it was critical for StarHub to communicate clearly and promptly on our progress tracking against prior financial guidance, milestones and deliverables offered to the investment community.

### Two-Way Effective Communication

Our robust investor relations programme leverages multiple channels and platforms to deliver our key messages on StarHub's business strategies and performance to the financial community, as well as to receive feedback that is used to enhance our communication strategies:

#### OUTWARD COMMUNICATION

- Key platforms: SGXNet & IR Website
- Timely announcements, news releases, news releases, investor presentations, annual reports
- Annual Investor Day
- Annual General Meeting
- Quarterly media and analyst briefings (with recording and transcript uploaded on IR website)
- Quarterly non-deal roadshows
- Regular participation in investor conferences



#### RECEIVING MARKET FEEDBACK

- Regular meetings with equity and debt analysts, as well as investors
- IR mailbox where emails are promptly addressed within two working days
- IRO contact is published on the IR website and key collaterals such as this annual report and financial and corporate press releases
- Regular monitoring of media articles, financial blogs, reputable online forums and social media
- Annual perception study carried out by an independent third-party research house

### Proactive Investor and Analyst Engagements

StarHub is one of the larger companies listed on the Mainboard of the Singapore Exchange by market capitalisation, and a key component of widely tracked indices such as SGX iEdge SG ESG Leaders Index, iEdge SG ESG Transparency Index and the ESG-focused

FTSE4Good Index Series. Over the years, we have built a strong following amongst institutional investors and sell-side analysts. We are actively covered by over 15 sell-side analysts based in Singapore, Hong Kong, Malaysia, India, and the United Kingdom.

Furthermore, we regularly engage equity and debt investors through one-on-one interactions, group meetings, global and regional conferences, non-deal roadshows and our annual Investor Day in FY2022.

### INVESTOR RELATIONS CALENDAR 2022



## Annual General Meeting

Our 24<sup>th</sup> Annual General Meeting ("AGM") was conducted on 26 April 2022 by way of electronic means for a third consecutive year as mandatory COVID-19 restrictions continued to be in place in Singapore. Timely updates and a repository of downloadables are offered to shareholders via StarHub's comprehensive IR website for ease of reference. As with previous years, we provided shareholders with the option to submit their questions in advance of the AGM, which were responded on a timely via SGXNet and StarHub's IR website prior to the AGM.

With the lifting of COVID-19 restrictions, our 25<sup>th</sup> AGM will be held in person at 10.00 am on 21 April 2023. The Board and management look forward to hosting and engaging shareholders at our mini theatre in StarHub Green.



*More details on the proceedings of our AGM can be found in the Corporate Governance section on pages 98 to 99.*

## Delivering Excellence in Investor Relations



## StarHub Investor Day 2022

StarHub's Annual Investor Day was held on 7 December 2022, marking our first in-person Investor Relations event in recent years. The event aimed to provide the investment community with an update on the progress that StarHub made the first year of its 5-year DARE+ transformation programme, as well as greater depth and varying perspectives of our transformation efforts.

Our CEO and CFO started off with a forthcoming overview on StarHub's performance and progress of the DARE+ programme, including where we are seeing slight delays. Our business chiefs highlighted the achievements of our Consumer and Enterprise business divisions, accompanied by showcases that offered a glimpse into our vision for future products and key business focus areas. During the presentation, our CTO outlined plans for advanced cloud infrastructure, Cloud Infinity, that will accelerate DARE+ initiatives; while our CIO discussed key milestones for our IT Transformation, the backbone to the success of our digital-focused DARE+ programme. To ensure fair disclosure of information to all investors, all materials presented during our Investor Day 2022 were posted on SGXNet and our investor relations website before the event commenced.



### "Most Transparent Company – Communications"

for a second consecutive time by SIAS at the Investors Choice Awards 2022.



**"Best Investor Event"** at the IR Magazine Forum & Awards - South East Asia, in 2022, for the quality of StarHub's Investor Day 2021.



We ranked amongst the top publicly listed companies in ASEAN Corporate Governance Scorecard's ASEAN Asset Class (Singapore) ranking.<sup>1</sup>



We were ranked 34<sup>th</sup> out of 489 SGX-listed companies in the Singapore Governance and Transparency Index ("SGTI") 2022 - General Category, and improvement from our 40<sup>th</sup> placing in the previous year.<sup>2</sup>

With the support of its Board and Senior Management, StarHub remains committed to delivering best-in-class investor relations standards in its engagement with shareholders and the financial community.

For investor queries and feedback, please contact:

Ms Amelia Lee  
Head, Investor Relations  
Email: ir@starhub.com  
Phone: +65 6825 5457

<sup>1</sup> The assessment was conducted by Singapore Institute of Directors and the Centre of Governance at NUS Business School, and evaluated areas such as Rights of Shareholders, Equitable Treatment of Shareholders, Role of Stakeholders, Disclosure and Transparency, and Responsibilities of the Board.

<sup>2</sup> The SGTI is the leading index for assessing corporate governance practices of Singapore-listed companies and is a collaboration between CPA Australia, NUS Business School's Centre for Governance and Sustainability, and Singapore Institute of Directors.

# Sustainability Report

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**50%**  
**REDUCTION IN**  
**SCOPE 1 AND**  
**2 EMISSIONS**  
BY 2030

**25%**  
**REDUCTION IN**  
**SCOPE 3 EMISSIONS**  
BY 2030

**30%**  
**RENEWABLE**  
**ENERGY USE**  
BY 2030

**NET ZERO**  
BY 2050

# Introduction

## BOARD STATEMENT

The Board of Directors is pleased to present StarHub's 12<sup>th</sup> Sustainability Report.

Notwithstanding the challenges brought about by the COVID-19 pandemic, our charter and resolve for sustainability remain unwavering and strong. The global events over the last 12 months have highlighted the interaction between environmental and social goals of ESG, and consequentially the need to be thoughtful and balanced in our implementation to achieve success across all goals.

In recognition of our work, StarHub was named the World's Most Sustainable Telco (Fixed and Wireless) on the 2023 Corporate Knights Global 100, widely accepted as the gold standard in sustainability rankings.

We continue to oversee StarHub's overall sustainability strategy in alignment with Management's planning and execution of the same. This includes the integration of material sustainability issues as part of the Group's overall strategy, as well as monitoring and management of our ESG risks and impacts. This year, the Board

has reviewed and approved a refreshed set of material topics taking into consideration StarHub's impact on the environment, people and the economy in accordance with the Global Reporting Initiative (GRI) Standards 2021.

Decarbonising our operations is a critical part of our sustainability strategy. Key milestones were achieved this year with our inaugural quantitative climate change scenario analysis and our new decarbonisation goals. The Board fully supports StarHub's ambition to reduce, by 2030, our Scope 1 and 2 emissions by 50%, and Scope 3 emissions by 25% from the 2021 baseline, and to reach net zero by 2050.

This year, we adopted a new Board Diversity Policy, which sets out the Board's commitment to consider all aspects of diversity and the needs and plans of the Group in the review of Board composition succession planning. We also continued to support disadvantaged children and youths and foster a digitally-inclusive community, having invested \$1.9 million and 621 employee hours. We look forward to your continued support as we progress in our sustainability journey.

## ABOUT THIS REPORT

### Reporting scope and boundary

This report covers StarHub Ltd, our subsidiaries, associates and joint ventures (as listed on pages 229–235), directly held by StarHub unless otherwise stated. The information presented corresponds to our financial year ended 31 December 2022 (FY2022).

Operational control is used as the basis for determining data consolidation boundaries across multiple entities<sup>1</sup>. Unless otherwise stated, the ESG data as well as targets presented in this report will exclude certain subsidiaries<sup>2</sup> due to incomplete data. Data collection for these subsidiaries are in progress and will be completed and reported as soon as practicable in future reports.

### Reporting framework

This report adheres to the Singapore Exchange Securities Trading Limited (SGX-ST) Listing Rule 711A on preparing an annual sustainability report and describes our sustainability practices with reference to the primary components set out in the SGX-ST Listing Rule 711B.

To the extent applicable to StarHub's business operations, this report has been prepared in accordance with the GRI Standards 2021 given its widespread. A GRI content index is provided on pages 165–169.

We have also included relevant metrics recommended by the Sustainability Accounting Standards Board (SASB) based on the Telecommunications Services (Industry Standard, Version 2018–10) to provide industry-specific disclosures for our stakeholders, as summarised in our SASB disclosure index (pages 170–171). As part of the SGX-ST's climate reporting requirements and in our support of Singapore's decarbonisation commitment, this report also includes the Taskforce on Climate-related Financial Disclosures (TCFD) reporting (see our TCFD index on page 172). We continue to support the UN Sustainable Development Goals (SDGs) and have included our contributions to the SDG goals and targets (pages 122–123).

### Review and external assurance

StarHub has engaged KPMG LLP to provide independent assurance of selected ESG metrics. Our independent assurance practice is conducted annually to ensure credibility and to obtain a true and fair view of our selected sustainability information. The Board is responsible for reviewing our ESG assurance report and disclosures, overseeing our ESG assurance progress and managing the ESG-related risks. Please refer to pages 173–176 for the assurance opinion and scope of data assured. Pending completion of our internal review, StarHub has included sustainability reporting disclosures as part of our upcoming internal audit plan.

### Feedback

We appreciate your comments and feedback on our sustainability report to help us progress further on our sustainability journey. Please contact us at: [sustainability@starhub.com](mailto:sustainability@starhub.com).

<sup>1</sup> Excluding entities where StarHub has a minority interest.

<sup>2</sup> These include Ensign InfoSecurity Pte. Ltd. (Ensign), Strateg Sdn. Bhd. (Strateq), JOS (SG) Pte. Ltd. (JOS SG), JOS (Malaysia) Sdn. Bhd. (JOS Malaysia) and MyRepublic Broadband Pte. Ltd., which were acquired between 2018 and 2022. In November 2022, we conducted a review of our operational control boundary and determined that we will include the aforementioned subsidiaries.

# Sustainability Report

## FY2022 PERFORMANCE HIGHLIGHTS



### Driving sustainable growth

- Launched StarHub's Green Tech solutions to help enterprise customers achieve sustainability outcomes through customised solutions
- Rolled out Singapore's first 100% solar-powered outdoor campus WiFi on StarHub 5G in partnership with the National University of Singapore (NUS)
- Signatory to the Corporate Knight's COP27 Action Declaration on Climate Policy Engagement to align our climate policy engagements with the Paris Agreement



### Enabling a digital society

- Continued excellence in network operations: Winner in seven categories of Opensignal Awards' Singapore Mobile Network Experience Report November 2022
- Continued improvement in our customer satisfaction, as reflected in a 10% increase in our Net Promoter Score (NPS) from customer feedback
- Sponsored up to 10,000 mobile lines for persons with disabilities (PWDs) in partnership with Infocomm Media Development Authority (IMDA) and SG Enable



### Caring for our people and communities

- Adopted the inaugural Board Diversity Policy in 2022 and set a new target to maintain a minimum of 25% female representation on the Board within the next three to five years
- 17,665 hours of training provided to our employees, which represents 96% of our workforce
- Celebrated the 10<sup>th</sup> anniversary of our partnership with Central Singapore Community Development Council (CDC) to provide vulnerable children with greater learning opportunities through the 'Junior Stars' programme
- Reached 12,829 beneficiaries with our contribution and hands-on community efforts, with staff volunteering 621 hours



### Responsible business and value chain

- Zero incidents of non-compliance pertaining to fraud and corruption
- Zero incidents of non-compliance with regulations or voluntary codes concerning product and service information and labelling
- Continued recognition for corporate governance and transparency best practices, receiving the best possible quality score of '1' for low governance risk from Institutional Shareholder Services (ISS)
- All new suppliers have completed our Supplier Self-Assessment Questionnaires (SAQ) and 89% of all our suppliers confirmed that they adhere to StarHub's Supplier Code of Conduct

**Environment**

World's Most Sustainable Telecommunication Service Provider (Fixed and Wireless). Overall global ranking moved up to 34<sup>th</sup> in 2023 from 72<sup>nd</sup> in 2022



SINGAPORE APEX CORPORATE SUSTAINABILITY AWARDS

Sustainable Business winner

**MSCI**  
ESG RATINGS

**AA**

Produced by MSCI ESG Research as of Oct 22  
Rated 'AA' since 2017



"A-" Leadership Score for CDP Climate Change 2022



Recipient of LowCarbonSG 2022 Logo for effective measurement and monitoring of our carbon footprint



Included in FTSE4Good Index Series since 2020<sup>3</sup>

**Governance**

Most Transparent Company (Communications category)



ISS best possible quality score of "1" for low governance risk throughout 2022

Ranked 34<sup>th</sup> out of 489 SGX-listed companies in the Singapore Governance and Transparency Index



Amongst ASEAN Asset Class (Singapore) top publicly listed companies



IR Magazine Forum & Awards – South East Asia 2022

Best investor event

**Product & Service Quality**

Winner in seven categories of Opensignal Awards' Singapore Mobile Network Experience Report November 2022

StarHub won all award categories for overall experience in Singapore<sup>4</sup>

Won Gartner Eye on Innovation Awards for Education 2022 (Infrastructure category), for the NUS Outdoor WiFi Powered by 5G and Solar Energy project, a collaboration between NUS and StarHub



Ranked highest in customer satisfaction scores for Mobile and TV services nationwide



Ministry of Home Affairs National Day Award (team) for key role in Project FRONTIER's national anti-scam operations

**Social**

7<sup>th</sup> in Singapore for Equileap 2022 Gender Equality Reporting & Ranking

*In support of:*



IMDA Digital for Life 2022 Champion



Charity Silver Award at the Community Chest Awards 2022



Recipient of the People's Association Community Spirit Awards 2022 – Excellence Award for StarHub's efforts in supporting Central Singapore CDC in bonding the community and building social capital

<sup>3</sup> FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that StarHub Ltd has been independently assessed according to the FTSE4Good criteria and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environment, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

<sup>4</sup> Opensignal Awards – Singapore: Mobile Network Experience Report November 2022 (opensignal.com), based on independent analysis of mobile measurements recorded during the period August 1 – October 29, 2022 © 2023 Opensignal Limited.

# Sustainability Report

## Approach to Sustainability

### STARHUB'S SUSTAINABILITY FRAMEWORK

StarHub believes in creating a better world enabled by digital solutions, while playing our part for our planet and its people.

We reviewed the four key pillars within our sustainability framework this year against our materiality impact assessment results.

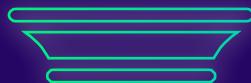
By aligning towards the revised priority areas, we focus our sustainability strategies and work on the most significant identified impacts of our business on the economy, environment, people and the wider community. StarHub continues to implement policies and initiatives to drive performance under each pillar, which are monitored using the key performance indicators and targets further elaborated in this report.

### StarHub's Sustainability Framework Pillars



#### DRIVING SUSTAINABLE GROWTH

Minimising our own environmental footprint and building our climate-resiliency, while helping our customers decarbonise through innovative Green Tech solutions



#### ENABLING A DIGITAL SOCIETY

Maximising the positive impacts of information and communications technology (ICT) in businesses and communities through the provision of safe, reliable and inclusive services



#### CARING FOR OUR PEOPLE AND OUR COMMUNITIES

Supporting our employees and communities to reach their full potential in a diverse and inclusive environment



#### RESPONSIBLE BUSINESS AND VALUE CHAIN

Exercising robust corporate governance, responsible business practices and sustainable sourcing throughout our value chain

## SUSTAINABILITY GOVERNANCE

The Board oversees StarHub's overall sustainability strategy and efforts, and reviews matters relating to StarHub's sustainability and climate management reported by the Management Risk Committee (MRC) at least twice a year. Sustainability-related topics such as our TCFD compliance and decarbonisation roadmap as well as the

sustainability-linked financing framework (SLFF) were raised to the Board Risk & Sustainability Committee (RSC) during the meetings held in FY2022. Board level guidance and communications with the CEO and Chief Corporate & Sustainability Officer (CCSO) on sustainability and climate-related issues also take place whenever required.

### The Board

- + Reviews and considers sustainability and climate-related issues as part of its strategic formulation, performance objective and target-setting, including StarHub's existing sustainability performance in managing its impacts and exposure to ESG risks (such as climate risks and opportunities)
- + Reviews and approves StarHub's material topics and sustainability report

### Board RSC

*Please also refer to the Annual Report page 92 for more information about the Board RSC's responsibilities.*

- + Comprises members of the Board and the CEO who are tasked with specific oversight of the Group's sustainability and climate-related matters
- + Oversees and reviews the management of the Group's impact on the economy, environment and people through identification, assessment and monitoring of material sustainability topics, risks and opportunities
- + Reviews the development and implementation of our sustainability framework, commitments, strategies, targets, opportunities, initiatives and policies, and recommends necessary updates based on the review outcomes

### MRC

- + Comprises cross-functional members of Management across business units, with the sustainability agenda headed by the CCSO
- + Assists the Board RSC in developing management policies, strategies and frameworks for monitoring and mitigating our impacts as well as climate-related risks and opportunities
- + Identifies new sustainability and climate management initiatives and establishes priorities and targets for the short, medium and long term, based on input from working level staff and stakeholder feedback
- + Reports performance against goals and targets to the Board RSC

### Sustainability Advocate

- + Working level committee responsible for developing, implementing and coordinating programmes and initiatives with the support of cross-functional representatives

# Sustainability Report

## STAKEHOLDER ENGAGEMENT

StarHub regularly engages with our key stakeholders through both formal and informal channels. Key stakeholders have been identified based on their potential impact on our business as well as the

potential impact of our business activities, products and services on them. Ongoing communication with our stakeholders is essential to allowing us to identify and address their concerns, in addition to obtaining their feedback on our sustainability measures and performance.

### Stakeholder engagement efforts summary

Stakeholder group	Engagement method & frequency	ESG issues or impacts raised	StarHub's response
<b>Customers (enterprise and consumer)</b> 	<p><b>OG</b> Customer surveys Hotlines Emails SMS StarHub App giga! app "StarHub Business Manager" app Company website and social media WhatsApp chat and Facebook Messenger chatbot channels Customer service touchpoints at retail stores</p> <p><b>A</b> Sustainability Report</p>	<ul style="list-style-type: none"> <li>+ Network service quality and coverage</li> <li>+ Cybersecurity and data protection measures</li> <li>+ Products and services that support digital economy growth</li> <li>+ Simplicity and clarity of StarHub's fees and contracts</li> <li>+ Disclosure of our ESG performance and targets</li> </ul>	<ul style="list-style-type: none"> <li>+ Ongoing investments in infrastructural upgrades</li> <li>+ Active monitoring of latest cybersecurity trends and continuous strengthening of StarHub's cybersecurity to protect customers' personal data</li> <li>+ Greater focus on digital products and support channels</li> <li>+ Multilingual hotlines to support Mandarin-speaking customers</li> <li>+ Flyers targeted at elderly customers are printed in the Chinese language</li> <li>+ Redesigned StarHub App to offer more services on a 24x7 self-serve basis</li> <li>+ Embarked on Scope 3 target-setting and decarbonisation roadmap</li> </ul>
<b>Employees</b> 	<p><b>OG</b> Intranet Emails Workshops</p> <p><b>R</b> Employee social media app Employee engagement activities, such as webinars and volunteering activities</p> <p><b>Q</b> HubberHangout virtual staff communication session</p> <p><b>A</b> Employee feedback survey Performance review Annual Report and Sustainability Report</p>	<ul style="list-style-type: none"> <li>+ Career and talent development</li> <li>+ Salaries and benefits</li> <li>+ Work-life balance</li> <li>+ Access to communication channels</li> </ul>	<ul style="list-style-type: none"> <li>+ Implementation of hybrid workplace model</li> <li>+ Flexi-benefits scheme since 2019</li> <li>+ Aligned contract employees' insurance plans with that of permanent employees</li> <li>+ Planned integration of Annual Wage Supplement into employee monthly salaries to address rising costs of living</li> <li>+ Caring Manager initiatives to train managers to lead with empathy and provide psychological safety net</li> </ul>
<b>Suppliers</b> 	<p><b>OG</b> Company website</p> <p><b>R</b> Face-to-face meetings Teleconference</p> <p><b>AR</b> SAQ</p> <p><b>A</b> Sustainability Report</p>	<ul style="list-style-type: none"> <li>+ Procurement process</li> <li>+ Compliance with terms and conditions of purchasing policies, including StarHub's Supplier Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>+ Making our Supplier Code of Conduct and Responsible Sourcing Policy available online</li> <li>+ Continued implementation of SAQ to collect information and understand supplier behaviour</li> </ul>
<b>Distributors and Retailers</b> 	<p><b>R</b> Teleconference Emails</p> <p><b>AR</b> Face-to-face meetings Shop visits</p>	<ul style="list-style-type: none"> <li>+ StarHub's product and service quality (e.g., timely delivery, after-sales support, attractive promotions and sales)</li> <li>+ Distributors and retailers' service quality to end-customers</li> </ul>	<ul style="list-style-type: none"> <li>+ Supporting partners with simplified processes and systems (including training)</li> <li>+ Digital sales tools</li> <li>+ Enhanced service offerings and promotions</li> </ul>

**A** Annually

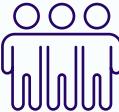
**AR** As required

**OG** Ongoing

**Q** Quarterly

**R** Regularly

**T** Timely

Stakeholder group	Engagement method & frequency	ESG issues or impacts raised	StarHub's response
<b>Business Partners</b> 	<p>R Face-to-face meetings, teleconference and seminars</p> <p>A Annual Report and Sustainability Report</p>	<ul style="list-style-type: none"> <li>+ Supply and demand for renewable energy</li> <li>+ Adoption of Green Tech solutions, collaborative innovation for user-friendly, energy-efficient and low carbon products and services</li> </ul>	<ul style="list-style-type: none"> <li>+ Explore partnerships to seek mutually beneficial business opportunities in the areas of solar energy as well as creation of digital products and solutions</li> </ul>
<b>Investors</b> 	<p>R Financial reports and disclosures Investor conferences, meetings and non-deal roadshows</p> <p>A Annual Report and Sustainability Report Annual General Meeting Analyst and media briefings for full year results announcements, with webcast available for public participation Independent third-party Investor Relations (IR) perception study Annual Investor Day</p> <p>Q Analyst and media results update call</p> <p>T Announcements via SGXNet and IR website + IR contact – email address and phone number listed on IR website</p>	<ul style="list-style-type: none"> <li>+ Transparency, timely information on business performance, strategy, views on operating landscape and business outlook</li> <li>+ Timely response to queries</li> </ul>	<ul style="list-style-type: none"> <li>+ Actively engage the investment community through investor meetings, prompt responses to email and phone queries</li> <li>+ Conduct regular update meetings with research analysts</li> <li>+ Provide timely and meaningful information to the market and remain committed to best corporate governance and disclosure practices</li> </ul>
<b>Local Communities</b> 	<p>O Community outreach programmes Sponsorships</p> <p>A Sustainability Report</p>	<ul style="list-style-type: none"> <li>+ Social needs, including digital inclusion and employability</li> </ul>	<ul style="list-style-type: none"> <li>+ Regularly reviewing community needs to plan corporate social responsibility (CSR) programmes</li> <li>+ Partnering with Voluntary Welfare Organisations and investing in community projects to support underprivileged youths and families</li> <li>+ Providing affordable mobile data plans and basic smartphones for lower-income seniors</li> <li>+ Providing affordable mobile plans (SmartBuddy) to visually- and hearing-impaired customers as well as complimentary mobile plans (giga!) for PwDs</li> <li>+ Memorandum of Understanding (MOU) with the National Trade Union Congress (NTUC), offering NTUC members exclusive mobile and broadband deals as well as entry level mobile plans for lower-income members and Family Membership deals</li> </ul>
<b>Media</b> 	<p>R Media releases</p> <p>T Media responses</p> <p>A Annual Report and Sustainability Report + Media contact - email addresses listed on corporate website + Media events / briefings</p>	<ul style="list-style-type: none"> <li>+ Exposure and access to company developments and news as well as breaking stories on products, services, entertainment, and related content</li> </ul>	<ul style="list-style-type: none"> <li>+ Provide dedicated media contacts</li> <li>+ Offering timely and accurate information on company affairs of public interest</li> </ul>

# Sustainability Report

Stakeholder group	Engagement method & frequency	ESG issues or impacts raised	StarHub's response
<b>Government and Regulators</b> 	<b>R</b> Virtual and face-to-face meetings <b>R</b> Consultation sessions <b>R</b> Requests for proposal <b>A</b> Annual Report and Sustainability Report	<ul style="list-style-type: none"> <li>+ Compliance with regulations, including the provision of resilient telecommunications services for our customers</li> <li>+ Supporting the digital readiness of Singapore's telecommunications infrastructure, workforce and economy</li> <li>+ Online safety</li> <li>+ Narrowing the digital divide</li> </ul>	<ul style="list-style-type: none"> <li>+ Ongoing measures to ensure compliance with regulatory requirements, including relevant audits on our infrastructure</li> <li>+ Participated and served as a member of the Digital Readiness Network</li> </ul>
<b>Trade Unions</b> 	<b>R</b> Informal / formal consultations <b>A</b> Annual Report and Sustainability Report	<ul style="list-style-type: none"> <li>+ Access to employees for promoting memberships</li> <li>+ Dialogue with Management on employment practices and trends</li> <li>+ Knowledge sharing and capacity building</li> </ul>	<ul style="list-style-type: none"> <li>+ Opportunities for open and honest dialogue with Management</li> <li>+ MOU with Singapore Industrial and Services Employees' Union (SISEU)</li> </ul>
<b>Non-Governmental Organisations (NGOs) and Advocacy Groups</b> 	<b>R</b> Meetings <b>R</b> Conferences <b>A</b> Sustainability Report	<ul style="list-style-type: none"> <li>+ Responsible business practices</li> <li>+ Disclosure of our sustainability performance</li> </ul>	<ul style="list-style-type: none"> <li>+ Committed to the Ten Principles of the UN Global Compact</li> <li>+ Committed to contribute to the UN SDGs</li> </ul>

## Our industry and trade associations memberships and climate policy engagement

StarHub is an active member of the Global Compact Network Singapore (GCNS), the local chapter of the United Nations Global Compact. Our CCSO serves as the Honorary Treasurer of the Management Committee since 2021. We support the Carbon Pricing Leadership Coalition (CPLC), jointly launched by GCNS and the World Bank's CPLC, and participate in the LowCarbonSG, a capability-building programme for local businesses to start measuring and monitoring their carbon footprints.

StarHub is also one of the founding members of the National Sustainable Procurement Roundtable (NSPR), established in 2019. The NSPR is a

nationwide movement to promote sustainable procurement, with the objective of building an innovative and sustainable supply chain that efficiently meets sustainability objectives.

In November 2022, in conjunction with the Sharm el-Sheikh Climate Change Conference (COP27), StarHub became a signatory of the Action Declaration on Climate Policy Engagement, an initiative by Corporate Knights and the Global 100 Council. We commit to support alignment with the Paris Agreement when engaging with policymakers, industry and trade associations.



For the full list of industry and trade associations of which StarHub is a member, see page 164.

## Singapore Apex Corporate Sustainability Awards Ceremony 2022



Photo credit: GCNS

CCSO Veronica Lai receiving the Sustainable Business Winner 2022 award from President Halimah Yacob.

## MATERIALITY ASSESSMENT

In FY2022, StarHub conducted an impact assessment as part of a refresh of our materiality assessment to identify the impacts of our business activities and relationships on the environment, people (including human rights) and the wider economy, in line with GRI 2021.

### Materiality assessment process



\* Note: StarHub has a two-year materiality assessment cycle and will consult our employees and external stakeholders as part of our next full materiality assessment in FY2023.

The list of StarHub's material topics is presented according to our four sustainability framework pillars. While the issues covered by the material topics remain consistent with the previous year, the material topics have been renamed or regrouped to better reflect our most significant impacts on the environment, people (including human rights) and the wider economy.



#### DRIVING SUSTAINABLE GROWTH

- + Energy & Climate Change
- + Circularity
- + Green Tech Solutions



#### ENABLING A DIGITAL SOCIETY

- + Product & Service Quality
- + Data Privacy & Cybersecurity
- + Online Safety
- + Digital Inclusion



#### CARING FOR OUR PEOPLE AND OUR COMMUNITIES

- + Health, Safety & Well-being
- + Talent Management



#### RESPONSIBLE BUSINESS AND VALUE CHAIN

- + Business Conduct & Ethics
- + Responsible Selling
- + Supply Chain Management

#### Notes:

- <sup>1</sup> "Circularity" describes our approach to the management of waste and water. While "Waste" remains a material topic, "Water Use" is a non-material topic, as StarHub's water use impact is mitigated by our existing water conservation practices. Nonetheless, our water use and management efforts will still be reported.
- <sup>2</sup> "Green Tech Solutions" has replaced the FY2021 topic of "Innovation and Technology" to reflect the actual and potential significant positive impact of StarHub's DARE+ innovation efforts on enterprise customers.
- <sup>3</sup> StarHub's employee equality, diversity and inclusion is now reported as part of a combined "Talent Management" material topic.
- <sup>4</sup> "Digital Inclusion" is a new material topic that builds on FY2021 material topic "Investing in Communities". This reflects the significant impact of StarHub's operations in facilitating telecommunication services access and digital connectivity in the wider community. Our community investment and CSR activities will continue to be reported as a non-material topic.
- <sup>5</sup> "Product & Service Quality" is now reported separately from "Responsible Selling" as a standalone material topic given the significance of the social and economic impacts attributable to the provision of reliable telecommunication services to individuals and businesses.

# Sustainability Report

## SUPPORTING THE UN SUSTAINABLE DEVELOPMENT GOALS

StarHub supports the following SDGs as part of the management of our impact on the economy, environment and people.

SDG (SDG targets)	Material Topic	Our Contributions
 <b>Goal 3</b> Ensure healthy lives and promoting well-being for all at all ages (3.4, 3.d)	<b>+ Health, Safety &amp; Well-being</b> <b>+ Online Safety</b> <b>+ Green Tech Solutions</b>	<ul style="list-style-type: none"> <li>+ Established company-wide initiatives to support mental health and well-being such as Keep Calm and Be Thoughtfull, Hubba Wellness and no-meetings Thursday afternoons (see page 147)</li> <li>+ Offering enhanced customer app with integrated security, privacy and advanced parental controls to better protect customers against cyberattacks and unintended viewing of unsafe web content by children (see page 141)</li> <li>+ Co-created a digital health service that helps consumers receive early intervention when they develop health risk factors; this aids in the prevention of chronic diseases and also encourages consumers to lead healthier lifestyles (see page 136)</li> </ul>
 <b>Goal 4</b> Supporting quality education as the foundation to improving people's lives and sustainable development (4.4, 4.a)	<b>+ Talent Management</b> <b>+ Product &amp; Service Quality</b> <b>+ Digital Inclusion</b>	<ul style="list-style-type: none"> <li>+ Developing our staff to provide them with new skills and knowledge in the emerging areas of 5G, network visualisation, cybersecurity, data analytics and sustainability (see page 150)</li> <li>+ Provided reliable network services enabling adults and students to continue with remote working and home-based learning during the COVID-19 pandemic (see page 138)</li> <li>+ Supporting intervention programmes to help at-risk youths improve their school attendance as well as outreach programmes that provide educational and employment support to disadvantaged adolescents (see page 156)</li> <li>+ Supporting vocational skills and training for children with special needs, and providing free enrichment classes to equip children from disadvantaged backgrounds with future-ready skills (see page 157)</li> </ul>
 <b>Goal 5</b> Achieve gender equality and empower all women and girls (5.1)	<b>+ Talent Management</b>	<ul style="list-style-type: none"> <li>+ Established an inaugural Board Diversity Policy with a target to maintain a minimum of 25% female representation on the Board within the next three to five years (see pages 78 and 152)</li> <li>+ Adopted Management and Staff Diversity Policy to facilitate equal opportunity and recognition (see page 152)</li> </ul>
 <b>Goal 7</b> Ensure access to affordable, reliable, sustainable and modern energy for all (7.2)	<b>+ Energy &amp; Climate Change</b>	<ul style="list-style-type: none"> <li>+ Progressively raising the proportion of our renewable energy use - achieved the target of 10% in 2022 and to reach 30% by 2030 (see page 126)</li> </ul>
 <b>Goal 8</b> Promote inclusive and sustainable economic growth by creating quality jobs for all (8.2, 8.8)	<b>+ Health, Safety &amp; Well-being</b> <b>+ Talent Management</b> <b>+ Data Privacy &amp; Cybersecurity</b> <b>+ Green Tech Solutions</b> <b>+ Product &amp; Service Quality</b>	<ul style="list-style-type: none"> <li>+ Continually improving our health and safety management system by providing more frequent communication, training and appointing first aid responders at all work sites (see pages 144-145)</li> <li>+ Aligning our contract employees' insurance plans and annual leave entitlement with those of full-time permanent employees (see page 148)</li> <li>+ Provide energy-efficient data centres, and significantly expanding our 5G network and cybersecurity services to facilitate the digital economy growth (see pages 134-136, 138 and 140)</li> </ul>

SDG (SDG targets)	Material Topic	Our Contributions
 <b>Goal 9</b> Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation (9.1, 9.4)	<b>+ Green Tech Solutions</b> <b>+ Energy &amp; Climate Change</b> <b>+ Data Privacy &amp; Cybersecurity</b>	<ul style="list-style-type: none"> <li>+ Rolled out Singapore's first 100% solar-powered campus WiFi over StarHub 5G (see page 136)</li> <li>+ Achieved the target of monthly average power usage effectiveness (PUE) ratio of 1.7 for our five data centres in 2022 (see page 126)</li> <li>+ Continually reducing our network infrastructure's carbon footprint by consolidating sites and equipment, optimising operating temperatures as well as switching to more energy-efficient technologies (see page 128)</li> <li>+ In the process of implementing ISO 27001 Information Security Management System (see page 140)</li> </ul>
 <b>Goal 10</b> Reduce inequality within and among countries (10.2)	<b>+ Digital Inclusion</b> <b>+ Talent Management</b>	<ul style="list-style-type: none"> <li>+ Committed to provide 10,000 mobile lines for PwDs and their caregivers under IMDA's Data for All initiative (see page 142)</li> <li>+ Offering low-cost mobile service plans specially designed for seniors and visually or hearing-impaired persons (see page 142)</li> <li>+ Adherence to the Tripartite Alliance for Fair Employment Practices (TAFEP) guidelines, which prohibits any kind of discrimination in employment practices (see page 152)</li> </ul>
 <b>Goal 11</b> Make cities and human settlements inclusive, safe, resilient and sustainable (11.6)	<b>+ Energy &amp; Climate Change</b> <b>+ Circularity</b>	<ul style="list-style-type: none"> <li>+ Setting targets to achieve Green Mark certification for our data centres in the near term (see pages 126-127)</li> <li>+ Implement various waste reduction initiatives, including placing e-waste recycling bins, offering online trade-in of mobile devices, and one-for-one take back service of regulated electronics for customers (see page 131)</li> </ul>
 <b>Goal 12</b> Ensure sustainable consumption and production patterns (12.5, 12.8)	<b>+ Circularity</b>	<ul style="list-style-type: none"> <li>+ Offer rental of set-top boxes, business routers and optical network terminal monitors and extend the useful lifespan of these devices through repair and refurbishment (see page 131)</li> <li>+ Provide fully managed device lifecycle management service through our device leasing business model (see pages 131-132)</li> <li>+ Recycle e-wastes from our corporate office (see page 132)</li> </ul>
 <b>Goal 13</b> Take urgent action to combat climate change and its impacts (13.1)	<b>+ Energy &amp; Climate Change</b> <b>+ Green Tech Solutions</b>	<ul style="list-style-type: none"> <li>+ Setting net zero target by 2025 and near term targets for Scope 1, 2 and 3 emissions reduction (see page 126)</li> <li>+ Continued adoption of TCFD framework and building upon existing disclosures (see page 130)</li> <li>+ Completed our inaugural climate scenario analysis to identify the key climate risks and opportunities for our business and identifying actions to mitigate risks and capitalise on opportunities (see page 130)</li> <li>+ Offering Green Tech solutions, a comprehensive suite of end-to-end sustainability solutions to help businesses grow while better managing their carbon footprint (see pages 134-136)</li> </ul>
 <b>Goal 16</b> Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels (16.5)	<b>+ Business Conduct &amp; Ethics</b> <b>+ Responsible Selling</b>	<ul style="list-style-type: none"> <li>+ Communicate Employee Code of Conduct and Ethics, which includes anti-corruption policies and procedures, to all employees upon hiring (see page 160)</li> <li>+ Maintain Whistle Blowing Policy to allow employees and external parties to raise concerns without risk of reprisals- the Whistle Blowing Policy channel is under the oversight of the Board (see page 100)</li> <li>+ Putting in place various mechanisms and procedures to ensure we fully comply with the Personal Data Protection Act 2012 (PDPA) and Do-Not-Call (DNC) Policy (see page 161)</li> </ul>
 <b>Goal 17</b> Strengthen the means of implementation and revitalise the global partnership for sustainable development (17.17)	<b>+ Supply Chain Management</b> <b>+ Digital Inclusion</b> <b>+ Energy &amp; Climate Change</b>	<ul style="list-style-type: none"> <li>+ Exceeded the target of assessing 70% of our suppliers for adherence the Supplier Code of Conduct through our SAQ (see page 162)</li> <li>+ Our 'Be our Partner' programme allows SMEs to tap the large network of StarHub customers and grow their brand visibility digitally (see page 142)</li> <li>+ Partnering NGOs and regulatory bodies to bridge the digital divide through Senior Go Digital, Data for All, and Junior Stars initiatives (see pages 142 and 154)</li> <li>+ Supporter of WWF Earth Hour since 2013, providing free TV airtime to raise awareness about climate change (see page 158)</li> </ul>

# Sustainability Report

## FY2022 Goals and Targets

Aligned with our support for the Paris Agreement, StarHub has taken a leap to substantively strengthen our decarbonisation commitments this year. We have committed to set near- and long-term company-wide emission reductions in line with science-based net-zero with the Science Based Target initiative (SBTi). We have also made our maiden purchase of carbon credits to achieve carbon neutrality for our corporate office and four main retail shops.

As part of the continuous progression of our sustainability efforts, we also renewed our other short, medium and long-term key targets for greater alignment with our updated material topics. Additional targets for each material topic under our four sustainability framework pillars are detailed under the respective sections of this report.

Material Topic	FY2022 achievement(s)	Key Targets for FY2023 and beyond
<b>Greenhouse Gas (GHG) Emissions &amp; Energy</b> 	<ul style="list-style-type: none"><li>+ Achieved 8.4% reduction in Scope 1 and 2 GHG emissions from 2021<sup>5</sup>, putting us on track for our 2030 target</li><li>+ Achieved interim target of 10% energy use from renewable sources</li><li>+ Achieved target of monthly average Power Usage Effectiveness (PUE) ratio of 1.70 for our data centres</li><li>+ Achieved carbon neutrality for our corporate office and four main retail shops</li></ul>	<ul style="list-style-type: none"><li>+ <b>New!</b> Reach net zero by 2050</li><li>+ Reduce 50% in Scope 1 and 2 GHG emissions by 2030 (against 2021 baseline)<sup>5</sup></li><li>+ <b>New!</b> Reduce 25% in Scope 3 GHG emissions by 2030 (against 2021 baseline)</li><li>+ Increase energy use from renewable sources to 12% in 2023 and 30% by 2030</li><li>+ <b>New!</b> Achieve Green Mark certification for our data centres – RCG by 2024, NC CO1 by 2025 and SH CO2 by 2026</li><li>+ Maintain carbon neutrality for our corporate office and four main retail shops in 2023</li></ul>
<b>Data Privacy &amp; Cybersecurity</b> 	<ul style="list-style-type: none"><li>+ Achieved target since zero information systems and customer databases were materially compromised as a result of strict compliance with local regulatory requirements and industry best practices</li></ul>	<ul style="list-style-type: none"><li>+ Continue to enforce strict compliance with local regulatory requirements and industry best practices and maintain the integrity of information systems and customer databases</li></ul>
<b>Talent Management</b> 	<ul style="list-style-type: none"><li>+ Achieved target to maintain zero reported incidents of discrimination</li></ul>	<ul style="list-style-type: none"><li>+ <b>New!</b> Maintain a minimum of 25% female representation on the Board within the next three to five years</li><li>+ Maintain zero reported incidents of discrimination</li></ul>
<b>Business Conduct &amp; Ethics</b> 	<ul style="list-style-type: none"><li>+ Achieved target given zero incidents of non-compliance with local legal and regulatory requirements pertaining to fraud, corruption and unethical actions</li></ul>	<ul style="list-style-type: none"><li>+ Maintain zero incidents of non-compliance with local laws and regulations pertaining to fraud, corruption, anti-competitive and anti-trust behaviours</li></ul>
<b>Supply Chain Management</b> 	<ul style="list-style-type: none"><li>+ 89% of our suppliers confirmed that they adhere to our Supplier Code of Conduct, exceeding our 70% target for 2022</li></ul>	<ul style="list-style-type: none"><li>+ Secure confirmation from 90% of our suppliers that they adhere to our Supplier Code of Conduct in 2023</li></ul>

<sup>5</sup> We have revised our baseline year for our Scope 1 and 2 emissions reduction targets from 2019 to 2021 to be consistent with our upcoming SBTi-verified targets.

# DRIVING SUSTAINABLE GROWTH



StarHub is committed to minimising our environmental impact through optimising energy consumption, reducing GHG emissions, using eco-friendly materials, minimising waste as well as raising the environmental awareness of our customers, partners and stakeholders. With a key focus on innovation, we are also helping our customers decarbonise their operations through Green Tech solutions. Our newly-revised Environmental Policy further describes our focus areas with regard to energy, climate change, resources, water, waste, biodiversity and the natural ecosystem.

# Sustainability Report

## ENERGY AND CLIMATE CHANGE

Climate change is an important part of StarHub's agenda. The effects of climate change are evident and will continue to intensify and impact our stakeholders for the foreseeable future. We recognise that we have a responsibility to minimise the carbon footprint of our operations.

In FY2022, we completed the review of our Scope 3 inventories and the assessment of all Scope 1, 2 and 3 baseline emissions for FY2021. Based on the assessment, we concluded that our Scope 3 emissions contribute around 79% of our total carbon footprint. We went on to establish business-as-usual (BAU) emission projections and identified decarbonisation levers that will enable us to prioritise actions required to

meet near- and long-term targets. Following the review, we have set new and ambitious decarbonisation targets, which will become a critical part of our business strategy moving forward. We will be submitting the decarbonisation targets for validation by the SBTi in FY2023.

### FY2022 targets<sup>6</sup>

**50%**  
reduction in Scope 1 and 2 GHG emissions by 2030

**10%**  
energy use from renewable sources by 2022 and 30% by 2030

Improve monthly average  
**PUE ratio to 1.70 for our data centres** in 2022

**Offset our Scope 1 and 2 GHG emissions** for our corporate office and four main retail shops in 2022

### Our FY2022 performance

Achieved  
**8.4% reduction** in Scope 1 and 2 GHG emissions from 2021<sup>5</sup>, putting us on track for our 2030 target

**Achieved interim target of 10% energy use from** renewable sources through procurement of 13,758MWh of Renewable Energy Certificates (RECs)<sup>7</sup>

**Achieved target of monthly average PUE ratio of 1.70** for our data centres<sup>8</sup>

**Achieved carbon neutrality** for our corporate office and four main retail shops using high quality carbon credits and RECs<sup>9</sup>

### Going forward

**New!** Reach net zero by 2050

Reduce 50% in Scope 1 and 2 GHG emissions by 2030 (against 2021 baseline)<sup>5</sup>

**New!** Reduce 25% in Scope 3 GHG emissions by 2030 (against 2021 baseline)

Increase energy use from renewable sources to 12% by 2023 and 30% by 2030

**New!** Achieve Green Mark certification for our data centres – RCG by 2024, NC CO1 by 2025 and SH CO2 by 2026

Maintain carbon neutrality for our corporate office and four main retail shops in 2023

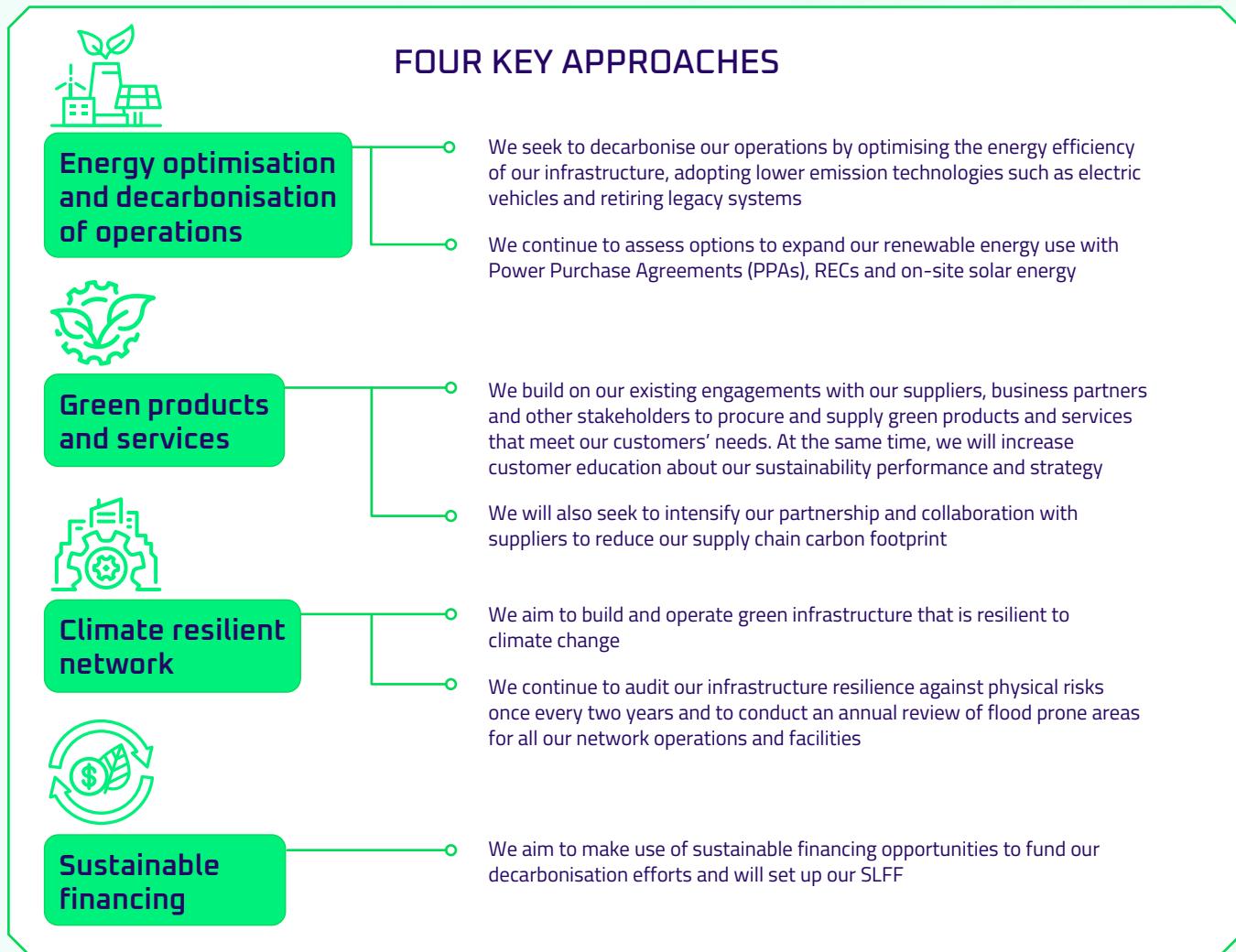
<sup>6</sup> Targets for FY2022 as described in our 2021 Sustainability Report.

<sup>7</sup> Of the 13,758MWh of RECs purchased, 3,072MWh of RECs were generated from local solar photovoltaics in 2020 and 2021, and 10,686MWh of RECs were generated from solar photovoltaics in Vietnam in 2021 and 2022.

<sup>8</sup> The data centres refer to SH CO2, NC CO1, NC CO2, RCG and MediaHub.

<sup>9</sup> Our carbon credits for offsetting 799tCO<sub>2</sub> Scope 1 emissions were generated from the Adjusted Water Management for Rice Cultivation Project in Dazu District, China. The 3,892MWh of RECs purchased for offsetting 1,579tCO<sub>2</sub> Scope 2 emissions were generated from solar photovoltaics in Vietnam in 2021. These offsets did not count towards the emission reduction targets.

We are in the process of finalising our decarbonisation roadmap with clear milestones to achieve our targets. The roadmap will take into account the results from the scenario analyses we have conducted as part of our TCFD reporting (see pg 130 for details). Our decarbonisation and climate change management strategies consist of the following four key approaches:



In FY2022, our measures have resulted in a 3.9% reduction in our total electricity consumption and a 3.8% reduction in fuel use from FY2021. Combined with our purchases of solar RECs, this translates to a reduction of 8.4% (4,709tCO<sub>2e</sub>) in our Scope 1 and 2 emissions from our target base year of FY2021. To secure more renewable energy for a longer term and contribute to the generation of clean energy, we signed a Virtual PPA with Terrenus Energy Pte Ltd (Terrenus Energy) in 2022. StarHub will procure 100% of the renewable electricity to be generated from Terrenus Energy's 13.2MWp solar farm on Jurong Island over the next 13 years.

In recognition of the need to reduce energy use in our base transceiver stations (BTS) and data centres, which are the major contributors to our carbon emissions, we are working towards reducing our infrastructure's carbon footprint by consolidating sites and equipment, optimising operating temperatures and switching to more energy-efficient technologies. We also aim to achieve Green Mark certification for our data centres in the near term.



*Photo credit: Terrenus Energy*

StarHub signed a Virtual PPA with Terrenus Energy in 2022.

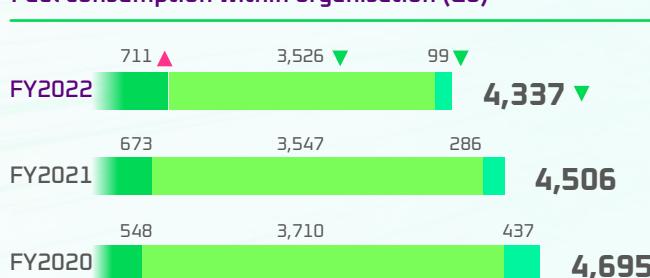
# Sustainability Report

## Main electricity use reductions (from 2021 baseline)<sup>10</sup> implemented in FY2022

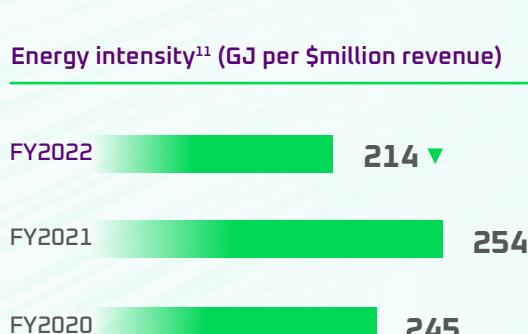
Initiative	Site	Estimated Annual Cost Savings (\$)	Estimated Annual Electricity Reduction (kWh)	Estimated Annual Avoided Scope 2 Emissions (tCO <sub>2e</sub> )
Static Transfer Switches shutdown	NC CO1 & NC CO2	270,000	489,596	199
Increasing temperature set points from 22°C to 25°C	NC CO2 & RCG	111,468	445,079	181
Replacement of uninterruptable power supply (UPS) systems to a higher efficiency model	NC CO2	128,000	541,856	220
Shutdown of CO3	CO3	1,199,075	3,547,561	1,439
Replacement of UPS battery with lithium battery instead of conventional valve regulated lead acid (VRLA) battery*	NC CO2	400,000	*	*
Total Savings		2,108,543	5,024,093	2,038

\* Lifecycle assessment has shown that lithium-ion batteries have a lower environmental impact compared to VRLA batteries including carbon emissions. Lithium-ion batteries also have a smaller footprint and tend to have a longer lifespan of 10 years compared to five years for VRLA batteries. However, in the absence of a credible methodology, we have not computed the estimated annual electricity reduction and carbon emissions avoided.

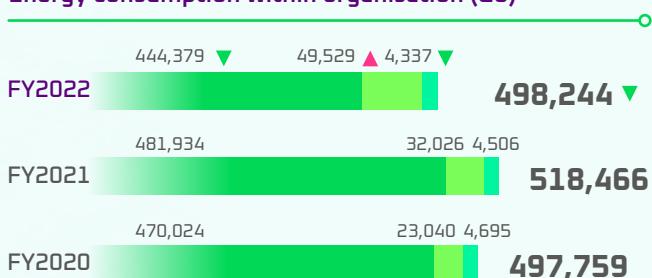
### Fuel consumption within organisation (GJ)



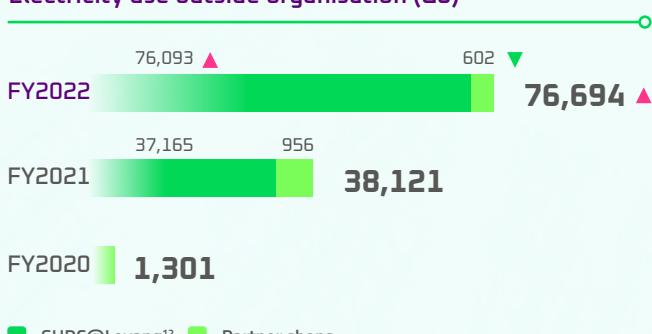
### Energy intensity<sup>11</sup> (GJ per \$million revenue)



### Energy consumption within organisation (GJ)



### Electricity use outside organisation (GJ)



<sup>10</sup> The baseline chosen is consistent with our GHG goals baseline.

<sup>11</sup> Energy intensity includes fuel and electricity consumption within organisation only.

<sup>12</sup> SHDC@Loyang commenced operations in March 2021.

## GHG emissions sources<sup>13</sup>

Our GHG emissions inventory for FY2022 is shown below. We are currently in the process of completing the inventory calculations for all our applicable Scope 3 categories for disclosure in future reports.

Scope 1 (tCO <sub>2e</sub> )	FY2022	FY2021	FY2020
Stationary combustion <sup>14</sup>	50	47	38
Mobile combustion <sup>15</sup>	255	269	290
Fugitive emissions - refrigerant gases	882	1,040	1,775
Total Scope 1	1,187	1,356	2,103
Scope 2 (tCO <sub>2e</sub> )	FY2022	FY2021	FY2020
Purchased electricity (location-based)	55,661	58,249	55,949
Purchased electricity (market-based) <sup>16</sup>	50,079	54,619	53,335
Total Scope 1 + 2 (tCO <sub>2e</sub> ) <sup>17</sup>	51,266	55,975	55,438
Scope 3 (tCO <sub>2e</sub> )	FY2022	FY2021	FY2020
Category 3: Fuel and energy-related emissions (not already covered by Scope 1 and 2)	8,307	8,475	8,130
Category 5: Waste generated in operations	11.3	3.5	No data
Category 6: Employee business travel	284	102 <sup>18</sup>	8
Category 7: Employee commute	370 <sup>19</sup>	200	372
Category 13: Downstream leased assets - SHDC@Loyang	8,575	4,212	NA <sup>20</sup>
Category 14: Electricity consumption by exclusive partners' shops	68	108	148
Total Scope 3	17,615	13,100 <sup>20</sup>	8,658

## GHG emissions intensity<sup>17</sup> (tCO<sub>2e</sub> per \$million revenue)



## GHG emissions by gas type (Scope 1)



<sup>13</sup> All GHG emissions are calculated in accordance with the GHG Protocol. Operational control has been selected as the reporting boundary. The CO<sub>2</sub> equivalent (CO<sub>2e</sub>) emissions include CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub>. Emissions for fuels, refrigerants, business air travel and hotel accommodation as well as employee commute are calculated based on the 2022 UK Government GHG Conversion Factors for Company Reporting. Other reference sources include 2014 IPCC Fifth Assessment Report (AR5) for Global Warming Potential (GWP) values, 2021 Singapore Energy Market Authority (EMA) electricity grid emission factor (for Scope 2) and upstream fugitive emission factor (for Scope 3 Cat 3), 2021 UK Government GHG emission factors for Scope 3 Cat 3, 2022 US EPA emission factors for Scope 3 Cat 5, and 2020 US EPA Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities (for employee business land transport).

<sup>14</sup> Stationary combustion refers to the combustion of diesel fuel for generation of electricity.

<sup>15</sup> Mobile combustion refers to the combustion of petrol and diesel fuels for company fleet vehicles.

<sup>16</sup> Market-based Scope 2 GHG emissions takes into account of 13,758MWh of RECs purchased.

<sup>17</sup> Total Scope 1+2 and GHG emissions intensity is based on Scope 1 and 2 (market-based) emissions.

<sup>18</sup> Business travel data from FY2021 onwards includes air travel, hotel accommodation and land transport; FY2021 data was restated to include land transport; there were no emissions from air travel and hotel accommodation in FY2021 due to COVID-19 travel restrictions.

<sup>19</sup> Employee commute emissions were estimated based on the valid results of 425 respondents from a survey conducted in FY2022. The survey took into account the company's official hybrid work schedules, the year-end headcount, as well as 11 days of public holidays and 18 days of annual leave taken per employee. Employees who are required to work on site daily and those who work from home daily are excluded from the survey.

<sup>20</sup> FY2021 total Scope 3 emissions data was restated to include Cat 5 and the restated Cat 6 data. This had resulted in less than 1% increase from what was reported previously.

# Sustainability Report

## OUR TCFD PROGRESS

In FY2021, StarHub commenced TCFD reporting to better understand the climate risks and opportunities for our business. The disclosures allow us to communicate with our stakeholders on the impact of climate change and our management response so as to maintain their trust and confidence. Our climate governance report can be found on page 117.

Our Climate Risk Framework is integrated within our Enterprise Risk Management framework, which assesses the impact of

climate change on our business and the resilience of our infrastructure, products and services. StarHub has both bottom-up (risk assessment at the business unit level) and top-down processes (MRC review) to identify risks. Significant risks and opportunities identified based on a consideration of impact and likelihood against our internal thresholds are then escalated to the MRC for a decision on whether to pursue the opportunity, or to accept, avoid, transfer or reduce the risk.

Building on our progress in FY2021, we conducted our inaugural quantitative climate

scenario analysis in FY2022 to enhance our understanding of the transitional and physical risks of our business over selected timeframes and scenarios, as well as the associated potential financial impact. In particular, we looked at both  $1.5^{\circ}\text{C}$  and  $<3^{\circ}\text{C}$  warming scenarios, analysing the impact of climate-related risks and opportunities on company-wide activities in the short term (2025), medium term (2030) and long term (2050). We view this as a proactive step to better anticipate and prepare for future climate events.

### Key transition risks identified

	1.5°C	<3°C
Carbon tax increase, leading to higher energy costs	■	■
Data volume growth from increased demand for information technology services, leading to higher energy costs	■	■
Enhanced climate-related disclosure requirement and stakeholder expectations, with associated reputational risks <sup>#2</sup> and increased compliance costs	■	■

### Key physical risks identified

	1.5°C	<3°C
Rising mean temperatures and increased heatwave risks, leading to higher cooling costs	■	■
Increased storm and flash flood risks, resulting in potential damage to assets and service disruptions <sup>#2</sup>	■	■
Increased extreme precipitation resulting in higher attenuation of wireless signal, affecting quality of service	■	■

### Key opportunities identified<sup>#1</sup>

Energy efficiency upgrades and operational optimisation to reduce energy use
Demand for green products <sup>#3</sup> from enterprise customers
Adoption of renewable energy
New financing opportunities through green and sustainability-linked bonds

#### Legend:

Assessed significance of financial impact<sup>#4</sup> to StarHub in Year 2050 before mitigation measures as follows:

■ Not expected to be significant	■ Not expected to be significant unless resulting in service disruption <sup>#2</sup>	■ Major or severe significance
■ Minor significance	■ Minor significance, but with risk of becoming more significant if resulting in service disruption <sup>#2</sup>	

#### Notes:

- #1. Opportunities are not yet quantified and will be considered as part of future scenario analysis work.
- #2. Reputational risks and service disruption risk financial impacts are not quantified due to data limitations.
- #3. Green products are products and services with lower carbon footprint, or those that can bring about GHG savings for our customers.
- #4. Significance of financial impact is determined per StarHub's ERM framework.

Through the scenario analysis, we concluded that unmitigated climate risks may result in a severe financial impact by 2050. For both warming scenarios considered, the vast majority of the impact will be attributable to transition risks from the combined effects of carbon tax increase and higher energy costs due to projected data volume growth.

The predominant physical risk identified is flash flood risk (with a notable increase under the higher temperature scenario), with resultant service disruption risk and the associated reputational and financial risks. We note that our exposure to transition risks can be mitigated by our efforts to reduce energy use and GHG emissions.

Moving forward, we will look into aligning our climate risk assessment with our upcoming decarbonisation roadmap. We will further assess climate-related opportunities and enhance our disclosures as we progress in our TCFD reporting journey.

## CIRCULARITY

In line with our Environmental Policy and as part of our environmental stewardship, StarHub aims to reduce our resource use and adopt circularity by promoting reuse, repair and recycling practices throughout our value chain.

### Waste management

StarHub recognises that our efforts to reduce and recycle waste will help to mitigate the

negative environmental impact of waste disposal. Recycling initiatives such as salvaging used metals from telecommunications infrastructure and customer electronic equipment can also help to reduce the potential environmental and social impact of new resource extraction.

StarHub practises recycling of e-waste within our operations, and currently recycles all ICT e-waste from our corporate office. As a telecommunications service provider,

we are aware that we are directly linked to the impact of waste generated from our customers' old devices. We support the National Environment Agency's (NEA) Extended Producer Responsibility (EPR) System for e-waste, under which producers bear the responsibility for the collection and treatment of their used products. We also engage NEA-licensed waste and e-waste collectors to manage our waste for disposal and recycling.

### FY2022 targets<sup>6</sup>

**Recycle 100% of e-waste within our operations**

### Our FY2022 performance

**Diverted 100% of ICT e-waste from our corporate office for recycling**

### Going forward

**Divert 100% of ICT e-waste from our operations and all subsidiaries under our operational control in Singapore for recycling (by 2030)**

We have implemented the following initiatives for both consumers and enterprise customers to facilitate the recycling of e-waste. Collected e-waste is brought to our warehouse for sorting prior to recycling.



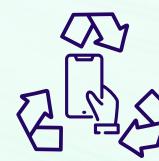
#### E-waste recycling bin

Consumers can drop their e-waste at StarHub Shops in Plaza Singapura and Tampines Mall.



#### Online trade-in service

Customers can opt to trade in their current mobile phones when upgrading to newer models, allowing their used mobile phones to be reused by others.



#### One-for-one take-back service

Customers can dispose of old devices of the same class or type and quantity during product delivery.



#### Rentals of set-top boxes, business routers and optical network terminal monitors

Used products are repaired and refurbished for redeployment until they reach end-of-life, whereby they will be diverted to licensed e-waste recyclers.



#### Fully managed device lifecycle management service

Through this service, enterprise customers can upgrade their mobile workforce to 5G network solutions through a device leasing period of 24-36 months. At the end of the period, the devices would be collected and traded in with device manufacturers.

# Sustainability Report



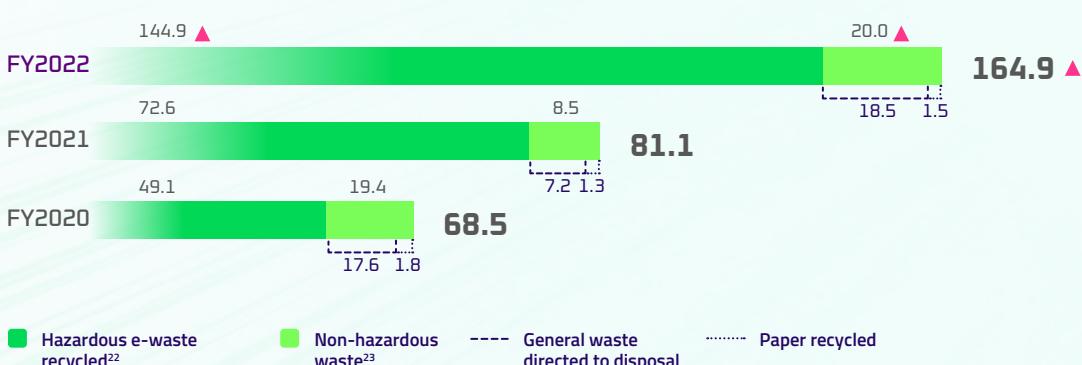
## How StarHub's Device Lifecycle Management Service supported Cotton On

In April 2022, StarHub supported Cotton On Group, Australia's largest global retailer known for its fashion clothing and stationery brands, to stay ahead in the fast fashion industry with digital adoption whilst reducing its e-waste production. By choosing our subscription-based Device Lifecycle Management Service, Cotton On potentially reduces its e-waste generation while simultaneously saving on the high costs of device ownership as well as avoiding the unproductive use of time to send devices out for repairs and upgrades.

Paper waste is also generated in our offices and retail stores. Through our ongoing Go Paperless initiative, we adopt the use of electronic form of vouchers, sales agreements, gift redemption letters and work orders in our daily operations, thereby reducing paper use. We have also applied a \$2.68 monthly fee per billing account for customers who choose to receive paper bills, incentivising them to go paperless. We continue implementing the Skip the Bag initiative and charge for paper bags across our shops to drive consumer behaviour. This resulted in an 85% reduction in the number of bags used since the initiative was launched in 2020.

Despite measures implemented in FY2022, our total general waste disposed through waste-to-energy incineration plants has increased by 157% compared to FY2021, as full operations resumed after the COVID-19 pandemic. E-waste quantity sent to be reused or recycled through our corporate office and warehouse increased in the reporting year as well. This is due to the accumulated ICT e-waste that was not processed for fixed asset disposal in FY2021 and increase in returned devices from customers as they upgraded to StarHub TV+ service for better features and viewing experience.

### Total Waste Generated<sup>21</sup> (tonnes)



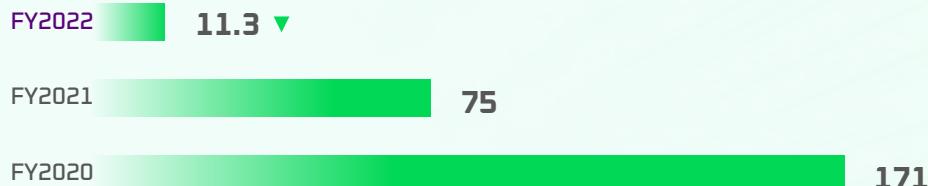
<sup>21</sup> Total waste generated is equal to the sum of waste directed to disposal and waste recycled.

<sup>22</sup> Hazardous e-waste amounts correspond to ICT e-waste generated from our corporate office and customer ICT e-waste collected at the warehouse. The e-waste is weighed at the respective premises prior to recycling. The weighted amount is validated against the vendor's e-waste disposal certificate. For items that are usable, the vendors would refurbish and resell them in the second hand market; for those unusable ones, they would segregate the items into base materials such as metal, aluminium and copper, and send them to downstream vendors for recycling and recovery of precious materials (if any).

<sup>23</sup> Non-hazardous waste amounts correspond to general waste generated from our corporate office and paper waste recycled. General waste is weighed daily and disposed of at waste-to-energy incineration plants through the building's waste management system. Waste paper is collected separately and the weighted amount is validated against the recycler's waste paper report. General waste generated in our shops are disposed of through the landlord's building waste management system and therefore data is not available. Going forward, we will be working on collecting data on the waste generated from our technical centres.

External e-waste amounts collected at our retail shops as part of the nationwide EPR System is presented below. The weighted amount is provided by the appointed Producer Responsibility Scheme Operator – ALBA E-Waste Smart Recycling Pte Ltd.

#### External e-waste (tonnes)

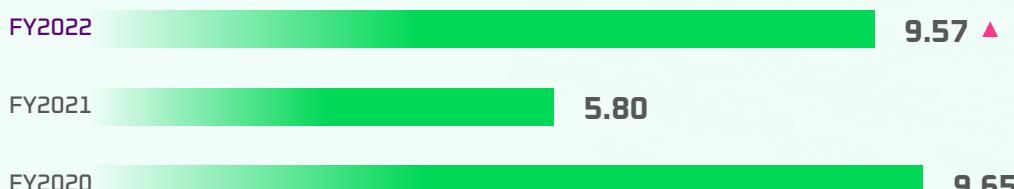


#### Water management<sup>24</sup>

To promote efficient water use, StarHub has implemented water-efficient fittings to reduce water consumption. Our data centres are also designed not to use cooling towers, allowing us to better control the usage of water. We seek to instil a deep sense of responsibility towards resource usage in our employees, with our Employee Code requiring staff to make prudent and effective use of the Group's resources, including water.

In FY2022, we set the target to detect and manage leaks promptly to minimise water wastage. We completed this through our proactive monthly monitoring of our water infrastructure. The following charts highlight the progress that we have made towards reducing our water consumption.

#### Water use<sup>25</sup> (megalitres)



#### Water intensity (cubic meters per \$million revenue)



<sup>24</sup> Water is not a material topic for FY2022; however, StarHub has chosen to continue reporting on its water use footprint considering of Singapore's limited water resources.

<sup>25</sup> All water withdrawal comes from the national water agency - Public Utilities Board (PUB); the water withdrawal sources include surface water (comprising water from local catchment, imported water and reclaimed water (also known as 'NEWater')), and desalinated seawater.

# Sustainability Report

## GREEN TECH SOLUTIONS

As a provider of 5G network and enterprise digital solutions, StarHub's products and services can help enable a more sustainable and green economy, creating potential benefits for the wider economy, environment and society. By leveraging 5G, Internet of Things (IoT), data analytics and multi-cloud strategies, StarHub continues to innovate with our business partners, while responding to our customers' evolving needs and embracing smart technologies throughout our value chain.

Through our Green Tech solutions, we empower our enterprise customers to access and harness the power of the cloud and data in driving their own digital transformation and green transition. By installing and managing live sensors on our network, our customers can use dashboards to monitor live data on their operational performance metrics, as well as their water and energy usage and efficiency. Moving forward, we aim to harness all the data captured by these sensors to create cloud workloads on the core and on the edge. This will help our customers optimise their energy usage and better manage their real estate assets.

Through the provision of energy-efficient data hosting services, we also facilitate the reduction of energy use by our enterprise



StarHub is committed to secure more renewable energy and contribute to the generation of clean energy.

customers. StarHub's data centre, SHDC@Loyang, located within AirTrunk SGP1, is a state-of-the-art hyperscale data centre with a design PUE of 1.25. Compared to hosting their data in a conventional data centre with a typical PUE of 1.8 or above, our customers at SHDC@Loyang potentially saved more than 6,800MWh<sup>26</sup> of electricity consumption in FY2022.

Complementary to our Green Tech solutions for enterprise customers, we aim to empower Singapore consumers to self-serve or self-access our digital platform by offering a whole new range of digital products available on the enhanced StarHub App. We will continue to conduct trials with government customers and firms across various industries to find

breakthrough solutions to address our customers' most pressing concerns.

To advance our DARE+ five-year growth programme, we will be accelerating our Green Tech solutions with Cloud Infinity. Cloud Infinity, conceptualised by StarHub and the first of its kind in the world, is a low-latency multi-cloud infrastructure that would enable StarHub to improve customer experiences, launch new services quicker and deploy more data security measures. This lays the groundwork for StarHub to become more flexible and agile in anticipating and responding to customer needs.

### FY2022 targets<sup>6</sup>

Continue to innovate with customers' evolving needs, embracing new technologies and fostering innovation through our value chain

### Our FY2022 performance

Examples of our innovation efforts in FY2022 include our newly minted Green Tech solutions, Digital Health Service, as well as solar-powered WiFi connectivity

### Going forward

Accelerate our Green Tech solutions to help create a more sustainable and green digital economy

<sup>26</sup> Based on average operating PUE of 1.36 in 2022.

## Launching StarHub's Green Tech solutions

With more companies globally embracing sustainability and embarking on decarbonisation efforts, StarHub launched our Green Tech solutions in FY2022. Our solutions aim to help businesses adopt a comprehensive suite of end-to-end sustainability managed services that will concurrently drive productivity growth and positively impact the environment and our customers. These solutions are tailored to meet diverse customer needs by providing a variety of services including energy audits, consultancy services, solution customisation as well as relevant reporting and monitoring. Through data-driven cost synergies and operational integration, the services aim to drive improvements in productivity, alleviate staffing pressure and manpower costs as well as improve workplace safety. The services will also help businesses attain Building and Construction Authority's Green Mark certification and comply with environmental standards to create a positive impact on the environment.



StarHub's smart workflow solution - a remote expert assistant.



StarHub's latest 5G and IoT solutions.



StarHub's mobile base stations across Singapore are used as rainfall sensors.

# Sustainability Report

## Digital health service and LifeHub+ partnerships

In October 2022, StarHub launched LifeHub+, a digital health service in partnership with Alexandra Hospital (AH) and ConnectedLife with Fitbit. During an initial trial consisting of 300 eligible patients from AH and General Practitioner clinics, users can choose to share their Fitbit data through the LifeHub+ app, recording metrics such as steps, exercise, sleep patterns, heart rate, heart rate variability, skin temperature variation, breathing rate, oxygen saturation and more. This data is then used to create dynamic health scores, data alerts and metrics which would give users clear insights into their health for tracking and daily improvement. This in turn enables the creation of a personalised health plan to manage and support primary care patients, especially in the prevention and management of chronic diseases.



The LifeHub+ partnership consists of StarHub, AH, ConnectedLife and Fitbit.

## Rolling out Singapore's first 100% solar-powered campus WiFi over StarHub 5G

Under our first proof of concept (POC) deployment, StarHub collaborated with NUS to provide WiFi connectivity in the large outdoor areas of its campus. We installed two first-in-class outdoor WiFi units, each fully-powered by solar energy. As these units are wireless and do not require any underground cable installation, deployment time and costs were reduced by 50%. Leveraging StarHub's technology and IoT solutions, NUS can enable learning and working to take place anywhere, anytime and through any device, creating a smart and sustainable campus.

Building on the success of our first POC, our solar solution will be deployed campus-wide across 10 sites at NUS, with a full command centre monitoring dashboard to provide information on each solar panel stand, which can be used to improve operational efficiency and service satisfaction. Utilising our 5G SA network, we have also rolled out smart sensors and digital solutions with applications for facade inspection, housekeeping and landscape management, waste management, security management and augmented/virtual reality applications, thereby enabling a 5G smart campus.



Singapore's first 100% solar-powered campus WiFi by StarHub 5G within NUS.

# ENABLING A DIGITAL SOCIETY



StarHub strives to enable a digital society by providing seamless connectivity that is safe and secure from cyberattacks. In addition to strengthening our own systems and cyber defences, we also raise awareness about online safety amongst our customers and communities, and contribute to bridging the digital divide through our digital inclusion initiatives.

# Sustainability Report

## PRODUCT AND SERVICE QUALITY

As one of Singapore's major providers of telecommunications services providers, StarHub is driven to accelerate digital adoption through our range of products and services. Our mobile and broadband services play an important role in Singapore's sustainable economic growth and Smart Nation aspirations by providing an essential business service and enabling digitalisation for different customers.

Moreover, our network services positively impact both professional and personal lives by enabling remote working, home-based learning, leisure activities and global connectivity with social networks. Our services are also crucial and integral for accessing public emergency services, information and essential services such as health and education, especially during periods of crisis and emergency (e.g., the COVID-19 pandemic). StarHub currently has 2,156,000 wireless and 578,000 broadband active subscribers in Singapore as of end 2022.

We recognise that any disruptions to telecommunication services will affect personal lives and business operations, especially businesses that rely heavily on e-commerce or online apps to provide services. Consequently, StarHub continues to dedicate our efforts to minimise any service disruptions by maintaining a reliable, resilient and low-latency mobile and broadband network.

### Our measures to build and maintain a reliable, robust and resilient network:

- Undergo periodic security risk assessments in accordance with applicable regulatory requirements, conducted by an external third party
- Continual improvement to our ISO 22301 security and resilience — business continuity management systems that include testing and updating the business continuity plan on a regular basis
- Maintain robust controls over access to our systems, sites and information assets as well as physical safety and security of our facilities and systems
- Provide timely information and adopt all commercially reasonable remedial and mitigation measures and actions in the event of a security incident

### Resulting from these measures we have achieved<sup>27</sup>:

**100%** network availability for fibre broadband

**99.95%** mobile broadband services availability

Moving forward, we aim to continue to maintain ≥99.95% network availability for our fibre and mobile broadband services respectively

We have also invested significantly to expand our 5G network to unlock the ultra-low latency performance features for our customers. To meet increasing data demand and ensure network stability, we have deployed a cloud-native 5G core network to manage our 5G SA bandwidth. This upgrade allows 5G technology to run independently from the 4G network, allowing greater agility and adaptability to support our products and services. As of end 2022, our 5G SA network has surpassed 95% nationwide outdoor coverage. We continue to offer our

customers complete packages of 5G services, including 5G SIM cards, fixed contract and SIM Only plans, devices and streaming services at various price points catering for the wide-ranging needs of our customer base.

To address product defects and improve service quality, StarHub also takes an "Insights-to-action" approach where we collect real-time customer feedback through surveys across various consumer and enterprise touchpoints. We continue to enhance customer experience via our digital

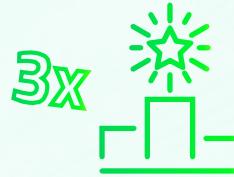
support channels, assisting customers with any issues through the use of dedicated customer hotlines, WhatsApp and Facebook Messenger services. Following every interaction with our customer support team, customers are invited to rate their experience, enabling us to understand their level of satisfaction and possible areas for our improvement. These steps have allowed us to improve our NPS year-on-year, which reflect the improvements made in upholding our product and service quality.

<sup>27</sup> Based on IMDA's published quality of service performance results for Jan – Sept 2022 available at: <https://www.imda.gov.sg/regulations-and-licensing-listing/dealer-and-equipment-registration-framework/compliance-to-imda-standards/Quality-of-Service/quality-of-service-reports>.

## Recognition in the Customer Satisfaction Index of Singapore 2022 study:



Highest customer satisfaction scores for Mobile and TV services in the info-communications sector



Third consecutive year leading in the Mobile category

### Gleaning insights from our customers' feedback to improve their satisfaction

StarHub uses NPS to track our customers' user experience and determine the long-term value of our brand. Using results collated from customer feedback, we analyse detractor statements and study customer responses on the NPS scale to take actions that enhance customer experience. For example, some of our SME customers provided feedback on the challenges of selecting appropriate channels for their queries, which was resolved when we reviewed all our support touchpoints and classified them clearly on the "My Business Account" self-help portal and "StarHub Business Manager" app for SME customers.

We also regularly benchmark our NPS against close competitors and regional telecommunications companies.



**2022 NPS: 25.5**

▲ Improvement of 10% from 2021

In addition, StarHub acknowledges the need to address concerns of customers, regulators and the general public on the perceived health risks associated with radio frequency (RF) emissions from mobile devices and base stations. We strictly comply with RF emissions and safety standards implemented by IMDA, NEA, and with the International

Commission on Non-Ionizing Radiation Protection guidelines adopted by the World Health Organization (WHO). Where required, StarHub works closely with NEA and other mobile network operators to verify that the mobile equipment installed comply with public health and safety standards in Singapore.

In 2022, as in prior years, StarHub had zero incidents of non-compliance regarding the health and safety impact of products and services. We maintained 100% compliance with relevant RF radiation safety standards set by local regulators, and we endeavour to continue doing so.

# Sustainability Report

## DATA PRIVACY AND CYBERSECURITY

Given our role as a critical information infrastructure operator, StarHub is subject to a spectrum of cybersecurity threats. A serious cyber incident could cause disruptions to our products and services, thereby bringing about potential financial losses for our customers. It could also result in a breach involving sensitive and/or confidential information of our customers, jeopardising their safety and privacy. StarHub therefore understands the importance of

maintaining the integrity of our information systems and customer databases.

To mitigate the impact of cybersecurity risks, StarHub established a Cybersecurity Governance Framework in 2021, which is aligned with the National Institute of Standards and Technology's cybersecurity framework, ISO/IEC 27001 standards, Telecommunications Act 1999, Broadcasting Act 1994 and the CyberSecurity Act 2018. We implemented this framework in our operations through our Cybersecurity Policy, Information Classification and Handling

Policy, as well as a set of guidelines and checklists for employees and third-party suppliers to follow. The framework also includes StarHub's Data Protection Policy, which provides guidance on how to collect, use, manage and disclose personal data in line with the PDPA.

Our multi-layered cyber defence consists of a series of successive cybersecurity controls and mechanisms designed with intentional redundancies, as summarised below:

Monitoring and Surveillance	Advanced cybersecurity features	Capacity-building and maintaining heightened staff cybersecurity awareness
<ul style="list-style-type: none"><li>+ Dedicated Centralised Data Protection Office (DPO) to ensure strict compliance with the PDPA</li><li>+ Active monitoring of threats by our Security Operations Centre (SOC) team<sup>28</sup></li><li>+ Proactive surveillance such as risk assessments, penetration tests, vulnerability assessments and cybersecurity exercises</li></ul>	<ul style="list-style-type: none"><li>+ Cloud-based identity and access management</li><li>+ Cloud-based secure remote access</li><li>+ Vulnerability Disclosure Programme to reduce risks associated with exploiting vulnerabilities of public-facing systems<sup>29</sup></li></ul>	<ul style="list-style-type: none"><li>+ Specialised training as part of cybersecurity team competency development plan (e.g., ISACA's CRISC, CCOP Ver 2.0 update and Microsoft information protection)</li><li>+ Third-party vendor cybersecurity engagement/forums<sup>30</sup></li><li>+ Timely alerts and advisories to our workforce on regular internal communication channels<sup>31</sup> to highlight new security vulnerabilities and emerging cyber threats</li></ul>

StarHub is also in the process of implementing an ISO 27001 compliant Information ISMS by 2024, which would provide a framework to systematically manage, monitor, review and improve our information security practices.

We carry out annual internal and external audits to provide assurance on the effectiveness of our control measures. Furthermore, our data protection practices have been validated by a third-party certification process, achieving the Data Protection Trustmark (DPTM) in 2020 (which is valid for three years). StarHub has since renewed its DPTM for another three years.

FY2022 targets <sup>6</sup>	Our FY2022 performance	Going forward
Continue to enforce strict compliance with local regulatory requirements and industry best practices and maintain the integrity of information systems and customer databases	Zero information systems and customer databases were materially compromised as a result of strict compliance with local regulatory requirements and industry best practices	Continue to enforce strict compliance with local regulatory requirements and industry best practices and maintain the integrity of information systems and customer databases

<sup>28</sup> This includes triaging identified incidents, executing response and recovery processes to remediate the incident impact, and escalating incidents to Management when necessary.

<sup>29</sup> Includes 20 websites and four mobile applications.

<sup>30</sup> Topics covered in FY2022 include different cybersecurity trends, attack tactics and techniques, and the role of staff to help combat an organisation's security threats.

<sup>31</sup> Including the intranet, electronic newsletters and employee social media platform.

## ONLINE SAFETY

The evolution of technology brings about emerging new threats from the digital realm which can jeopardise our customers' well-being. Scams via phone calls, SMS and emails that potentially result in mental distress and financial losses for victims have proliferated. In addition, the growth of on-demand entertainment services increases the risk of unintended viewing of age-inappropriate content. Excessive screen time can also potentially lead to reduced well-being stemming from social isolation as well as lack of sleep and exercise. Our progress against our FY2022 goal to encourage and promote the appropriate and safe use of online technologies, educate customers on potential scams, and cooperate with requests from government agencies is outlined below, and we will maintain this target for FY2023.

StarHub is committed to educating our customers on safe internet use. We regularly share information about safe online practices and warnings on common scams on our website, StarHub App and social media platforms. We curate the topics based on customer feedback and trending issues relevant to internal stakeholders and other external parties.

We have also put in place several initiatives to reduce the likelihood of our customers falling prey to digital scams, such as:

- Alerting our customers to phishing SMSes in circulation via our Facebook page and push notifications on StarHub App, to caution them against online threats
- Working closely with the relevant authorities to block international calls that spoof local numbers and impersonate legitimate sources such as government agencies, as well as messages and websites that are being used to perpetrate scams
- Robust authentication mechanisms and resilient backend systems to prevent fraud and impersonation
- Suspended dormant Hub ID Lite accounts which no longer support any active StarHub services
- Ceased voicemail services for mobile customers as they can be used to perpetuate scams

StarHub also offers cybersecurity services (see below) to safeguard customers from cyber risks and other online threats, and help those affected by these threats:

### JuniorProtect Plus

Parental control service which allows parents to manage their child's data usage and block access to unsafe web content



### CyberProtect

All-in-one online protection service which integrates antivirus and virtual private network access to offer security and privacy for customers online activities



### CyberCover

Cyber protection plans designed to provide financial support for customers affected by identity theft, unauthorised transactions and other cyber incidents



StarHub received the Singapore Police Force's Anti-Scam Centre Award in 2022 in recognition of our online safety measures and the hard work of our Customer Experience team. Moving forward, we remain committed to continuously enhance our efforts in promoting online safety.

# Sustainability Report

## DIGITAL INCLUSION

StarHub believes that everyone should have the right to enjoy digital connectivity in an era where technology is an increasingly vital component of our everyday lives. As more information and services have moved online, digital inclusion improves quality of life, allowing our customers greater convenience in accessing information and performing

daily tasks such as shopping, travelling and banking. Consequently, building upon our efforts to establish a safe, secure and reliable network infrastructure, StarHub also undertakes initiatives and CSR activities to bridge the digital divide, particularly for the elderly and disadvantaged in Singapore<sup>32</sup>.

We continue to offer affordable mobile plans exclusively for seniors aged 60 and above (Seniors' Exclusive plans) and at discounted rates for visually- and hearing-impaired customers (SmartBuddy Mobile Plan). Other digital inclusion initiatives are highlighted below as well as on pages 154-158.

For 2023, we aim to continue expanding the positive impact of our products and services to seniors, needy students, low-income households and PwDs. We are also assessing suitable means to better measure impacts from our digital inclusion efforts for future reporting.<sup>33</sup>

### Data for All initiative:

#### Up to 10,000 mobile lines in support of Digital for Life

StarHub supports IMDA's Digital for Life movement by participating in the Data for All scheme, which was launched in May 2022 to provide digital connectivity and support to vulnerable segments of our population. Under this initiative, StarHub committed to provide up to 10,000 giga! mobile lines<sup>34</sup> for PwDs and their caregivers. Each beneficiary received 10GB of data, 300 minutes of talktime and 300 SMSes monthly for a full year, enabling them to access essential services and participate in a digitally connected society.



Beneficiaries who have signed up for complimentary giga! lines.



StarHub Chief of Consumer Business Group Johan Buse receiving a Digital for Life award from Communications and Information Minister Josephine Teo.

#### StarHub's sponsorship of Fibre Broadband plans to Autism Resource Centre Singapore (ARC)

To help ARC alumni members better integrate into society, StarHub sponsored complimentary Fibre Broadband plans and equipment to ARC, empowering these individuals with digital connectivity solutions for greater independence.



#### StarHub Rewards Partner Programme for SMEs

StarHub offers a 'Be our Partner' programme to allow SMEs to tap the large network of StarHub customers and grow their brand visibility digitally by becoming a StarHub Rewards partner, with zero setup costs and no recurring platform fees. As a StarHub Rewards partner, SMEs can reach out to StarHub customers digitally with attractive offers on their products and services through StarHub App.

One of our new partners in 2022 is Speco, a social enterprise that offers biodegradable, eco-friendly and non-cytotoxic indoor air purifying solutions and employs socially-disadvantaged Singaporeans such as PwDs, ex-offenders and single parents. Besides onboarding Speco to the StarHub Rewards platform, we have also deployed Speco Pylons in the four main StarHub Shops with high human traffic, to provide cleaner air for our customers and employees.

<sup>32</sup> Singapore is the primary area of operation for StarHub's telecommunication services and all our operations in Singapore are involved in our digital inclusion programmes.

<sup>33</sup> There is no FY2021 goal for this topic since this is a new material topic for FY2022.

<sup>34</sup> Worth \$1.2 million.

# CARING FOR OUR PEOPLE AND COMMUNITIES



StarHub takes care of our employees with a core focus on their physical and psychological wellness. We place priority on supporting our employees and communities to reach their full potential in a diverse and inclusive environment. We remain actively engaged with our communities through our various CSR initiatives.

# Sustainability Report

## HEALTH, SAFETY AND WELL-BEING

StarHub is invested in protecting the physical and psychological well-being of all our employees and all other workers who perform work for and/or with us. We have established an Occupational Health and Safety (OH&S) management system, with policies, procedures and practices to ensure that we carry out all our work in our data centres, field sites and offices safely. Our OH&S management system is aligned with the requirements of our bizSAFE Level 3 certification, which was awarded by the Workplace Safety and Health Council Singapore following an independent audit.

StarHub's Workplace Safety and Health (WSH) Committee comprises employee and management representatives and meets on a quarterly basis. The WSH Committee is responsible for managing and updating our OH&S management system based on the latest regulations and best practices, feedback from our employees and other stakeholders as well as lessons learnt from risk assessments, incidents and near-misses. The WSH Committee also monitors StarHub's OH&S performance against pre-determined targets and curates OH&S training content for the organisation.

Our OH&S management system covers all our employees. Other workers who are not our employees as well as suppliers are covered under the health and safety management system of their own employers where applicable. Nonetheless, when performing work at our premises, they are all subject to StarHub's health and safety requirements and procedures.

The components of our OH&S management system are as follows:

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### Hazard identification and risk assessment

Our trained risk assessment leaders and managers within the WSH Committee work with our nominated staff representatives across the organisation to identify and assess the WSH hazards of work activities that may result in injury or ill health in the workplace. Risks are first eliminated wherever possible before considering mitigation measures to manage the hazard through control measures. Where appropriate, personal protective equipment (PPE) will also be provided to the relevant personnel to protect them against any residual risk. Risk assessments are updated at least once every three years, after an incident or a near-miss occurs or whenever there is a significant change in work processes. At each worksite and office, at least one employee will also be designated and trained as a first-aid emergency responder.

We also require our contractors to submit a risk assessment report for approval prior to carrying out any telecommunications infrastructure construction or maintenance work on-site. All StarHub contractors undertaking work on-site are also required to comply with the provisions of the Workplace Safety and Health Act 2006.

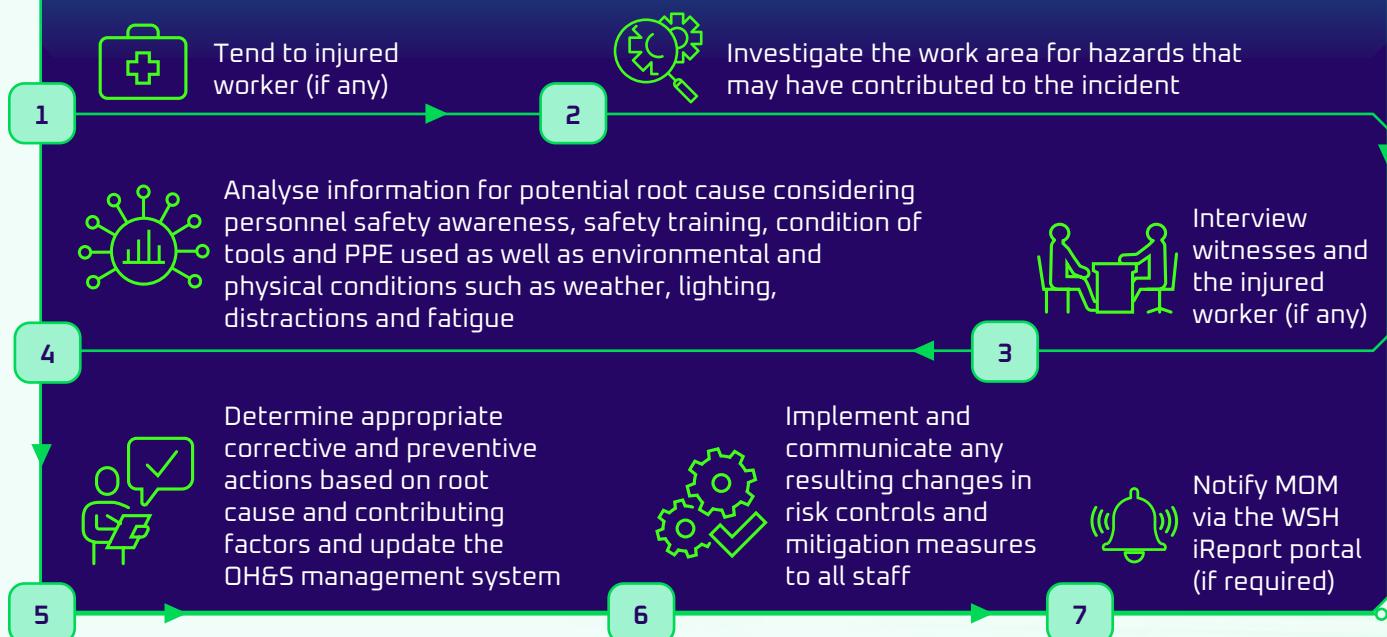
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### Near-miss and incident reporting and investigation systems

We have set up dedicated communication channels for our employees and external partners to report any WSH-related issues such as potential safe work procedure shortcomings, unsafe conditions, near-misses or incidents. Our employees or other workers on our sites may first report any issues to their direct supervisor or Division WSH representative, who will then escalate the issue and report it to the Ministry of Manpower (MOM) if necessary. Our external partners and their workers may also choose to escalate the issue directly to MOM.

Aside from informing their immediate supervisor, any employee or other workers who believe themselves to be in situations that could cause injury or ill health, may also choose to remove themselves from the situation immediately. Reporters are protected against reprisal under our Whistle Blowing Policy, which includes reportable incidents involving causing danger to the health or safety of others.

## Incident investigation and reporting process for near-misses and incidents



### Lessons learnt in FY2022

In FY2022, StarHub identified and implemented a number of improvements to our health and safety system based on employee and contractor feedback as well as lessons learnt. Examples include:

- + More frequent communication on safety awareness
- + Appointing first-aid responders at all sites
- + Completed bizSAFE 2 training for all Risk Management managers

### Training

For employees in job roles that require WSH domain knowledge, StarHub provides company-sponsored training to enhance their skills and capabilities to deal with WSH-related issues. Examples of training support include first aid, work-at-height and incident management procedures to respond to emergencies.

### Contractor management

Besides our permanent and contract employees, we also have more than 1,000<sup>35</sup> third-party contractors' workers who support StarHub in the areas of customer care, finance, IT, facility management, product delivery, and on-site installation assistance.

When working at StarHub's premises, all contractors' workers are expected to abide by StarHub's health and safety requirements, which will be communicated to them by their StarHub supervisors.

They will be provided with access to first aid and emergency treatment on-site, as well as guidance on any PPE and risk control procedures as part of pre-work risk assessment review. Prior to the start of high-risk work, we will consider the worker's historical training and experience as part of our evaluation of the adequacy of risk assessments submitted by contractors. Where needed, we provide health and safety briefs to raise awareness of the risks associated with their tasks and reinforce the importance of risk mitigation measures. Workers can also provide any feedback or suggestions for improvements through their immediate StarHub supervisors, who may then choose to raise it to their WSH Committee representative as appropriate.

We require all StarHub's contractors to provide their workers with health insurance to the extent required by law. In Singapore, all Singaporeans and Permanent Residents may also use their MediSave to cover or offset eligible medical expenses.

<sup>35</sup> Based on estimated full-time equivalent (FTE) for FY2022. This is the first year that StarHub is collecting data on workers who are not employees.

# Sustainability Report

## Workplace health and safety performance<sup>36</sup>

StarHub's WSH performance for all our employees is set out below. Our reported health and safety metrics do not cover the employees of our contractors and franchisees. This is the first year that StarHub is disclosing data on workers who are not employees, and the health and safety information is not captured within our data collection processes. We are working towards collecting the required data for workers who are not employees and will report it as soon as practicable in future reports.

	FY2022	FY2021	FY2020
Number of workplace fatalities (including from work-related ill health)	0	0	0
Number of occupational disease cases	0	0	0
Number of high-consequence work-related injuries <sup>37</sup> (excluding fatalities)	0	0	0
Number of recordable work-related injuries <sup>38</sup>	4 <sup>39</sup>	0	2
Recordable injury rate (per 1,000,000 hours worked) <sup>40</sup>	1.2	0	0.6
Workplace injury rate (per 100,000 employees) <sup>41</sup>	233	0	112
Number of hours worked	3,419,758	3,257,192	3,602,457

### FY2022 targets<sup>6</sup>

Maintain zero work-related fatalities

### Our FY2022 performance

Achieved target to maintain zero work-related fatalities

### Going forward

Maintain zero work-related fatalities and major injuries<sup>42</sup>

## Caring for mental well-being

Caring for the mental well-being of our permanent and contract employees is important to StarHub. We have put in place initiatives to obtain feedback on our employees' well-being. Care initiatives in FY2022 include the following:

- Regular two-way communication: Team leaders were empowered to conduct regular well-being checks. To facilitate greater connections with their family, friends and colleagues, all staff were given unlimited mobile talktime

- Flexible benefits scheme extended to support work from home (WFH): A flexible benefits programme (#HubbaFlex) was launched in 2019 to support employees' various needs. For example, flexible benefit credits can be used to pay for WFH equipment such as ergonomic chairs, computer monitors, etc
- HubbaWellness: Wellness talks and fitness classes were organised to provide employees with structured time-outs

<sup>36</sup> Workplace health and safety performance metrics are reported based on the International Labour Organization and the MOM definitions.

<sup>37</sup> High-consequence work-related injuries refer to injuries from which the worker cannot recover or be expected to recover fully to pre-injury health status within six months. Based on our risk assessment process, we have identified the following work-related hazards that pose a risk of high-consequence injury, for example, working at height of more than 2m and collision/ accident between vehicles on the roads.

<sup>38</sup> Recordable work-related injuries refer to injuries due to work exposure, resulting in outpatient/hospitalisation leave, light duty, death, all of which are reportable to MOM under the Singapore Workplace Safety and Health Act.

<sup>39</sup> The four injuries refer to 2 incidents of falling from stairs, 1 incident of slip and trip, and 1 incident of finger cut.

<sup>40</sup> Recordable injury rate refers to (no. recordable work-related injuries)/(no. working hours worked) x 1,000,000.

<sup>41</sup> Workplace injury rate refers to (no. recordable work-related injuries)/(no. of FTE) x 100,000; FTE in FY2022 was 1,720.

<sup>42</sup> Taking reference from MOM, major injuries refer to non-fatal injuries which are more severe in nature, for example, amputation, blindness, crushing, fractures and dislocations of head, back and hip, burns with more than 20 days of medical leave etc.

- + Keep Calm and Be ThoughtFull: Continued partnership with ThoughtFull to provide a company-wide mental wellness programme with on-demand mental wellness resources, webinars and the ThoughtFull Chat app, which allows employees to reach out to a counsellor online for personalised one-on-one support. We also continually support our managers to build up their leadership capabilities in providing psychological first aid to their team members
- + Maintained a designated no-meetings afternoon (#NoMeetingThuPMs) to enable employees to focus on ideas generation and spend time on professional learning
- + Quarterly early release: Maintained Eat with Your Family Day by letting employees leave work early every calendar quarter so that they can enjoy dinner with their families
- + Continued to practise regular one-on-one staff engagements and support managers with toolkits to conduct effective engagements
- + Hybrid work arrangement allowing employees to work up to two days a week at home, if they are not required to work on-site
- + Townhalls: Management hosted quarterly #HubberHangout sessions to provide updates and answer questions about business and people matters



StarHubbers having fun together outside of work.

# Sustainability Report

## TALENT MANAGEMENT

As an employer, StarHub understands that our manpower management, compensation, benefits, diversity and talent development policies impact the well-being and satisfaction of all our employees. By taking care of our people, we are in turn empowered to better manage our network and serve our customers by preserving a skilled and experienced workforce.

### Talent attraction and employee benefits

StarHub has implemented career progression programmes and attractive compensation packages to retain our top talents. This year marks the third anniversary of our Leadership Accelerator Programme, which seeks to accelerate the development of selected key

talents through the right mix of experience, exposure and education to maximise their learning outcomes. A total of 70 nominated individuals participated in the 6-month leadership journey.

All our permanent employees also receive regular performance and career development reviews as part of StarHub's performance management system. Personal targets are set by supervisors and employees under four broad categories - Financial, Customer, Process and People.

We are also constantly on the lookout for fresh talents and use alternative recruitment channels. In FY2022, we hired three mid-career employees through the Amazon Web Services (AWS) re/Start programme<sup>43</sup>. We plan to continue our partnership with

AWS to identify more cloud talents in FY2023.

Our permanent and contract employees are offered competitive remuneration packages commensurate with their job responsibilities, level of experience and performance. We are in the process of aligning the key benefits for our contract employees with those for our permanent employees, starting with upgrading their medical and insurance plans and subsequently increasing their leave entitlement.<sup>44</sup>

### Full-time employees in Singapore<sup>45</sup> are entitled to:

A

Leave benefits including annual leave, medical leave, birthday leave, paternal/maternal leave, childcare leave and eldercare leave

B

Employee mobile, entertainment and broadband benefits

C

HubbaFlex benefits including health insurance coverage for outpatient medical, dental, hospitalisation and personal accidents

D

Re-employment for employees who have reached the statutory retirement age of 63 on a term contract basis, which is renewable up to the age of 68, subject to the availability of position, work performance and medical clearance

Our corporate office at StarHub Green is also fitted out with nursing rooms and childcare facilities for parents returning to work.

<sup>43</sup> AWS re/Start programme aims to build local talent by providing AWS Cloud skills development and job opportunities to unemployed or underemployed populations.

<sup>44</sup> Increase of leave entitlement for contract employees will take effect from 1 Jan 2023.

<sup>45</sup> StarHub's significant location of operation is Singapore since all our staff are based in Singapore.

In FY2022, 31% of our employees are members of SISEU. We have in place an MOU and maintain a collaborative partnership with SISEU.<sup>46</sup> Through open and timely dialogues, we will continue to work closely with SISEU to support fair and progressive employment practices and to ensure our employees' skills stay relevant as we undergo our business transformation.



StarHubbers at various trainings and activities.

<sup>46</sup> In FY2021, we reported 34% of our employees as members of SISEU under our collective bargaining agreement disclosure. We have since clarified that the nature of our MOU with SISEU does not constitute what would generally be expected under a collective bargaining agreement. While our employees are currently not covered under a collective bargaining agreement, as members of SISEU, they receive education grants, access to Care Funds, etc. The working conditions and terms of employment of our employees are currently not influenced or determined based on collective bargaining agreement from other organisations and are based on current market best practice and applicable MOM regulations.

# Sustainability Report

## Training and development

FY2022 targets <sup>6</sup>	Our FY2022 performance	Going forward
<p>Ensure <b>100% of identified high-potential talents</b> are assigned development sponsors, who champion and support their development plans</p> <p><b>Promote learning and development activities</b> to reach at least 90% of our employees</p>	<p>Achieved target of <b>assigning 100% of identified high-potential talents</b> to development sponsors, championing and supporting their development plans</p> <p><b>Exceeded target (96%) to promote learning and development activities</b> to reach at least 90% of our employees</p>	<p><b>Enrol 100%</b> of identified high-potential talents in career development programme</p> <p>Achieve <b>learning reach of 95%</b> of our employees in FY2023</p>

StarHub is dedicated to the development of all talents within the organisation. Building our employees' skills and capabilities is essential for employee retention and keeping their skills relevant in the fast-moving telecommunications industry. This in turn helps their personal growth and also enhances StarHub's human capital.

We co-design individual development plans with identified high-potential employees. For all other employees, we continue to ensure access to programmes for their professional development in technical skills and personal effectiveness. A dedicated team keeps our professional programmes updated with the latest industry developments and best practices and incorporates feedback from our managers and employees. Re-training is also provided for our re-employed staff who have reached the statutory retirement age where necessary.

Our training programmes in FY2022 concentrated on the areas of 5G, network virtualisation, cybersecurity, data analytics and sustainability to build critical skills for the advancement of StarHub's DARE+ strategy. We rolled out Mojo@Scale, which focused on changing mindsets and culture, creating a StarHub Way of Working to embed the principles of "agile and customer-centricity". We continue to practise portfolio rotation in most divisions, which enables our staff

to develop new skills, build new connections, and to diversify our workforce. Following positive feedback from our employees, we have maintained our quarterly Learning Week sessions to foster a culture of continuous learning, which included talks by external and internal industry leaders.

All StarHub employees also have access to digital learning platforms such as LinkedIn Learning, classroom training, leadership development workshops, professional certifications, and on-the-job training. To provide more digital learning options, we embarked on a pilot initiative with 300 employees on a new online learning platform, Coursera, with focus on data analytics, data visualisation and data wrangling training.

To maximise learning opportunities for our employees, we also established partnerships with multiple government agencies, such as SkillsFuture Singapore and IMDA. During FY2022, we invested \$1.25 million in training and received \$10,037 in training subsidies from various government agencies. These include IMDA's Company-Led Training funding. In total, we provided 17,665 hours of training that reached 96% of our employees.

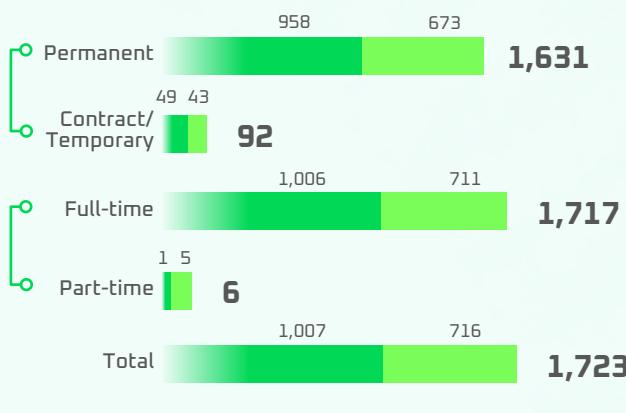
## STRATEGY

BUSINESS  
REVIEW

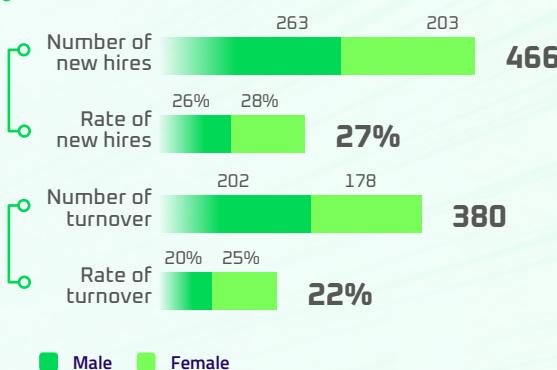
## GOVERNANCE

## SUSTAINABILITY

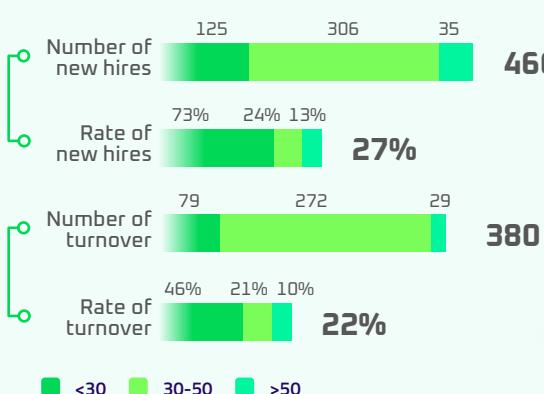
## FINANCIALS

Number of Employees by Employment Contract<sup>47</sup> by Gender

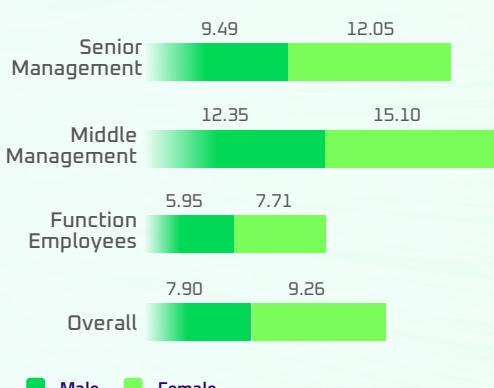
## New Employee Hires and Turnover by Gender



## New Employees Hires and Turnover by Age Group



## Average Training Hours Per Employee Category by Gender



## Parental Leave

Total number of employees entitled to parental leave



Total number of employees that took parental leave



Total number of employees that returned to work in 2022 after parental leave ended

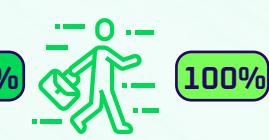


Male      Female

Total number of employees that returned to work after parental leave ended and were still employed 12 months after their return to work



## Return to work rate



## Retention rate



<sup>47</sup> Employee numbers are reported for our significant location of operation in Singapore. StarHub currently does not have any employees on non-guaranteed hours basis. Our contract/ temporary employees refer to employees on fixed term contracts. Employee numbers are based on headcount as of year-end FY2022. There was no significant fluctuation in numbers compared to FY2021.

# Sustainability Report

## Diversity and inclusion

A diverse and inclusive workforce contributes to a more resilient organisation through varied skills and perspectives. We aim to promote this and foster a culture where all employees are treated fairly and with respect, protecting their right to be free from discrimination. This year, we have a newly-established Board Diversity Policy, which sets out the Board's commitment to consider all aspects of diversity and the needs and plans of the Group for the Board composition review and succession planning. In tandem, we have also formalised and adopted a Management and Staff Diversity Policy.

## StarHub's diversity, equality and inclusion practices

### Equal opportunity employment

We practise merit-based hiring and renumeration, with career progression and rewards determined based on performance. We also consider training and development opportunities based on employees' strengths and needs.

### Safe, non-discriminatory work environment

Our Employee Code of Conduct mandates non-discriminatory and respectful conduct amongst our employees. Our anti-harassment and grievance procedures protect employees who report any incidents or harassment or other forms of grievance from any reprisals. Employees may raise their grievance to their immediate supervisor, a neutral party in StarHub, or escalate their concerns to the Head of Department or Chief Human Resource Officer (CHRO). Once a grievance is raised, a committee will be formed to investigate and ensure that appropriate remedial actions are taken to manage and resolve the issue. Our employees are informed about how to raise any grievances through StarHub's grievance procedures during onboarding.

All our employees and contractors' workers may also raise discrimination complaints with protection from reprisal through our dedicated whistle blowing channel under our Whistle Blowing Policy. More information on our Whistle Blowing Policy can be found on page 100.

StarHub's practices to promote and protect diversity, equality and inclusion are implemented in accordance with our policies relating to Board diversity, Management and Staff diversity as well as reporting of harassment (Workplace Harassment Prevention Policy) and grievance policies. Management regularly reviews these policies and supports StarHub's commitment to TAFEP, a national initiative advocating fair employment practices and prohibition of discriminatory practices in employment or transactions. Any workplace discrimination complaint involving a StarHub employee or contractor's worker may also be filed by the employee, contractor's worker or any external witness to TAFEP instead of StarHub.



In recognition of the Board's changing needs over time, the Board targets to maintain ≥25% female representation within the next three to five years



The following statistics demonstrate the diversity of our workforce and leadership:

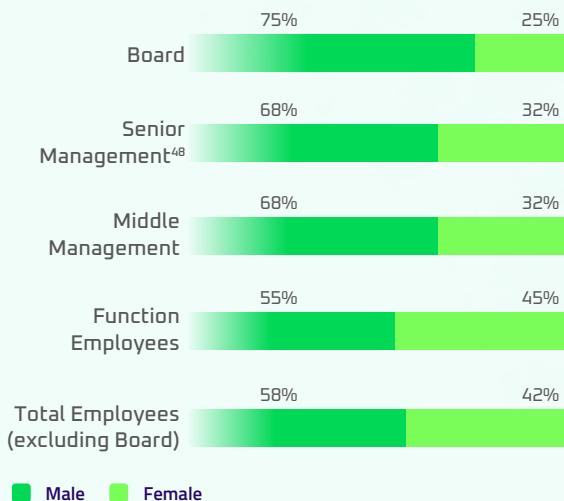
We are pleased to report that in FY2022, no incidents of discrimination were reported directly to StarHub or through TAFEP, meeting our previous target to maintain zero incidents of discrimination. We aim to continue to maintain zero incidents of discrimination in FY2023.

## Ensign's partnership with ARC

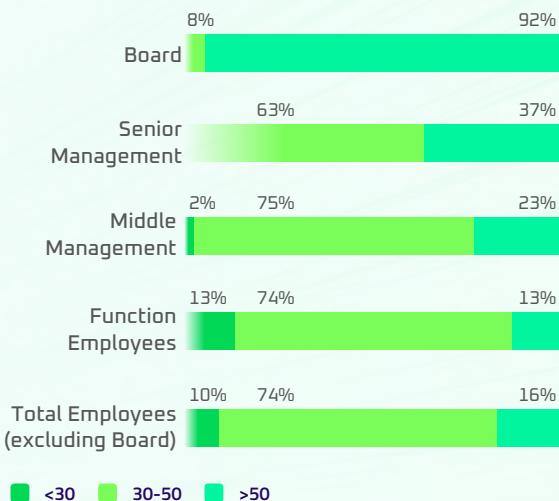
Ensign is committed to continuing its neurodiversity journey and plans to run its training and hiring process at least twice a year. Since the launch of the initiative in November 2021, Ensign has welcomed a group of neurodiverse talents as Security Operations Centre Analysts. The objective is to support neurodiverse talents with the passion and aptitude for cybersecurity to capitalise on job opportunities in this growing sector, and to allow them to pursue a meaningful and long-term career as a cyber professional. Ensign hopes to leverage the unique talents and skills of these individuals to foster a culture of inclusivity and drive its long-term success.



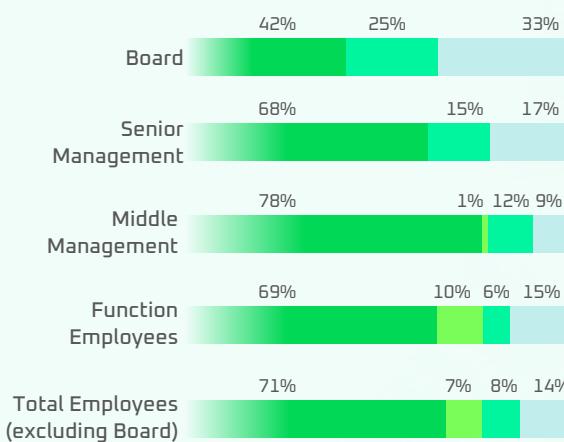
Ensign has welcomed a group of neurodiverse talents.

**Gender Diversity by Employee Category**

■ Male ■ Female

**Age Diversity by Employee Category**

■ <30 ■ 30-50 ■ >50

**Ethnic Diversity by Employee Category**

■ Chinese ■ Malay ■ Indian ■ Others

**Ratio of Base Salary and Remuneration<sup>45</sup>**

■ Male ■ Female

<sup>48</sup> Senior Management encompasses Heads of Department (HODs) and Senior Level Managers.

# Sustainability Report

## CSR INITIATIVES

StarHub continues to commit to our CSR initiatives even though it is no longer a standalone material topic. We have longstanding commitments to create positive social impacts through a variety of CSR initiatives which address the needs of our local communities. We are pleased to report that we have expanded our efforts to reach a larger pool of beneficiaries this year.

**"Junior Stars" programme, funding support:**  
**\$500,000 joint funding with Central Singapore CDC for FY2021 and FY2022**

### Key statistics for January to December 2022

#### Outreach



**710**  
Beneficiaries

#### Partners



**152**  
Active Volunteers



**14**  
Nurture Centres



**27**  
Industry & Community  
Partners

In FY2022, StarHub contributed an aggregate of almost \$1.9 million towards CSR initiatives, reaching 12,829 beneficiaries through our various community causes, including the digital inclusion initiatives listed on page 142. All our operations in Singapore actively support and participate in our CSR initiatives, with our employees also actively participating in volunteering programmes in FY2022.

### About Junior Stars

#### Programme period

#### January to December 2022

- + Junior Stars 'Nurture' – Weekly from January to December
- + Junior Stars 'Holiday Enrichment Series' – June to December, clustered around school holidays

#### Competencies

- |                   |                            |
|-------------------|----------------------------|
| + Communications  | + Creativity               |
| + Problem-Solving | + Digital & Media Literacy |

#### Objective

Empowering primary school children from disadvantaged backgrounds with equal learning opportunities and equipping them with future-ready skillsets for work of the future and a better life

- + In partnership with the Central Singapore CDC, we funded a series of free enrichment classes and workshops to equip underprivileged children with key future-ready skills in the areas of sustainability, entrepreneurship, public speaking and communications. The Junior Stars 'Nurture' session happens weekly where students learn problem-solving and communications skills at the Nurture centres. The two-year programme ran from FY2021 to FY2022.
- + Our volunteers supported learning at the "Junior Star Holiday Enrichment Series" sustainability workshops, which educated the children about global issues through a fun-filled board game and quiz on Singapore's food security as well as a micro-greens planting session.

#### Summary Statistics for Junior Stars in FY2022:

The Junior Stars programme engaged more than 1,400 children and 288 volunteers over 2021 and 2022 through the signature Junior Stars 'Nurture' workshops and Junior Stars 'Holiday Enrichment Series'.

## Success Stories of Junior Stars 'Nurture' Workshops

"Nuture lessons are fun, and the teachers are kind. I enjoy learning how to communicate better and seeing my grades improve through these years."

Jason, aged 12  
Nurture @ Toa Payoh East

"We learn new things every week, such as how to respect each other. I like learning about line graphs too in our Problem-Solving module!"

Syafiq, aged 10  
Nurture @ Toa Payoh East

## Feedback on Junior Stars 'Kid Entrepreneurs' Workshops

"I was pleasantly surprised by my son's enthusiasm. Darwisy had worked on his team's project diligently in class and even continued working on it at home."

Mrs Nora  
Darwisy's mother



Launch of Junior Stars Programme.



StarHub CFO Dennis Chia with children at Junior Stars workshop.



StarHubber with children of Junior Stars making a self-watering planter.

# Sustainability Report

## StarHub tree-planting, funding support:

**\$30,000, trees planted: 100**



StarHub supports NParks' OneMillionTrees movement.



StarHubbers tree-planting on Pulau Ubin.

## Care Corner Singapore Ltd (Youth Services), funding support:

**\$50,000**



StarHub CCSO Veronica Lai receiving a plaque from Deputy Prime Minister Lawrence Wong.

### Objective

Restoring nature in our city by increasing natural shade and ecological connectivity to help mitigate climate change

- In support of the National Parks Board's (NParks) OneMillionTrees movement, we collaborated with our customers to contribute to NParks charity, Garden City Fund, to plant 50 trees at the Dairy Farm Nature Park and another 50 trees on Pulau Ubin. The tree species planted are native to Singapore, many of which are vulnerable and critically endangered. StarHub's efforts have helped bring the nation closer to realising NParks' City in Nature vision, a key pillar of the SG Green Plan.
- An estimated 172 tonnes of carbon dioxide will be sequestered over the lifetime of the planted trees.



StarHub customers joining us at the Dairy Farm Nature Park.

### Objective

- Supporting at-risk adolescents in Youth Services' Youth Outreach Programme

- To promote engagement through youth-favoured social media platforms like Instagram (IG) since youths are multi-modal in their communications

The programme supported more than 180 youths through our intervention efforts using online/IG conversations with at-risk youths. Care Corner Youth Service's IG page (@youthxcarecorner) shared positive messages and stories of youths via more than 150 IG posts and over 700 IG stories, which received a total of more than 160,000 likes, comments and views.

## Other CSR initiatives

### Metta Welfare Association, funding support:

**\$100,000\***

Supported 495 students from Metta School with educational needs for children with special needs, by offering a vocational pathway through structured programmes that lead to industry-recognised vocational qualifications.

### Singapore Anglican Community Services (SACS), funding support:

**\$60,000\***

Supported 369 customers and 165 individuals with mental health conditions to secure sustainable employment and reintegrating them into the community.

### SHINE Children and Youth Services, funding support:

**\$20,000\***

Supported 327 students in the Scaffold programme, which provides early intervention targeted at lower secondary school students to prevent school disengagement and absenteeism.



Photo credit: Community Chest

StarHub at Community Chest Awards 2021.

\* The reporting period for Metta, SACS and SHINE is for 1 April 2021 – 31 March 2022.

# Sustainability Report

## Partnering IMDA in Data for All initiative, funding support: Up to \$1.2 Million

Sponsored digital access with donation of up to 10,000 mobile lines to PwDs and their caregivers.



StarHub CEO Nikhil Eapen (centre, in black) with StarHubbers at Digital for Life roadshow.



giga! team assisting beneficiaries to sign up for complimentary giga! lines

## Earth Hour 2022 | WWF-Singapore funding support: \$300,000 worth of TV airtime

Continuous effort in promoting awareness of Earth Hour Switch Off, which encourages Singapore residents to take action on climate change since 2013.



Earth Hour 2022 poster at StarHub Shop.

## The Food Bank Singapore Objective: Alleviating food insecurity

StarHub staff volunteered their time to sort groceries at The Food Bank Singapore warehouse and replenished its vending machines located in housing estates with food items for lower-income families and individuals.



StarHubbers replenishing food vending machines.



StarHub CHRO, Catherine Chia (right most) packing food with StarHubbers.

# RESPONSIBLE BUSINESS AND VALUE CHAIN



StarHub makes a focused effort to exercise robust corporate governance, responsible business practices and sustainable sourcing throughout our value chain. We have established policies and practices to ensure ethical business behaviour, responsible selling and sustainable management of our supply chain.

# Sustainability Report

## BUSINESS CONDUCT AND ETHICS

StarHub adopts a zero-tolerance stance towards corruption or legal violations. We fully adhere to the SGX-ST listing requirements, the revised Code of Corporate Governance issued by the Monetary Authority of Singapore on 6 August 2018 and all applicable laws in Singapore, as it is paramount to ensure proper operation of our telecommunications network and to minimise any negative impact from non-compliance.

FY2022 targets <sup>6</sup>	Our FY2022 performance	Going forward
<p><b>Ensure strict compliance with local legal and regulatory requirements pertaining to fraud, corruption and unethical actions</b></p>	<p><b>Zero incidents of non-compliance</b> pertaining to fraud, corruption and unethical actions</p> <p><b>Zero legal actions</b> regarding anti-competitive and anti-trust behaviours</p>	<p><b>Maintain zero incidents</b> of non-compliance with local laws and regulations pertaining to fraud, corruption, anti-competitive and anti-trust behaviours</p>
<p>We have in place a self-assessment process as part of our Group's internal audit to ensure the effectiveness of our compliance risk controls. We engage regulators periodically to keep abreast of the latest compliance requirements and update our policies and procedures accordingly.</p>	<p>Our policies are reviewed and approved by the Management and/or Board. Our policy commitments for responsible business conduct, including the commitment to respect human rights can be publicly accessed<sup>51</sup>. Please refer to the Annual Report pages 100-102 for more information on our available policies.</p>	<p>All our policies are communicated to our employees upon hiring and can be readily accessed through our intranet. If any employees are found to be in breach of our Employee Code or other applicable policies, appropriate disciplinary and/or legal actions will be taken, including dismissal where necessary.</p>
<p>StarHub has established policies to address the standards of behaviour and business conduct expected of our employees, covering areas such as safety, harassment and corruption, as well as proper procedures when dealing with colleagues, customers, suppliers, business associates and other stakeholders. StarHub also upholds fundamental human rights, and our policy commitments regarding human rights are embedded in our employee and supplier policies. These policies and all our other policies are aligned with our commitment to the UNGC Ten Principles for responsible businesses in the areas of human rights, labour, environment and anti-corruption.<sup>49</sup> We have been a signatory member of the UNGC since 2012. Refer to the UNGC website for our latest Communication on Progress (CoP)<sup>50</sup>.</p>	<p>StarHub has also established a mechanism for raising concerns and to address the grievances brought up by our stakeholders through our Whistle Blowing Policy. In FY2022, after investigating complaints received, we did not find any critical concerns to raise to the Board (see page 100 for our whistle blowing procedure). This year, there were also no significant instances of non-compliance with laws and regulations resulting in fines<sup>52</sup> or non-monetary sanctions meted out to StarHub.</p>	<p>We also apply the precautionary principle in our risk management approach, which is reflected in our policies and procedures.</p>

<sup>49</sup> The Ten Principles of the UN Global Compact are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

<sup>50</sup> Our completed CoP report, submit through UNGC digital platform, will be accessible by any stakeholder and the public after 30 June 2023 at <https://unglobalcompact.org/what-is-gc/participants/18218-StarHub-Limited>.

<sup>51</sup> Refer to <https://www.starhub.com/about-us/corporate-sustainability/climate.html>, <https://www.starhub.com/about-us/corporate-sustainability/people.html>, <https://www.starhub.com/about-us/legal-notices-and-terms/terms-and-conditions/vendor.html>, as well as this FY2022 sustainability and annual report. In addition, StarHub is also in compliance with IMDA's Net Neutrality Policy. IMDA's Net Neutrality Policy ensures Internet service or network providers are treating all sources of Internet content equally and the right of a consumer to access content and services on the Internet on a non-discriminatory basis. It is against abuse of significant market power and anti-competitive behaviour, which is in line with international competition law principles. Network management is solely used to allocate access to the finite network resources and bandwidth according to our customers' subscription plans, to promote fair use of network resources.

<sup>52</sup> Significant instances of non-compliance with laws and regulations are those that would result a material impact on the Group's ESG performance. Only significant fines above \$10,000 are reported.

## RESPONSIBLE SELLING

StarHub acknowledges the importance of marketing and advertising products and services in a responsible manner. We ensure transparency in our pricing and billing across our direct operations and value chain to eliminate risks of perceived hidden fees which may lead to customer dissatisfaction and the early termination of customer contracts.

### FY2022 targets<sup>6</sup>

Maintain **strict compliance with regulations and/or voluntary codes** concerning marketing communications

### Our FY2022 performance

**Zero incidents of non-compliance with regulations and/or voluntary codes** concerning marketing communications

### Going forward

**Maintain zero incidents** of non-compliance in marketing communications

Our sales and customer service teams as well as staff of our partners who are distributors, retailers or franchisees are trained and periodically retrained to ensure they communicate our pricing structure and contractual terms clearly and transparently to our customers. In addition, we provide an internal knowledge base to equip these teams with answers to FAQs, documentation and how-tos that make it easier for them to proactively provide after-sales support, educate customers and improve customer satisfaction.

To build customer confidence, we anticipate customer needs and develop solutions for issues that may be raised by our customers in the future. We also practise proactive service recovery by detecting issues internally and pre-emptively advising customers of issue resolutions even before they contact us.

StarHub also fully complies with all applicable local regulations and guidelines, such as the Television and Radio Advertising and Sponsorship Code. Our DPO supervises compliance with our DNC Policy, which guides and ensures that we comply with the PDPA and DNC Registry provisions. Targeted marketing messages will only be sent to mobile numbers in Singapore where consent has been obtained, and any messages sent will have an appropriate tag prefixed to ensure the clear intent of our communications. Our DNC Policy is complemented by our customer communication guidelines and serves as further guidance for customer communications.

As in prior years, StarHub in FY2022 had zero incidents of non-compliance with regulations or voluntary codes concerning product and service information and labelling, as well as marketing communications.

# Sustainability Report

## SUPPLY CHAIN MANAGEMENT

StarHub has an extensive supply chain network across different regions and sectors. Our main suppliers include major telecommunications infrastructure providers (hardware manufacturers as well as software, infrastructure solution and maintenance providers) and major customer equipment (handset and router) manufacturers and distributors. 84% of our total supplier base of 896 suppliers were local.<sup>53</sup> They made up 82% of our total procurement spend of \$1.68 billion in FY2022.

StarHub has put in place measures to integrate sustainability practices and improve the management of the environmental, social, economic and business impact of our supply chain and

procurement processes. All vendors are expected to adhere to our Supplier Code of Conduct, which requires them to take a precautionary approach towards environmental challenges, to commit to minimising the environmental, social and human rights impact of their upstream raw material sourcing (e.g., use of conflict minerals), manufacturing and other business activities, as well as prohibiting all forms of corruption and bribery in line with the UNGC Ten Principles. We expressly reserve our rights not to procure goods and services from suppliers who do not adhere to the Supplier Code of Conduct under our Responsible Sourcing Policy. The Supplier Code of Conduct and Responsible Sourcing Policy are available on our website and they are communicated to the vendors during the procurement process.

### FY2022 targets<sup>56</sup>

**Secure confirmation from 70% of our suppliers**  
that they adhere to our Supplier Code of Conduct in 2022

### Our FY2022 performance

**All new suppliers onboarded**  
in 2022 have completed the SAQ  
**89% of all our suppliers**  
confirmed adherence to our Supplier Code of Conduct

### Going forward

**Secure confirmation from 90% of all our suppliers**  
that they adhere to our Supplier Code of Conduct in 2023

Conduct assessment on first-tier suppliers for environmental and social impacts

**Our process to screen for the environmental and social impacts of our supply chain:**



#### → SAQ<sup>54</sup>:

Mandatory for all new vendors to complete at the time of onboarding

#### → Additional ESG assessment for first-tier suppliers:

First-tier suppliers (those with an annual spend of at least \$1 million) are subject to further assessment to identify significant ESG risks. Any potential concerns flagged out during this process will be addressed with the relevant suppliers to better understand the issues and assess mitigation measures which can be put in place by the suppliers before a decision is made on the continuance of our supplier relationship.

With our new Scope 3 emissions reduction target, StarHub has also identified GHG emissions contributed by our suppliers as a significant component of our total Scope 3 emissions. Consequently, we will be looking to develop additional engagement initiatives to encourage our suppliers to reduce their own emissions as part of our upcoming decarbonisation roadmap. These initiatives may include collaboration and incentivisation programmes.

StarHub also considers our global exposure to business risks, such as climate change in our supply chain management. We periodically review our supply chain portfolio to build resilience, reduce disruption, enhance efficiencies and safeguard our reputation.

<sup>53</sup> StarHub's significant location of operation is Singapore.

<sup>54</sup> The self-assessment include screening for environmental and social impacts per the UNGC Ten Principles.

## Appendices

### STARHUB VALUE CREATION SCORECARD

	FY2022	FY2021	FY2020
<strong>ENVIRONMENTAL</strong>			
GHG emissions for Scope 1+2 (tCO <sub>2e</sub> )	<b>51,266</b>	55,975	55,438
GHG emissions intensity (tCO <sub>2e</sub> per \$million revenue)	<b>22.0</b>	27.4	27.3
Renewable energy use (as % of total electricity use)	<b>10</b>	6	4.6
Electricity used within the organisation (million kWh)	<b>137.2</b>	142.8	137.0
Energy consumption within the organisation (GJ)	<b>498,244</b>	518,466	497,759
Energy intensity (GJ per \$million revenue)	<b>214</b>	254	245
Water consumption (megalitres)	<b>9.57</b>	5.80	9.65
General waste (non-hazardous) (tonnes)	<b>18.5</b>	7.2	17.6
Internal e-waste recycled (tonnes)	<b>144.9</b>	72.6	49.1
Paper recycled (tonnes)	<b>1.5</b>	1.3	1.8
<strong>SOCIAL</strong>			
<strong>Employees</strong>			
Permanent employees	<b>1,631</b>	1,539	1,686
Local employees (% of Singapore citizens)	<b>68</b>	75	74
Female employees (%)	<b>42</b>	42	43
Female managers (% of Senior level)	<b>34</b>	38	35
Female managers (% of Middle level)	<b>32</b>	34	36
Female directors (% of HODs)	<b>22</b>	20	20
Female members of the Board (% of Board)	<b>25</b>	25	25
Average training hours per employee	<b>8.5</b>	14	9.4
Training expenditure per employee (\$)	<b>600</b>	561	238
New hires rate (%)	<b>27</b>	17	12
Employee turnover rate (%)	<b>22</b>	27	29
Number of reported work injuries	<b>4</b>	0	2
Number of fatal accidents	<b>0</b>	0	0
<strong>Community</strong>			
Employee volunteerism participation (% of workforce)	<b>8.5</b>	7	4
Community investment and donations to charities <sup>55</sup> (\$million)	<b>1.9</b>	0.7	1.7
<strong>GOVERNANCE &amp; MARKETPLACE</strong>			
Revenue (\$million)	<b>2,327.3</b>	2,042.6	2,028.8
Net profit (\$million)	<b>62.2</b>	149.3	157.9
Dividends paid to shareholders (\$million)	<b>110.8</b>	86.6	82.2
Share of local suppliers as percentage of total procurement spend (%)	<b>82</b>	94	95
Proportion of local suppliers (%)	<b>84</b>	87	90

<sup>55</sup> Community investment amounts is inclusive of digital inclusion investment.

# Sustainability Report

## FY2022 MEMBERSHIPS AND ASSOCIATIONS

The full list of industry and trade associations of which StarHub is a member is as follows:

- + American Chamber of Commerce in Singapore
- + Asia Pacific Network Information Centre
- + Association of Certified Fraud Examiners
- + Association of Chartered Certified Accountants
- + British Chamber of Commerce, Singapore
- + Chartered Institute of Management Accountants
- + Chartered Secretaries Institute of Singapore
- + Cloud Security Alliance
- + Contact Centre Association of Singapore
- + CPA Australia
- + Disaster Recovery Institute International
- + Global Compact Network Singapore
- + GSM Association (GSMA)
- + IMDA's 5G Workforce Transformation Committee
- + Income Tax Board of Review
- + Information Systems Audit and Control Association
- + Institute of Service Excellence at Singapore Management University
- + Institute of Singapore Chartered Accountants
- + Intelligent Transportation Society Singapore
- + International Council of E-Commerce Consultants
- + International Information System Security Certification Consortium
- + National Sustainable Procurement Roundtable
- + Project Management Institute
- + Promax Asia
- + Singapore Academy of Law
- + Singapore Accountancy Commission
- + Singapore Advanced Research & Education Network
- + Singapore Association of the Institute of Chartered Secretaries and Administrators
- + Singapore Business Federation
- + Singapore Chinese Chamber of Commerce & Industry
- + Singapore Computer Society
- + Singapore Corporate Counsel Association
- + Singapore Hotel Association
- + Singapore Institute of Directors
- + Singapore International Chamber of Commerce
- + Singapore National Employers' Federation
- + Wireless Broadband Alliance

## GRI CONTENT INDEX

StarHub has aligned its sustainability reporting disclosures to GRI2021 standards this year, and will continuously strive to improve its disclosures.

<b>Statement of use</b>	StarHub has reported in accordance with the GRI Standards for the period 1 Jan 2022 to 31 Dec 2022.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	None; GRI Sector Standard for the Telecommunications industry is not available yet

GRI Standard	Disclosure	Location
<b>GENERAL DISCLOSURES</b>		
<b>GRI 2:</b> <b>General disclosures 2021</b>	2-1      Organizational details	AR (pg 202, 229-234). Our headquarters is in Singapore.
	2-2      Entities included in the organisation's sustainability reporting	113
	2-3      Reporting period, frequency, and contact point	113  This report publication date is March 2023.
	2-4      Restatements of information	129, 149
	2-5      External assurance	113, 173-176
	2-6      Activities, value chain and other business relationships	118-120, 162 and AR (pg 18-19, 29, 34-47, 202)  MyRepublic acquisition announced in AR2021 has been completed in FY2022. There are no significant changes in activities, value chain and other business relationship compared to FY2021.
	2-7      Employees	151,153
	2-8      Workers who are not employees	145
	2-9      Governance structure and composition	117 and AR (pg 56-63, 74)
	2-10     Nomination and selection of the highest governance body	AR (pg 80)
	2-11     Chair of the highest governance body	AR (pg79)
	2-12     Role of the highest governance body in overseeing the management of impacts	117, 121 and AR (pg 92)
	2-13     Delegation of responsibility for managing impacts	117
	2-14     Role of highest governance body in sustainability reporting	117, 121 and AR (pg 92)
	2-15     Conflicts of interest	AR (pg 62-63, 81, 97, 263, 283-285)
	2-16     Communication of critical concerns	160 and AR (pg 100)
	2-17     Collective knowledge of the highest governance body	AR (pg 76)
	2-18     Evaluation of the performance of the highest governance body	AR (pg 82)
	2-19     Renumeration policies	AR (pg 83 to 88). Other than the Central Provident Funds contributions mandated by law for Singaporean and Permanent Residents, StarHub does not provide other retirement benefits for the Board and senior executives.
	2-20     Process to determine remuneration	AR (pg 83 to 85) and please refer to our AGM minutes for results of stakeholder votes on renumeration policies and proposals.
	2-21     Annual total compensation ratio	Omitted due to confidentiality constraints.  Staff compensation is company confidential given the current competitive labour market in Singapore.
	2-22     Statement on sustainable development strategy	113
	2-23     Policy commitments	160, 162, AR (pg 100-102)
	2-24     Embedding policy commitments	144-149, 160, 162 and AR (pg 76, 90-91, 100-102)

# Sustainability Report

## GRI CONTENT INDEX

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Location</b>
<b>GRI 2: General disclosures 2021</b>	2-25	Processes to remediate negative impacts 117-120, 138-139, 152, 161, AR (pg 100)
	2-26	Mechanisms for seeking advice and raising concerns 118-120, 160, AR (pg 100)
	2-27	Compliance with laws and regulations 139, 149, 160
	2-28	Membership associations 120 A full list of our memberships and associations for FY2022 is also available on pg 164.
	2-29	Approach to stakeholder engagement 118-120
	2-30	Collective bargaining agreements 149
<b>MATERIAL TOPICS</b>		
<b>GRI 3: Material topics 2021</b>	3-1	Process to determine material topics 121
	3-2	List of material topics 121
<b>ENERGY AND CLIMATE CHANGE</b>		
<b>GRI 3: Material topics 2021</b>	3-3	Management of material topics 126 -129 and pg 118 for our engagement with stakeholders on renewable energy and energy efficient products.
<b>GRI 302: Energy 2016</b>	302-1	Energy consumption within the organization 128
	302-2	Energy consumption outside of the organization 128
	302-3	Energy intensity 128
	302-4	Reduction of energy consumption 127-128
<b>GRI 305: Emissions 2016</b>	305-1	Direct (Scope 1) GHG emissions 129
	305-2	Energy indirect (Scope 2) GHG emissions 129
	305-3	Other indirect (Scope 3) GHG emissions 129
	305-4	GHG emissions intensity 129
	305-5	Reduction of GHG emissions 127, 129
<b>CIRCULARITY</b>		
<b>GRI 3: Material topics 2021</b>	3-3	Management of material topics 131-133
<b>GRI 303: Water and effluents 2018</b>	303-3 <sup>24</sup>	Water withdrawal 133
<b>GRI 306: Waste 2020</b>	306-1	Waste generation and significant waste-related impacts 131-132
	306-2	Management of significant waste-related impacts 131-133
	306-3	Waste generated 132-133
	306-4	Waste diverted from disposal 132-133
	306-5	Waste directed to disposal 132-133
<b>GREEN TECH SOLUTIONS</b>		
<b>GRI 3: Material topics 2021</b>	3-3	Management of material topics 134-136, and pg 119 for our engagement with business partners on adoption of Green Tech solutions.
<b>GRI 203: Indirect economic impacts 2016</b>	203-2	Significant indirect economic impacts 134-136

GRI Standard	Disclosure		Location
<b>PRODUCT AND SERVICE QUALITY</b>			
GRI 3: Material topics 2021	3-3	Management of material topics	138-139
GRI 203: Indirect economic impacts 2016	203-2	Significant indirect economic impacts	138
GRI 416: Customer health and safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	139
<b>DATA PRIVACY AND CYBERSECURITY</b>			
GRI 3: Material topics 2021	3-3	Management of material topics	140, AR (pg 101-102)
GRI 418: Customer privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	140
<b>ONLINE SAFETY</b>			
GRI 3: Material topics 2021	3-3	Management of material topics	141
<b>DIGITAL INCLUSION</b>			
GRI 3: Material topics 2021	3-3	Management of material topics	142
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	142
<b>HEALTH, SAFETY AND WELL-BEING</b>			
GRI 3: Material topics 2021	3-3	Management of material topics	144-147
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	144-145
	403-2	Hazard identification, risk assessment, and incident investigation	144-145
	403-3	Occupational health services	144-145
	403-4	Worker participation, consultation, and communication on occupational health and safety	144-145
	403-5	Worker training on occupational health and safety	145
	403-6	Promotion of worker health	145, 147 and 148  Voluntary health promotion services and programmes to address major non-work-related health risks are not available for workers who are not employees.
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	145 and 162

# Sustainability Report

## GRI CONTENT INDEX

GRI Standard		Disclosure	Location
GRI 403: Occupational health and safety 2018	403-8	Workers covered by an occupational health and safety management system	144-145
	403-9	Work-related injuries	<p>146</p> <p>GRI 403-9 b to g: Omission due to information unavailable/incomplete for workers who are not employees but whose work and/or workplace is controlled by the organisation.</p> <p>This is the first year that StarHub is disclosing data on all workers who are not employees, and the health and safety information are not fully captured within our data collection processes. We are working towards collecting the required data for workers who are not employees and will report it as soon as practicable in future reports.</p>
	403-10	Work-related ill health	<p>146</p> <p>GRI 403-10 b to g: Omission due to information unavailable/incomplete for workers who are not employees but whose work and/or workplace is controlled by the organisation.</p> <p>This is the first year that StarHub is disclosing data on all workers who are not employees, and the health and safety information are not fully captured within our data collection processes. We are working towards collecting the required data for workers who are not employees and will report it as soon as practicable in future reports.</p>
<b>TALENT MANAGEMENT</b>			
GRI 3: Material topics 2021	3-3	Management of material topics	148-153
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	151
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	148
	401-3	Parental leave	151
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	151
	404-2	Programmes for upgrading employee skills and transition assistance programmes	150
	404-3	Percentage of employees receiving regular performance and career development reviews	148
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	153
	405-2	Ratio of basic salary and renumeration of women to men	153
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	152

GRI Standard	Disclosure		Location
<b>BUSINESS CONDUCT AND ETHICS</b>			
<b>GRI 3: Material topics 2021</b>	3-3	Management of material topics	160
<b>GRI 205: Anti-corruption 2016</b>	205-1	Operations assessed for risks related to corruption	There is no operation assessed this year; we are currently working to incorporate corruption risk assessment as part of our existing compliance assessment process and will report on progress in future reports.
	205-2	Communication and training about anti-corruption policies and procedures	160, 162 and AR (pg 76). For the Board, corporate governance policies communication and training (including anti-corruption) are provided as part of Board orientation.
	205-3	Confirmed incidents of corruption and actions taken	160
<b>GRI 206: Anti-competitive behavior 2016</b>	206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	160
<b>RESPONSIBLE SELLING</b>			
<b>GRI 3: Material topics 2021</b>	3-3	Management of material topics	161
<b>GRI 417: Marketing and Labeling 2016</b>	417-2	Incidents of non-compliance concerning product and service information and labeling	161
	417-3	Incidents of non-compliance concerning marketing communications	161
<b>SUPPLY CHAIN MANAGEMENT</b>			
<b>GRI 3: Material topics 2021</b>	3-3	Management of material topics	162
<b>GRI 204: Procurement Practices 2016</b>	204-1	Proportion of spending on local suppliers	162
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1	New suppliers that were screened using environmental criteria	162
	308-2	Negative environmental impacts in the supply chain and actions taken	Omitted due to information unavailable/incomplete.  StarHub is still working on conducting assessment for environmental impacts based on the information received in our SAQ and the results are not available yet. We aim to complete the assessment for our first-tier suppliers and report our assessment progress in future reports.
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1	New suppliers that were screened using social criteria	162
	414-2	Negative social impacts in the supply chain and actions taken	Omitted due to information unavailable/incomplete.  StarHub is still working on conducting assessment for social impacts based on the information received in our SAQ and the results are not available yet. We aim to complete the assessment for our first-tier suppliers and report our assessment progress in future reports.

# Sustainability Report

## SASB INDEX

Code	Metric Description	Unit of Measure	2022
<b>ACTIVITY METRIC</b>			
TC-TL-000.A	Number of wireless subscribers	Number	2,156,000
TC-TL-000.B	Number of wireline subscribers	Number	239,000
TC-TL-000.C	Number of broadband subscribers	Number	578,000
TC-TL-000.D	Network traffic	Petabytes	3,431
<b>Environmental Footprint of Operations</b>			
TC-TL-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), Percentage (%)	498,244 Grid: 89% Renewable: 10%  *Remaining 1% is fuel
<b>Data Privacy</b>			
TC-TL-220a.1	Description of policies and practices relating to behavioural advertising and customer privacy	n/a	Refer to report pg 140, 161 and AR (pg 101-102).
TC-TL-220a.2	Number of customers whose information is used for secondary purposes	Number	StarHub complies with our PDPA obligations with regards to giving customers choice over how their information is used. Refer to report pg 140 and 161.
TC-TL-220a.3	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Reporting currency – Singapore Dollar (SGD)	0
TC-TL-220a.4	(1) Number of law enforcement requests for customer information, (2) number of customers whose information was requested, (3) percentage resulting in disclosure	Number, Percentage (%)	Unable to disclose due to confidentiality obligations.
<b>Data Security</b>			
TC-TL-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	Number, Percentage (%)	0
TC-TL-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	n/a	Refer to report pg 140 and AR (pg 101-102).

Code	Metric Description	Unit of Measure	2022
<b>Product End-of-life Management</b>			
TC-TL-440a.1	(1) Materials recovered through take back programmes, percentage of recovered materials that were (2) reused, (3) recycled, and (4) landfilled	Metric tons (t), Percentage (%)	Internal e-waste: 144.9 External e-waste: 11.3 Reuse: 0% Recycled: 100% Landfilled: 0%
<b>Competitive Behaviour &amp; Open Internet</b>			
TC-TL-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behaviour regulations	Reporting currency – Singapore Dollar (SGD)	0
TC-TL-520a.2	Average actual sustained download speed of (1) owned and commercially-associated content and (2) non-associated content	Megabits per second (Mbps)	The speeds are non-specific to our owned content or other non-associated content.
TC-TL-520a.3	Description of risks and opportunities associated with net neutrality, paid peering, zero rating, and related practices	n/a	StarHub complies with IMDA's Net Neutrality Policy.
<b>Managing Systemic Risks from Technology Disruptions</b>			
TC-TL-550a.1	(1) System average interruption frequency and (2) customer average interruption duration	Disruptions per customer, Hours per customer	StarHub does not report on these metrics defined by the standard. Please refer to report pg 138 on our network and broadband services availability.
TC-TL-550a.2	Discussion of systems to provide unimpeded service during service interruptions	n/a	Refer to report pg 138-139.

# Sustainability Report

## TCFD INDEX

TCFD Pillar	TCFD recommendations	2022 Disclosures
Governance	Describe the Board's oversight of climate-related risks and opportunities.	Please refer to Sustainability Governance, page 117.
	Describe Management's role in assessing and managing climate-related risks and opportunities.	
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Please refer to Our TCFD progress, page 130 and Energy and Climate Change, page 126-127.
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
Risk Management	Describe the organisation's processes for identifying and assessing climate-related risks.	
	Describe the organisation's processes for managing climate-related risks.	
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
Metrics & Targets	Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process.	Please refer to Energy and Climate Change, page 126-129.
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.	
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	

## INDEPENDENT LIMITED ASSURANCE REPORT

### To the Directors of StarHub Ltd

We were engaged by the Board of Directors of StarHub Ltd (the Company) to provide limited assurance on the accompanying StarHub Sustainability Report 2022 for the year ended 31 December 2022 (the Report), and the selected Global Reporting Initiative Sustainability Reporting Standards disclosures (Selected GRI Disclosures) as identified below.

### Conclusion

Based on the evidence we obtained from the procedures performed as described in the *Auditors' Responsibilities* section of our report, nothing has come to our attention that causes us to believe that:

- (a) the Report has not described the sustainability practices on a comply-or-explain basis with reference to the following components as listed under Rule 711B of the Singapore Exchange's (SGX) Listing Manual;
  - + Material environmental, social and governance factors;
  - + Policies, practices and performance;
  - + Targets;
  - + Sustainability reporting framework; and
  - + Board statement and associated governance structure for sustainability practices.
- (b) the Selected GRI Disclosures as identified in the table below, are not presented, in all material respects, in accordance with the relevant topic-specific disclosures requirements in the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards); and
- (c) the Selected GRI Disclosures as identified in the table below, are not calculated, in all material respects, in accordance with the relevant topic-specific disclosures requirements in the GRI Standards.

Material Topic	GRI Standards topic-specific disclosure	Selected GRI Disclosures
Energy	GRI 302-1 (2016)	Energy consumption within the organisation 498,244 gigajoules (GJ)
	GRI 302-2 (2016)	Energy consumption outside of the organisation 76,694 gigajoules (GJ)
	GRI 302-3 (2016)	Energy intensity 214 GJ per \$million revenue (for energy consumption within the organisation)
	GRI 302-4 (2016)	Reduction of energy consumption Decreased by 3.9% (from 2021)
Water Use	GRI 303-3 (2018)	Water withdrawal 9.57 megalitres
Emissions	GRI 305-1 (2016)	Direct (Scope 1) GHG emissions 1,187 tCO <sub>2e</sub>
	GRI 305-2 (2016)	Energy indirect (Scope 2) GHG emissions (location-based) 55,661 tCO <sub>2e</sub>
	GRI 305-2 (2016)	Energy indirect (Scope 2) GHG emissions (market-based) 50,079 tCO <sub>2e</sub>
	GRI 305-3 (2016)	Other indirect (Scope 3) GHG emissions 17,615 tCO <sub>2e</sub>
	GRI 305-4 (2016)	GHG emissions intensity 22.0 tCO <sub>2e</sub> per \$million revenue
	GRI 305-5 (2016)	Reduction of GHG emissions Decreased by 8.4% (from 2021 baseline)
Waste	GRI 306-3 (2020)	Waste generated <b>Internal e-waste recycled:</b> 144.9 tonnes <b>Paper recycled:</b> 1.5 tonnes <b>Non-hazardous general waste disposed:</b> 18.5 tonnes
	GRI 306-4 (2020)	Waste diverted from disposal <b>Internal e-waste recycled:</b> 144.9 tonnes <b>Paper recycled:</b> 1.5 tonnes

# Sustainability Report

Material Topic		GRI Standards topic-specific disclosure	Selected GRI Disclosures				
			Gender	Male	Female	Total	
			Number of new hires	263	203	466	
Employment	GRI 401-1 (2016)	New employee hires and employee turnover	Rate of new hires	26%	28%	27%	
			Number of turnovers	202	178	380	
			Rate of turnover	20%	25%	22%	
			Age Group	<30	30-50	>50	
			Number of new hires	125	306	35	
			Rate of new hires	73%	24%	13%	
			Number of turnovers	79	272	29	
			Rate of turnover	46%	21%	10%	
						Total	
						22%	
Talent Management	GRI 404-1 (2016)	Average hours of training per year per employee			Male	Female	
			Senior Management		9.49	12.05	
			Middle Management		12.35	15.10	
			Function Employees		5.95	7.71	
			Overall		7.90	9.26	
Equality, Diversity, and Inclusion	GRI 405-1 (2016)	Diversity of governance bodies and employees	Gender	Male	Female		
			Board		75%	25%	
			Senior Management		68%	32%	
			Middle Management		68%	32%	
			Function Employees		55%	45%	
			Overall Workforce (excl. Board)		58%	42%	
			Age Group	<30	30-50	>50	
			Board	0%	8%	92%	
			Senior Management	0%	63%	37%	
			Middle Management	2%	75%	23%	
			Function Employees	13%	74%	13%	
			Overall Workforce (excl. Board)	10%	74%	16%	
			Ethnic Group	Chinese	Malay	Indian	Others
			Board	42%	0%	25%	33%
			Senior Management	68%	0%	15%	17%
			Middle Management	78%	1%	12%	9%
			Function Employees	69%	10%	6%	15%
			Overall Workforce (excl. Board)	71%	7%	8%	14%
Equality, Diversity, and Inclusion	GRI 405-2 (2016)	Ratio of the basic salary and remuneration of women to men	Ratio of Base Salary	Female	Male		
			Senior Management		1	1.206	
			Middle Management		1	1.021	
			Function Employees		1	1.011	
			Overall		1	1.175	

Material Topic	GRI Standards topic-specific disclosure	Selected GRI Disclosures	
<b>Workplace Health and Safety</b>	GRI 403-9 (2018)	Work-related injuries	
		<b>Workplace Health and Safety</b>	
		Number of Workplace Accidents	
		1.2	
		<b>Workplace Injury Severity Rate</b>	
		Number of Man Days Lost	
		36	
		Workplace injury severity rate	
		11	
		<b>Workplace Injury Incidence Rate</b>	
<b>Equality, Diversity &amp; Inclusion</b>	GRI 406-1 (2016)	Number of Workplace Injuries	
		Workplace injury incidence rate	
		233	
<b>Procurement practices</b>	GRI 204-1 (2016)	<b>Workplace Fatalities</b>	
		Number of Workplace Fatalities	
		0	
		<b>Occupational Disease</b>	
		Number of Occupational Disease Incidences	
		0	
<b>Incidents of discrimination and corrective actions taken:</b> 0 cases			
<b>Share of local suppliers as a percentage of total supplier payments:</b> 82%			
<b>Proportion of local suppliers as a percentage of total suppliers:</b> 84%			

### Basis for Conclusion

We conducted our limited assurance engagement in accordance with Singapore Standard on Assurance Engagement 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* (SSAE 3000). Our responsibilities are further described in the *Auditors' Responsibilities* section of our report.

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Singapore Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Responsibilities of Management

Management is responsible for:

- preparing and presenting the Report in accordance with the GRI Standards and Rule 711B of the SGX Listing Manual, and the information and assertions contained within it;
- determining the Company's objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues;
- establishing and maintaining appropriate internal control systems that enable the preparation and presentation of the Report and the selected GRI disclosures that are free from material misstatement, whether due to fraud or error;
- preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities; and
- ensuring that staff involved with the preparation and presentation of the Report are properly trained, information systems are properly updated and that any changes in reporting encompass all significant reporting units.

The directors' responsibilities include overseeing the Company's sustainability reporting process.

# Sustainability Report

## Auditors' Responsibilities

Our responsibility is to carry out a limited assurance engagement in accordance with SSAE 3000 and to express a conclusion based on the work performed. SSAE 3000 requires that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement. The extent of our work performed depends on our professional judgement and our assessment of the engagement risk.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

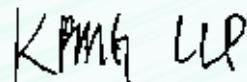
- Inquiries of management to gain an understanding of the Company's processes for determining the material issues for the Company's key stakeholder groups;
- Interviews with relevant staff at the Company and selected business unit level concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- Interviews with relevant staff at the corporate and business unit level responsible for providing the information in the Report;
- Inquiries about the design and implementation of the systems and methods used to collect and report on the GRI Disclosures, including the aggregation of the reported information;
- Comparison of the GRI Disclosures presented in the Report to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been appropriately included in the GRI Disclosures; and
- Reading of the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of the Company.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

## Restriction on use

This report has been prepared for the Directors of StarHub Ltd for the purpose of providing an assurance conclusion on the Report and Selected GRI Disclosures and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of StarHub Ltd, or for any other purpose than that for which it was prepared.

The logo for KPMG LLP, featuring the letters 'KPMG' in a bold, italicized font above the letters 'LLP' in a smaller, regular font.

### KPMG LLP

Public Accountants and  
Chartered Accountants

Singapore  
6 March 2023

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# Directors' statement

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2022.

In our opinion:

- (a) the financial statements set out on pages 193 to 282 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and the financial performance and the cash flows of the Group, and changes in equity of the Group and of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## DIRECTORS

The directors in office at the date of this statement are as follows:

Olivier Lim Tse Ghow	(Chairman) ( <i>Appointed on 12 February 2022</i> )
Nikhil Oommen Jacob Eapen	
Ma Kah Woh	
Nihal Vijaya Devadas Kaviratne	
Nayantara Bali	
Michelle Lee Guthrie	
Ng Shin Ein	
Lionel Yeo Hung Tong	
Teo Ek Tor	
Stephen Geoffrey Miller	
Naoki Wakai	
Ahmad Abdulaziz A A Al-Neama	

## DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 ("the Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants, share options and share awards in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Names of director and corporation in which interests are held	Direct interest		Deemed interest	
	At 01.01.2022 or at date of appointment	At 31.12.2022	At 01.01.2022 or at date of appointment	At 31.12.2022

### The Company

#### Ordinary shares

Olivier Lim Tse Ghow	1,000,000 <sup>(1)</sup>	1,000,000 <sup>(1)</sup>	–	–
Nikhil Oommen Jacob Eapen	–	103,000	730,000	730,000
Ma Kah Woh	106,480	147,780	–	–
Nihal Vijaya Devadas Kaviratne	123,400	178,800	–	–
Nayantara Bali	55,400	93,300	–	–
Michelle Lee Guthrie	82,900	119,500	–	–
Ng Shin Ein	56,500	91,800	–	–
Lionel Yeo Hung Tong	39,400	71,200	–	–

**DIRECTORS' INTERESTS (CONTINUED)**

Names of director and corporation in which interests are held	Direct interest		Deemed interest	
	At 01.01.2022 or at date of appointment	At 31.12.2022	At 01.01.2022 or at date of appointment	At 31.12.2022
<b>The Company</b>				
<i>Ordinary shares</i>				
Teo Ek Tor	285,138	307,838	—	—
Stephen Geoffrey Miller	116,000	168,100	—	—
Ahmad Abdulaziz A A Al-Neama	—	8,400	—	—
<b>Related Corporations</b>				
<b>CapitaLand Ascendas REIT Management Limited</b>				
<i>Units in CapitaLand Ascendas REIT</i>				
Olivier Lim Tse Ghow	1,350,000	—	54,131	54,131
<b>CapitaLand Ascott Trust Management Limited</b>				
<i>Units in CapitaLand Ascott Trust</i>				
Olivier Lim Tse Ghow	—	—	95,000	95,000
<b>CapitaLand China Trust Management Limited</b>				
<i>Units in CapitaLand China Trust</i>				
Olivier Lim Tse Ghow	—	—	101,012	101,012
<b>CapitaLand Integrated Commercial Trust Management Limited</b>				
<i>Units in CapitaLand Integrated Commercial Trust</i>				
Olivier Lim Tse Ghow	—	—	96,800	96,800
<b>Datameer, Inc.</b>				
<i>Share Options</i>				
Stephen Geoffrey Miller	1,146,953 <sup>(2)</sup>	1,146,953 <sup>(2)</sup>	—	—
<b>Mapletree Industrial Trust Management Ltd.</b>				
<i>Units in Mapletree Industrial Trust</i>				
Olivier Lim Tse Ghow	—	—	63,000	63,000
Ma Kah Woh	638,055	867,402	—	—
<b>Mapletree Logistics Trust Management Ltd.</b>				
<i>Units in Mapletree Logistics Trust</i>				
Olivier Lim Tse Ghow	—	—	98,801	98,801
Ma Kah Woh	1,650,227	1,750,227	—	—

# Directors' Statement (Continued)

## DIRECTORS' INTERESTS (CONTINUED)

Names of director and corporation in which interests are held	Direct interest		Deemed interest	
	At 01.01.2022 or at date of appointment	At 31.12.2022	At 01.01.2022 or at date of appointment	At 31.12.2022
<b>Related Corporations</b>				
<b>Mapletree North Asia Commercial Trust Management Ltd.</b>				
<i>Units in Mapletree North Asia Trust</i>				
<i>(Merged with Mapletree Commercial Trust and delisted from SGX-ST on 3 August 2022)</i>				
Olivier Lim Tse Ghow	1,169,900	-	176,000	-
Ma Kah Woh	1,232,527	-	100,000	-
<b>MPACT Management Ltd.</b>				
<i>Units in Mapletree Pan Asia Commercial Trust</i>				
Olivier Lim Tse Ghow	-	-	74,970	179,918
Ma Kah Woh	645,246	745,246	-	-
<b>Olam Group Limited ("OGL")</b>				
<i>(Commenced trading on the Mainboard of the SGX-ST, and succeeded OIL as the listed entity)</i>				
<i>Ordinary Shares</i>				
Nihal Vijaya Devadas Kaviratne	-	373,188	-	-
<b>Olam International Limited ("OIL")</b>				
<i>(Delisted from the Mainboard of the SGX-ST and succeeded by OGL as the listed entity on 16 March 2022)</i>				
<i>Ordinary Shares</i>				
Nihal Vijaya Devadas Kaviratne	59,388	-	-	-
<b>Singapore Technologies Telemedia Pte Ltd</b>				
<i>Debentures</i>				
Stephen Geoffrey Miller	S\$250,000 <sup>(3)</sup>	S\$250,000 <sup>(3)</sup>	-	-
<b>Singapore Telecommunications Limited</b>				
<i>Ordinary Shares</i>				
Olivier Lim Tse Ghow	1,610	1,610	1,360	1,360
Nikhil Oommen Jacob Eapen	750	750	-	-
Ma Kah Woh	190	190	190	190
Lionel Yeo Hung Tong	750	750	-	-
<b>TeleChoice International Limited</b>				
<i>Ordinary Shares</i>				
Stephen Geoffrey Miller	251,000	351,000	-	-

**DIRECTORS' INTERESTS (CONTINUED)**

Names of director and corporation in which interests are held	Direct interest		Deemed interest	
	At 01.01.2022 or at date of appointment	At 31.12.2022	At 01.01.2022 or at date of appointment	At 31.12.2022
<b>The Company</b>				
<i>Conditional awards of shares under StarHub Performance Share Plan</i>				
Nikhil Oommen Jacob Eapen	622,000 <sup>(4)</sup> —	622,000 <sup>(4)</sup> 632,000 <sup>(5)</sup>	—	—
<i>Conditional awards of shares under StarHub Restricted Stock Plan</i>				
Nikhil Oommen Jacob Eapen	309,000 <sup>(6)</sup> —	206,000 <sup>(6)</sup> 402,000 <sup>(7)</sup>	—	—

<sup>(1)</sup> Held by a nominee.<sup>(2)</sup> Share Option under Datameer, Inc. 2009 Stock Plan held in trust for STT inTech Pte. Ltd. The share option is exercisable at US\$1.56 per share and expires on 15 November 2027.<sup>(3)</sup> 5% Subordinated Perpetual Securities under Singapore Technologies Telemedia Pte Ltd's S\$2,000,000,000 Multicurrency Debt Issuance Programme.<sup>(4)</sup> A conditional award was granted in August 2021. The performance period is from 2021 to 2023. No shares will be delivered if the threshold performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the performance targets are met or exceeded.<sup>(5)</sup> A conditional award was granted in June 2022. The performance period is from 2022 to 2024. No shares will be delivered if the threshold performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the performance targets are met or exceeded.<sup>(6)</sup> A conditional award was granted in March 2021. The performance period was over the one year of 2021. The final award was granted in March 2022 based on the actual level of achievement of the pre-determined performance targets. The shares under the final award were partially delivered in 2022, and the balance will be delivered in phases according to the stipulated vesting periods.<sup>(7)</sup> A conditional award was granted in June 2022. The performance period was over the one year of 2022. No shares will be delivered if the threshold performance targets are not achieved, while up to the number of shares that are the subject of the award will be delivered if the performance targets are met or exceeded.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants, share options or share awards of the Company, or of its related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

There were no changes in the above-mentioned directors' interests in the Company between the end of the financial year and 21 January 2023 except for the following changes in interests in the Company held by Mr Nikhil Oommen Jacob Eapen:

Names of director and corporation in which interests are held	Direct interest		Deemed interest	
	At 01.01.2023	At 21.01.2023	At 01.01.2023	At 21.01.2023
<b>The Company</b>				
<i>Ordinary shares</i>				
Nikhil Oommen Jacob Eapen	103,000	206,000	—	—
<i>Conditional awards of shares under StarHub Restricted Stock Plan</i>				
Nikhil Oommen Jacob Eapen	206,000 <sup>(8)</sup>	103,000 <sup>(8)</sup>	—	—

<sup>(8)</sup> A conditional award was granted in March 2021. The performance period was over the one year of 2021. The final award was granted in March 2022 based on the actual level of achievement of the pre-determined performance targets. The shares under the final award were partially delivered in 2022 and 2023, and the balance will be delivered in phases according to the stipulated vesting periods.

# Directors' Statement (Continued)

## DIRECTORS' INTERESTS (CONTINUED)

Except as disclosed under the "Share-based Payments" section of this statement, neither at the end of nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## SHARE-BASED PAYMENTS

The Company has in place the StarHub Performance Share Plan 2014 and the StarHub Restricted Stock Plan 2014 (collectively, "StarHub Share Plans 2014", and each, "StarHub PSP 2014" and "StarHub RSP 2014" respectively). The StarHub Share Plans 2014 were approved and adopted at the Extraordinary General Meeting of the Company held on 14 April 2014.

The StarHub Share Plans 2014 are administered by the Company's Executive Resource and Compensation Committee ("ERCC") comprising three directors, namely Michelle Lee Guthrie, Lionel Yeo Hung Tong and Stephen Geoffrey Miller.

The Company designates Singapore Technologies Telemedia Pte Ltd as its parent company ("Parent Company") for purposes of the Plans.

### StarHub Share Plans 2014

- (i) The StarHub Share Plans 2014 were implemented with the objectives of motivating key executives to strive for superior performance and sustaining long-term growth for the Group.
- (ii) The following persons were/shall be eligible to participate in the StarHub Share Plans, respectively at the absolute discretion of the ERCC:
  - (1) employees (including executive directors) and non-executive directors of the Group;
  - (2) employees (including executive directors) and non-executive directors of the Parent Group who meet the relevant age and rank criteria and whose services have been seconded to a company within the Group and who shall be regarded as an employee of the Group for the purposes of the StarHub Share Plans; and
  - (3) employees and non-executive directors of the Company's associated companies, who in the opinion of the ERCC, have contributed or will contribute to the success of the Group.
- (iii) Under the StarHub PSP 2014, awards of shares are granted on an annual basis, conditional on targets set for a performance period, currently prescribed to be a three-year period. Awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the participant achieving prescribed performance targets set based on medium-term corporate objectives.

Awards are released once the ERCC is satisfied that the prescribed performance targets have been achieved. The actual number of shares given will depend on the level of achievement of the prescribed performance targets over the performance period.

Since the commencement of the StarHub PSP 2014 to the financial year ended 31 December 2022, conditional awards aggregating 8,872,500 shares have been granted under the aforesaid plan. For share awards granted prior to and during the financial year ended 31 December 2016, no shares will be delivered if the threshold performance targets are not achieved, while up to 1.825 times the number of shares that are the subject of the award will be delivered if the stretch performance targets are met or exceeded. The performance targets benchmark (a) the performance of the Company's Total Shareholders' Return ("TSR") measured against the MSCI Asia-Pacific Telecommunications Index (including Japan) over the performance period, and (b) the Wealth Added which measures investment performance in terms of the Company's TSR against shareholders' expected returns using cost of equity as a benchmark.

For share awards granted during and from the financial year ended 31 December 2017 to financial year ended 31 December 2018, no shares will be delivered if the threshold performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the stretch performance targets are met or exceeded. The performance targets benchmark (a) Returns on Invested Capital ("ROIC"), and (b) the Wealth Added which measures investment performance in terms of the Company's TSR against shareholders' expected returns using cost of equity as a benchmark.

## SHARE-BASED PAYMENTS (CONTINUED)

### *StarHub Share Plans 2014 (continued)*

For share awards granted during and after the financial year ended 31 December 2019, no share awards will be delivered if the performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the stretch performance targets are met or exceeded. The performance targets benchmark (a) Absolute TSR against Cost of Equity hurdles (i.e. measure of Wealth added), and (b) the Relative TSR against selected peers from the MSCI Asia Pacific Telecommunications Index, and (c) Transformation Key Performance Indicators reflective of the strategic growth objectives of StarHub.

Details of share awards granted under the StarHub PSP 2014 are as follows:

Participants	Share awards granted during the financial year	Aggregate share awards granted since commencement of the StarHub PSP 2014 to 31 December 2022	Share awards vested during the financial year	Aggregate share awards outstanding as at 31 December 2022
<b><i>StarHub PSP 2014</i></b>				
Key executives	1,648,000	8,872,500	603,000	3,465,111

- (iv) Under the StarHub RSP 2014, awards granted vest only after the satisfactory completion of time-based service conditions (time-based restricted awards) or where the award is performance-related, after a further period of service beyond the performance period (performance-based restricted awards).

No minimum vesting periods are prescribed under the StarHub RSP 2014 and the length of the vesting period in respect of each award will be determined on a case-by-case basis. Performance-based restricted awards differ from awards granted under the StarHub PSP 2014 in that an extended vesting period is imposed beyond the performance period.

The performance-based restricted awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the participant achieving prescribed performance targets. The actual number of shares to be released depends on the level of attainment of the performance targets over the performance period.

For performance-based restricted awards granted prior to and during financial year ended 31 December 2016, the performance targets used were measured against the ROIC and the Earnings Before Interest, Taxation, Depreciation and Amortisation ("EBITDA").

For performance-based restricted awards granted during and from financial year ended 31 December 2017 to financial year ended 31 December 2018, the performance targets used were aligned to the overall strategic financial and operational goals of the Group.

For performance-based restricted awards granted during and from financial year ended 31 December 2019 onwards, the performance targets used are measured against the ROIC.

Since the commencement of the StarHub RSP 2014 to the financial year ended 31 December 2022:

- (1) performance-based restricted awards aggregating 23,110,350 shares have been granted under the aforesaid plan. For share awards granted prior to and during the financial year ended 31 December 2016, no shares will be delivered if the threshold performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award, will be delivered if the stretch performance targets are met or exceeded. For share awards granted during and after the financial year ended 31 December 2017, no shares will be delivered if the threshold performance target are not achieved, while up to the number of shares that are the subject of the award will be delivered if the stretch performance targets are met or exceeded;
- (2) restricted awards aggregating 2,111,300 shares have been granted to non-executive directors of the Company as part of their directors' remuneration, and were vested immediately upon grant;

# Directors' Statement (Continued)

## SHARE-BASED PAYMENTS (CONTINUED)

### *StarHub Share Plans 2014 (continued)*

- (3) a time-based restricted award of 32,500 shares has been granted on 8 July 2015. The shares under this award were vested in two equal tranches over a 2-year period from 8 July 2015 to 7 July 2017 according to a specified vesting schedule;
- (4) a time-based restricted award of 240,000 shares has been granted on 20 May 2016. The shares under this award were vested in two equal tranches over a period from 20 May 2016 to 7 July 2017 according to a specified vesting schedule;
- (5) a time-based restricted award of 592,590 shares has been granted on 15 March 2017. The shares under this award were vested in two equal tranches over a period from 15 March 2017 to 15 January 2018;
- (6) a time-based restricted award of 400,000 shares has been granted on 6 April 2017. The shares under this award were vested in three tranches over a 3-year period from 13 April 2018 to 15 April 2020; and
- (7) a time-based restricted award of 118,700 shares has been granted on 7 September 2018. The shares under this award were vested in one tranche on 9 July 2019.

Details of share awards granted under the StarHub RSP 2014 are as follows:

Participants	Share awards granted during the financial year	Aggregate share awards granted since commencement of the StarHub RSP 2014 to 31 December 2022	Share awards vested during the financial year	Aggregate share awards outstanding as at 31 December 2022
<b>StarHub RSP 2014</b>				
<b>Non-executive directors:</b>				
Steven Terrell Clontz <sup>(a)</sup>	66,500	326,500	66,500	—
Olivier Lim Tse Ghow <sup>(b)</sup>	—	—	—	—
Ma Kah Woh	41,300	169,200	41,300	—
Nihal Vijaya Devadas Kaviratne	55,400	255,700	55,400	—
Nayantara Bali	37,900	93,300	37,900	—
Michelle Lee Guthrie	36,600	119,500	36,600	—
Ng Shin Ein	35,300	91,800	35,300	—
Lionel Yeo Hung Tong	31,800	71,200	31,800	—
Teo Ek Tor	22,700	177,200	22,700	—
Stephen Geoffrey Miller	52,100	168,100	52,100	—
Ahmad Abdulaziz A A Al-Neama	8,400	8,400	8,400	—
<b>Key employees</b>	<b>4,146,700</b>	<b>24,494,140</b>	<b>2,506,584</b>	<b>6,499,483</b>

<sup>(a)</sup> Steven Terrell Clontz retired as a Director on 1 January 2023.

<sup>(b)</sup> Olivier Lim Tse Ghow was appointed as a Director on 12 February 2022.

During the financial year, a total of 3,527,184 treasury shares were transferred pursuant to the StarHub Share Plans 2014.

As at 31 December 2022, no participant has been granted and/or received shares pursuant to the release of awards granted under the StarHub Share Plans 2014, which, in aggregate, represents 5% or more of the aggregate of:

- (a) the total number of new shares available under the StarHub Share Plans 2014 collectively; and
- (b) the total number of existing shares delivered pursuant to awards released under the StarHub Share Plans 2014 collectively.

## AUDIT COMMITTEE

The members of the Audit Committee as at the date of this statement are as follows:

Ma Kah Woh, independent non-executive director (Chairman)

Nihal Vijaya Devadas Kaviratne, lead independent non-executive director

Ng Shin Ein, independent non-executive director

Teo Ek Tor, non-executive director

The Audit Committee has held four meetings since the last directors' statement. In performing its functions in accordance with Section 201B of the Companies Act 1967, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Group's internal accounting control system.

The Audit Committee has also reviewed the following:

- (1) assistance provided by the Company's officers to the internal and external auditors;
- (2) financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- (3) interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited) of the Company and its subsidiaries and the Company's compliance with the review procedures of such transactions.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee has undertaken a review of all non-audit services provided by the external auditors, and is satisfied that the independence, objectivity and effectiveness of the external auditors are not compromised as a result thereof and has recommended to the Board of Directors that KPMG LLP be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

# Directors' Statement (Continued)

## AUDITORS

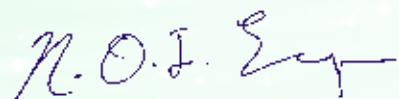
The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

These directors' statement and financial statements were authorised for issuance on 6 March 2023 in accordance with a resolution of the Board of Directors of StarHub Ltd.

On behalf of the Board of Directors



Olivier Lim Tse Ghow  
*Director*



Nikhil Oommen Jacob Eapen  
*Director*

**Singapore**  
6 March 2023

# Independent Auditors' Report

MEMBERS OF THE COMPANY STARHUB LTD

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### *Opinion*

We have audited the financial statements of StarHub Ltd (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement of the Group, and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 193 to 282.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group, and changes in equity of the Company for the year ended on that date.

### *Basis for opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# Independent Auditors' Report (Continued)

MEMBERS OF THE COMPANY STARHUB LTD

<b>Revenue recognition (\$2,327.3 million)</b> <i>(Refer to Note 3.9 'Significant accounting policies' and Note 23 'Revenue')</i>	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>The Group derives revenues mainly from the provision of Mobile, Entertainment, Broadband, Enterprise Business and sales of equipment.</p> <p>Owing to a wide variety of products and services, different pricing models, including varying rebate and discount schemes, together with complexities in telecommunication systems and significant volume of data processed, could result in revenues to not be accurately recorded.</p> <p>IT systems and configurations, and business processes and controls are put in place to capture revenue correctly, and to deal with changes arising from new service and product offerings. There is however a lag in identifying and implementing the necessary changes to IT configurations to capture revenue correctly.</p> <p>Because of certain limitations with current system configuration, manual procedures and reconciliations are necessary to true-up revenue to comply with requirements of SFRS(I) 15 Revenue from Contracts with Customers. Management relies on both automated and manual controls to ensure that revenues recorded are correct.</p> <p>In view of the complexities described above, the basis of allocation of fair values to each performance obligation, and determination of the amount and timing of revenues to be recognised can be a judgemental process.</p>	<p>We obtained an understanding of various revenue streams and the recording systems, processes, and controls.</p> <p>Our audit approach included both controls testing and substantive procedures.</p> <p>Our procedures included:</p> <ul style="list-style-type: none"><li>+ Assessing the appropriateness of revenue recognition policies for products and services offered by the Group by reviewing samples of customer contracts, which included assessing the appropriateness of performance obligations identified by management, the appropriateness of the transaction price and its basis of allocation of the transaction price to the respective performance obligations identified within bundled contracts.</li><li>+ Testing the design and implementation, and operating effectiveness of controls over the capture and recording of revenue. We also tested the relevant automated controls, including interface controls between different key IT application systems.</li><li>+ Reviewing the basis of percentage of completion for selected projects and checked the accuracy of revenue recognised for these projects.</li><li>+ Testing key manual reconciliation controls over revenue recognition used by management for certain revenue streams.</li><li>+ Testing manual journal entries recorded in the general ledger relating to revenue recognition.</li></ul>
<b>Findings</b>	
There are systems and controls in place, aided by manual procedures to capture revenue to comply with relevant accounting standards.	

**Acquisition of MyRepublic Broadband Pte. Ltd. ("MR Broadband")***(Refer to Note 3.1 'Significant accounting policies' and Note 34 'Business combinations')*

<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>During the year, the Group acquired 50.1% equity interest in MR Broadband. Subsequent to the acquisition, MR Broadband became a subsidiary of the Group. The total consideration of the acquisition amounted to \$117.8 million, which includes a contingent consideration of \$46.2 million.</p> <p>Management engaged external specialists to perform the purchase price allocation, and fair valued the identified assets and liabilities of MR Broadband.</p> <p>The accounting for a business acquisition requires the Group to determine the fair values of the identifiable assets acquired and liabilities assumed as part of the acquisition. There is judgement and inherent uncertainty involved in the identification and valuation of these assets and liabilities.</p>	<p>We assessed the appropriateness of the classification of the investment and the economic interest held by the Group by examining the terms and conditions of the sale and purchase agreement and all associated agreements entered in connection with the transaction.</p> <p>We assessed the accounting treatment for the recognition of and estimation of the fair value of the contingent consideration.</p> <p>We considered the objectivity, independence and competency of management's external specialists, and the scope of their engagement.</p> <p>Together with our valuation specialist, we discussed with management and their external specialists on the purchase price allocation to understand their basis of identifying and valuing the identified assets and liabilities.</p> <p>We assessed the reasonableness of key assumptions used in the future cash flows, including revenue growth, gross profit margin and operating expenses by comparing them to historical results, market data and industry forecasts.</p> <p>We considered the adequacy of disclosures for the acquisition.</p>
<b>Findings</b>	
<p>We found the accounting treatment applied by the Group to be appropriate and complies with the relevant accounting standards, and the estimates used to allocate the purchase price to the assets acquired and liabilities assumed in the acquisition accounting and the determination of the contingent consideration to be fair.</p> <p>We also found the Group's disclosures in the financial statements to be appropriate.</p>	

# Independent Auditors' Report (Continued)

MEMBERS OF THE COMPANY STARHUB LTD

<b>Valuation of non-financial assets</b> <i>(Refer to Note 3.7(ii) 'Significant accounting policies', Note 4 'Property, plant and equipment', Note 5 'Intangible assets', Note 6 Right-of-use-assets'; Note 7 'Subsidiaries'; Note 27 'Non-operating expense')</i>	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>At 31 December 2021, the Group's statement of financial position includes goodwill predominately allocated to five cash-generating units ("CGUs") – fixed, mobile, cable and broadband operations ("Telco") CGU, D'Crypt Pte Ltd ("DPL") CGU, Ensign InfoSecurity Pte. Ltd. ("Ensign") CGU, MyRepublic Broadband Pte. Ltd. ("MR Broadband") and Strateq Sdn Bhd ("Strateq") CGU.</p> <p>Goodwill is subject to an annual impairment test or more frequently if there are indications of impairment. As the other non-financial assets relate to the same CGUs to which the goodwill is allocated to, they are included and assessed concurrently in the annual goodwill impairment test.</p> <p>The other non-financial assets are subject to impairment test when there are indicators of impairment.</p> <p>The Group and the Company performs an impairment assessment for each of the CGUs by estimating its recoverable amounts. The recoverable amount of each CGU is derived using its discounted cash flow forecast.</p> <p>Forecasting future cash flow is a highly judgemental process which involves making assumptions on revenue growth rates, margins, operating expense and discount rates.</p> <p>During the year, the Group recognised total impairment losses of \$60.1 million on non-financial assets in the consolidated income statement.</p>	<p>We evaluated the appropriateness of CGUs identified by management based on our understanding of the current business of the Group and the Company.</p> <p>We assessed management's process of setting budgets on which the cash flow forecasts are based.</p> <p>We assessed key assumptions used in the cash flow projections by comparing them against historical performance, future business plans and external market reports, and whether these were appropriately reflected in the cash flow forecasts used.</p> <p>We independently derived applicable discount rates from comparable companies and compared these with those used by management.</p> <p>We performed sensitivity and breakeven analyses, focusing on plausible changes in the key assumptions or discount rates, and analysed the impact to the carrying amount.</p> <p>We considered the appropriateness of the disclosures in the financial statements.</p>
<b>Findings</b>	
We found the identification of CGUs to be based on a reasonable basis. We found that the assumptions and resulting estimates used in determining the recoverable amounts to be within acceptable range. We found the Group's disclosure in notes to the financial statements to be appropriate.	

### ***Other information***

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of management and directors for the financial statements***

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

### ***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- + Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- + Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- + Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

# Independent Auditors' Report (Continued)

MEMBERS OF THE COMPANY STARHUB LTD

## **Auditors' responsibilities for the audit of the financial statements (continued)**

- + Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- + Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- + Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Siew Yilin.

**KPMG LLP**  
Public Accountants and  
Chartered Accountants

**Singapore**  
6 March 2023

# Statements of Financial Position

AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 \$m	2021 \$m	2022 \$m	2021 \$m
<b>Non-current assets</b>					
Property, plant and equipment	4	631.4	694.7	345.4	365.8
Intangible assets	5	809.4	712.0	69.5	69.8
Right-of-use assets	6	108.1	121.5	77.3	87.0
Subsidiaries	7	—	—	3,336.8	3,288.9
Associate	8	28.7	26.3	27.8	27.8
Joint venture	8	14.6	10.1	—	—
Other investment		5.1	5.8	5.1	5.8
Contract assets	10	39.9	66.3	2.3	1.1
Contract costs	10	3.0	2.5	0.4	0.4
Other receivables and prepayments	13	74.4	0.8	—	0.8
		1,714.6	1,640.0	3,864.6	3,847.4
<b>Current assets</b>					
Inventories	11	66.5	50.0	5.1	4.3
Contract assets	10	340.3	289.9	18.1	22.0
Contract costs	10	20.2	27.1	0.9	1.0
Trade receivables	12	242.8	192.2	159.7	139.4
Other receivables, deposits and prepayments	13	158.1	195.9	33.2	36.0
Amounts due from related parties	9	17.8	15.0	161.0	114.2
Cash and cash equivalents	14	573.6	832.8	405.6	699.4
		1,419.3	1,602.9	783.6	1,016.3
<b>Current liabilities</b>					
Contract liabilities	10	(91.1)	(63.1)	(28.8)	(19.9)
Trade and other payables	15	(823.7)	(694.4)	(372.1)	(368.4)
Amounts due to related parties	9	(42.3)	(23.6)	(394.5)	(202.1)
Borrowings	16	(136.6)	(226.2)	(120.0)	(220.0)
Lease liabilities	17	(31.8)	(29.2)	(17.0)	(15.6)
Provision for taxation		(34.7)	(57.4)	(0.4)	(22.9)
		(1,160.2)	(1,093.9)	(932.8)	(848.9)
<b>Net current assets/(liabilities)</b>		259.1	509.0	(149.2)	167.4
<b>Non-current liabilities</b>					
Contract liabilities	10	(42.2)	(38.6)	(42.2)	(38.6)
Trade and other payables	15	(60.4)	(81.2)	(26.8)	(25.5)
Borrowings	16	(1,013.6)	(1,138.5)	(934.9)	(1,054.4)
Lease liabilities	17	(86.9)	(102.8)	(65.0)	(75.5)
Deferred tax liabilities	18	(86.8)	(91.7)	(52.6)	(54.4)
		(1,289.9)	(1,452.8)	(1,121.5)	(1,248.4)
<b>Net assets</b>		683.8	696.2	2,593.9	2,766.4
<b>Equity</b>					
Share capital	19	299.7	299.7	299.7	299.7
Reserves	20	30.8	89.9	2,094.3	2,266.8
Perpetual capital securities	21	199.9	199.9	199.9	199.9
<b>Equity attributable to owners and perpetual capital securities holders</b>		530.4	589.5	2,593.9	2,766.4
Non-controlling interests	22	153.4	106.7	—	—
<b>Total equity</b>		683.8	696.2	2,593.9	2,766.4

The accompanying notes form an integral part of these financial statements.

# Consolidated Income Statement

YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$m	2021 \$m	Group
Revenue	23	2,327.3	2,042.6	
Operating expenses	24	(2,181.1)	(1,825.0)	
Other income	25	8.5	14.2	
<b>Profit from operations</b>		<b>154.7</b>	<b>231.8</b>	
Finance income	26	8.2	4.1	
Finance expense	26	(45.2)	(49.1)	
Net finance costs		(37.0)	(45.0)	
Non-operating income	27	31.4	1.3	
Non-operating expense	27	(60.1)	(3.0)	
Share of result of associate, net of tax	8	0.6	3.4	
Share of result of joint venture, net of tax	8	3.5	1.7	
		(24.6)	3.4	
Profit before taxation		93.1	190.2	
Taxation	28	(23.3)	(40.1)	
<b>Profit for the year</b>		<b>69.8</b>	<b>150.1</b>	
Profit attributable to:				
Owners of the Company		62.2	149.3	
Non-controlling interests		7.6	0.8	
<b>Profit for the year</b>		<b>69.8</b>	<b>150.1</b>	
<b>Earnings per share (in cents)</b>				
– Basic	29	3.1	8.2	
– Diluted	29	3.1	8.1	
<b>EBITDA</b>	30	<b>417.0</b>	<b>510.8</b>	

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Comprehensive Income

YEAR ENDED 31 DECEMBER 2022

	Group	
	2022 \$m	2021 \$m
<b>Profit for the year</b>	<b>69.8</b>	150.1
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Gain on disposal of rights issues of equity investment at fair value through other comprehensive income ("FVOCI")	-	1.2
Change in fair value of equity investments at FVOCI, net of taxation	(0.7)	(11.3)
	<b>(0.7)</b>	<b>(10.1)</b>
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Share of other comprehensive income of associate	1.8	-
Foreign currency translation differences	(0.2)	0.8
Translation reserve reclassified to income statement on liquidation of a subsidiary	-	(1.3)
Effective portion of changes in fair value of cash flow hedges, net of taxation	(3.7)	2.1
	<b>(2.1)</b>	<b>1.6</b>
<b>Other comprehensive income for the year, net of taxation</b>	<b>(2.8)</b>	<b>(8.5)</b>
<b>Total comprehensive income for the year</b>	<b>67.0</b>	<b>141.6</b>
Total comprehensive income attributable to:		
Owners of the Company	59.4	140.7
Non-controlling interests	7.6	0.9
<b>Total comprehensive income for the year</b>	<b>67.0</b>	<b>141.6</b>

# Statements of Changes in Equity

YEAR ENDED 31 DECEMBER 2022

Group	Share capital \$m	Treasury shares \$m	Capital reserve \$m	Goodwill written off \$m	Share-based payments reserve \$m	Fair value reserve \$m	Hedging reserve \$m	Translation reserve \$m	Retained profits \$m	Total reserves \$m	Perpetual capital securities \$m	Non-controlling interests \$m	Total equity \$m
<b>At 1 January 2022</b>	<b>299.7</b>	(1.9)	(6.9)	(276.3)	8.5	(34.8)	–	0.2	401.1	89.9	199.9	106.7	696.2
<b>Total comprehensive income for the year</b>													
Profit for the year	–	–	–	–	–	–	–	–	62.2	62.2	–	7.6	69.8
<i>Other comprehensive income</i>													
Change in fair value of equity investments at FVOCI, net of taxation	–	–	–	–	–	(0.7)	–	–	–	(0.7)	–	–	(0.7)
Share of other comprehensive income of associate, net of tax	–	–	–	–	–	–	1.8	–	–	1.8	–	–	1.8
Foreign currency translation differences	–	–	–	–	–	–	–	–	(0.2)	(0.2)	–	–	(0.2)
Effective portion of changes in fair value of cash flow hedges, net of taxation	–	–	–	–	–	–	(3.7)	–	–	(3.7)	–	–	(3.7)
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(0.7)</b>	<b>(1.9)</b>	<b>(0.2)</b>	<b>62.2</b>	<b>59.4</b>	<b>–</b>	<b>7.6</b>	<b>67.0</b>
<b>Transactions with equity holders of the Company, recognised directly in equity</b>													
Accrued perpetual capital securities distribution	–	–	–	–	–	–	–	–	(7.9)	(7.9)	7.9	–	–
Perpetual capital securities distribution paid	–	–	–	–	–	–	–	–	–	–	(7.9)	–	(7.9)
Purchase of treasury shares	–	(7.4)	–	–	–	–	–	–	–	(7.4)	–	–	(7.4)
Issue of shares pursuant to share plans	–	4.5	–	–	(4.5)	–	–	–	–	–	–	–	–
Share-based payment expenses	–	–	–	–	4.7	–	–	–	–	4.7	–	–	4.7
Tax on share-based payments	–	–	–	–	0.4	–	–	–	–	0.4	–	–	0.4
Dividends paid (Note 32)	–	–	–	–	–	–	–	–	(110.8)	(110.8)	–	(5.4)	(116.2)
Changes in ownership interests without a change of control (Note 22)	–	–	2.3	–	–	–	–	–	–	2.3	–	15.4	17.7
Others	–	–	0.2	–	–	–	–	–	–	0.2	–	–	0.2
Acquisition of subsidiaries (Note 34)	–	–	–	–	–	–	–	–	–	–	–	29.1	29.1
<b>Total transactions with equity holders of the Company</b>	<b>–</b>	<b>(2.9)</b>	<b>2.5</b>	<b>–</b>	<b>0.6</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(118.7)</b>	<b>(118.5)</b>	<b>–</b>	<b>39.1</b>	<b>(79.4)</b>
<b>At 31 December 2022</b>	<b>299.7</b>	(4.8)	(4.4)	(276.3)	9.1	(35.5)	(1.9)	–	344.6	30.8	199.9	153.4	683.8

The accompanying notes form an integral part of these financial statements.

Group	Share capital \$m	Treasury shares \$m	Capital reserve \$m	Goodwill written off \$m	Share-based payments reserve \$m	Fair value reserve \$m	Hedging reserve \$m	Translation reserve \$m	Retained profits \$m	Total reserves \$m	Perpetual capital securities \$m	Non-controlling interests \$m	Total equity \$m
<b>At 1 January 2021</b>	299.7	(1.9)	(10.0)	(276.3)	8.0	(24.7)	(2.1)	0.8	344.9	38.7	199.9	88.2	626.5
<b>Total comprehensive income for the year</b>													
Profit for the year	—	—	—	—	—	—	—	—	149.3	149.3	—	0.8	150.1
<i>Other comprehensive income</i>													
Gain on disposal of rights issues of equity investment at FVOCI	—	—	—	—	—	1.2	—	—	—	1.2	—	—	1.2
Change in fair value of equity investments at FVOCI, net of taxation	—	—	—	—	—	(11.3)	—	—	—	(11.3)	—	—	(11.3)
Foreign currency translation differences	—	—	—	—	—	—	—	0.7	—	0.7	—	0.1	0.8
Translation reserve reclassified to income statement on liquidation of a subsidiary	—	—	—	—	—	—	—	(1.3)	—	(1.3)	—	—	(1.3)
Effective portion of changes in fair value of cash flow hedges, net of taxation	—	—	—	—	—	—	2.1	—	—	2.1	—	—	2.1
<b>Total comprehensive income for the year</b>	—	—	—	—	—	(10.1)	2.1	(0.6)	149.3	140.7	—	0.9	141.6
<b>Transactions with equity holders of the Company, recognised directly in equity</b>													
Accrued perpetual capital securities distribution	—	—	—	—	—	—	—	—	(7.9)	(7.9)	7.9	—	—
Perpetual capital securities distribution paid	—	—	—	—	—	—	—	—	1.3	1.3	(7.9)	—	(6.6)
Purchase of treasury shares	—	(2.9)	—	—	—	—	—	—	—	(2.9)	—	—	(2.9)
Issue of shares pursuant to share plans	—	2.9	—	—	(2.9)	—	—	—	—	—	—	—	—
Share-based payment expenses	—	—	—	—	3.4	—	—	—	—	3.4	—	—	3.4
Dividends paid (Note 32)	—	—	—	—	—	—	—	—	(86.5)	(86.5)	—	—	(86.5)
Changes in ownership interests without a change of control (Note 22)	—	—	3.1	—	—	—	—	—	—	3.1	—	17.6	20.7
<b>Total transactions with equity holders of the Company</b>	—	—	3.1	—	0.5	—	—	—	(93.1)	(89.5)	—	17.6	(71.9)
<b>At 31 December 2021</b>	299.7	(1.9)	(6.9)	(276.3)	8.5	(34.8)	—	0.2	401.1	89.9	199.9	106.7	696.2

The accompanying notes form an integral part of these financial statements.

# Statements of Changes in Equity (Continued)

YEAR ENDED 31 DECEMBER 2022

Company	Share capital \$m	Treasury shares \$m	Share-based payments reserve \$m	Fair value reserve \$m	Retained profits \$m	Total reserves \$m	Perpetual capital securities \$m	Total equity \$m
<b>At 1 January 2022</b>	<b>299.7</b>	(1.9)	8.5	(34.8)	2,295.0	2,266.8	199.9	2,766.4
<b>Total comprehensive income for the year</b>								
Profit for the year	–	–	–	–	(50.8)	(50.8)	–	(50.8)
<i>Other comprehensive income</i>								
Change in fair value of equity investments at FVOCI, net of taxation	–	–	–	(0.7)	–	(0.7)	–	(0.7)
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(0.7)</b>	<b>(50.8)</b>	<b>(51.5)</b>	<b>–</b>	<b>(51.5)</b>
<b>Transactions with equity holders of the Company, recognised directly in equity</b>								
Accrued perpetual securities distribution	–	–	–	–	(7.9)	(7.9)	7.9	–
Perpetual securities distribution paid	–	–	–	–	–	–	(7.9)	(7.9)
Purchase of treasury shares	–	(7.4)	–	–	–	(7.4)	–	(7.4)
Issue of shares pursuant to share plans	–	4.5	(4.5)	–	–	–	–	–
Share-based payment expenses	–	–	4.7	–	–	4.7	–	4.7
Tax on share-based payments	–	–	0.4	–	–	0.4	–	0.4
Dividends paid (Note 32)	–	–	–	–	(110.8)	(110.8)	–	(110.8)
<b>Total transactions with equity holders of the Company</b>	<b>–</b>	<b>(2.9)</b>	<b>0.6</b>	<b>–</b>	<b>(118.7)</b>	<b>(121.0)</b>	<b>–</b>	<b>(121.0)</b>
<b>At 31 December 2022</b>	<b>299.7</b>	(4.8)	9.1	(35.5)	2,125.5	2,094.3	199.9	2,593.9

The accompanying notes form an integral part of these financial statements.

Company	Share capital \$m	Treasury shares \$m	Share-based payments reserve \$m	Fair value reserve \$m	Retained profits \$m	Total reserves \$m	Perpetual capital securities \$m	Total equity \$m
<b>At 1 January 2021</b>	299.7	(1.9)	8.0	(24.7)	2,185.9	2,167.3	199.9	2,666.9
<b>Total comprehensive income for the year</b>								
Profit for the year	–	–	–	–	202.2	202.2	–	202.2
<i>Other comprehensive income</i>								
Gain on disposal of rights issues of equity investment at FVOCI	–	–	–	1.2	–	1.2	–	1.2
Change in fair value of equity investments at FVOCI, net of taxation	–	–	–	(11.3)	–	(11.3)	–	(11.3)
<b>Total comprehensive income for the year</b>	–	–	–	(10.1)	202.2	192.1	–	192.1
<b>Transactions with equity holders of the Company, recognised directly in equity</b>								
Accrued perpetual securities distribution	–	–	–	–	(7.9)	(7.9)	7.9	–
Perpetual securities distribution paid	–	–	–	–	1.3	1.3	(7.9)	(6.6)
Purchase of treasury shares	–	(2.9)	–	–	–	(2.9)	–	(2.9)
Issue of shares pursuant to share plans	–	2.9	(2.9)	–	–	–	–	–
Share-based payment expenses	–	–	3.4	–	–	3.4	–	3.4
Dividends paid (Note 32)	–	–	–	–	(86.5)	(86.5)	–	(86.5)
<b>Total transactions with equity holders of the Company</b>	–	–	0.5	–	(93.1)	(92.6)	–	(92.6)
<b>At 31 December 2021</b>	299.7	(1.9)	8.5	(34.8)	2,295.0	2,266.8	199.9	2,766.4

# Consolidated Cash Flow Statement

YEAR ENDED 31 DECEMBER 2022

	2022 \$m	2021 \$m
<b>Cash flow from operating activities</b>		
Profit before taxation	93.1	190.2
Adjustments for:		
Depreciation and amortisation	266.5	279.0
Share-based payments	4.7	3.4
Net finance costs	37.0	45.0
(Gain)/Loss on disposal of plant and equipment and intangible assets	(0.6)	1.2
Non-operating income	(31.4)	(1.3)
Non-operating expense	60.1	3.0
Share of profit of associate, net of tax	(0.6)	(3.4)
Share of profit of joint venture, net of tax	(3.5)	(1.7)
	<b>425.3</b>	515.4
Changes in:		
Inventories	(4.5)	29.9
Contract assets	(11.8)	32.4
Contract costs	6.5	9.2
Trade receivables	(32.4)	0.6
Other receivables, deposits and prepayments	(62.3)	9.5
Contract liabilities	23.2	5.7
Trade and other payables	84.2	143.7
Amounts due from related parties	(2.7)	4.3
Amounts due to related parties	18.5	(10.7)
Cash generated from operations	<b>444.0</b>	740.0
Income tax paid	(60.3)	(82.9)
<b>Net cash from operating activities</b>	<b>383.7</b>	657.1
<b>Cash flow from investing activities</b>		
Interest received	8.3	1.6
Proceeds from disposal of property, plant and equipment	1.9	0.5
Purchase of property, plant and equipment and intangible assets	(161.5)	(172.5)
Loan to an external party	–	(105.0)
Investment in joint venture	(1.0)	(6.5)
Proceeds from disposal of share rights issued by equity investment	–	1.2
Payment of contingent/deferred consideration	(30.9)	(6.2)
Acquisition of subsidiary, net of cash acquired	(51.8)	–
<b>Net cash used in investing activities</b>	<b>(235.0)</b>	(286.9)

The accompanying notes form an integral part of these financial statements.

	2022 \$m	2021 \$m
<b>Cash flow from financing activities</b>		
Payment of lease liabilities	(38.3)	(31.4)
Proceeds from borrowings	29.5	200.0
Repayment of borrowings	(240.1)	(1.6)
Dividend paid to owners of the Company	(110.8)	(86.5)
Dividend paid to non-controlling interest	(5.4)	–
Purchase of treasury shares	(7.4)	(2.9)
Perpetual capital securities distribution paid	(7.9)	(7.9)
Interest paid	(43.5)	(42.6)
Proceeds of loan from a non-controlling interest	2.6	–
Capital contribution from a non-controlling interest shareholder	17.7	20.7
<b>Net cash (used in)/from financing activities</b>	<b>(403.6)</b>	<b>47.8</b>
<b>Net change in cash and cash equivalents</b>	<b>(254.9)</b>	<b>418.0</b>
Cash and cash equivalents at beginning of year	821.5	403.7
Effect of exchange rate fluctuations	0.6	(0.2)
<b>Cash and cash equivalents at end of year (Note 14)</b>	<b>567.2</b>	<b>821.5</b>

# Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issuance on 6 March 2023 in accordance with a resolution of the Board of Directors of StarHub Ltd.

## 1 DOMICILE AND ACTIVITIES

StarHub Ltd ("StarHub" or the "Company") is incorporated in the Republic of Singapore and has its registered office at 67 Ubi Avenue 1, #05-01 StarHub Green, Singapore 408942.

The principal activities of the Company are those relating to the operation and provision of telecommunications services and other businesses relating to the info-communications industry. The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

The consolidated financial statements relate to the Company and its subsidiaries (together the "Group" and individually as "Group entities"), and the Group's interest in its equity-accounted investees.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). The changes to significant accounting policies are described in Note 2.5.

### 2.2 Basis of measurement

The financial statements are prepared on a historical cost basis, except as otherwise described in the notes below.

### 2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Group's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest million, unless otherwise stated.

### 2.4 Significant accounting estimates and judgements

The preparation of financial statements in conformity with SFRS(I) requires management to make judgements in the application of accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported income and expenses during the financial year. These estimates are based on management's best knowledge and judgement of current events and environment. Actual results may ultimately differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

In the application of the Group's accounting policies, which are described in Note 3, management is of the opinion that there is no instance of application of judgement which is expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations described below.

## 2 BASIS OF PREPARATION (CONTINUED)

### 2.4 Significant accounting estimates and judgements (continued)

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- + Measurement of recoverable amounts relating to impairment

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill is tested for impairment annually and at other times when such indications exist. The other non-financial assets, such as property, plant and equipment, intangible assets (excluding goodwill) and subsidiaries are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Assessing the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and applying an appropriate discount rate in order to calculate the present value of those cash flows. Actual cash flows will differ from these estimates as a result of differences between assumptions used and actual operations (see Note 5).

- + Revenue recognition – Determining the performance obligations, stand-alone selling price ("SSP") and the amounts allocated to performance obligations

Judgement is required to determine whether products and services qualify as separate performance obligations. Transaction price is allocated in proportion to the estimated SSP for each performance obligation at the inception of the contract. Therefore, management estimates the SSP of each performance obligation, especially those goods or services that are not regularly offered separately to customers. The Group establishes SSP using observable price or in the case observable price is not available, using estimation techniques. The SSP of material right depends on the probability of exercise, which considers historical exercise patterns. Change or absence of SSP of a performance obligation affects the amount of consideration allocated to each performance obligation. Variable considerations are allocated solely to the service component of the contract since they relate specifically to the effort to satisfy the service performance obligation.

- + Acquisition through business combinations (see Note 34)

- determination of fair value of the assets acquired and liabilities assumed; and
  - determination of fair value of consideration transferred, including contingent consideration.

Management has engaged external firms of specialists to perform the purchase price allocation, including valuation of the identified assets and liabilities. There is judgement and inherent uncertainty involved in the identification and valuation of these assets and liabilities.

The determination of the contingent consideration associated with the acquisition of subsidiaries requires significant management judgement and assumptions. The contingent consideration and forward liability are based on estimates from the associated probability of achieving performance targets by the investee and the expected payment amount.

# Notes to the Financial Statements (Continued)

## 2 BASIS OF PREPARATION (CONTINUED)

### 2.5 New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2022:

- + Amendments to SFRS(I) 16: *COVID-19-Related Rent Concessions beyond 30 June 2021*
- + Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- + Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*
- + Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*
- + Annual Improvements to SFRS(I)s 2018-2020

Other than the amendment relating to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

The Group has adopted Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract* from 1 January 2022. This resulted in a change in accounting policy for performing an onerous contracts assessment. Previously, the Group included only incremental costs to fulfil a contract when determining whether that contract was onerous. The revised policy is to include both incremental costs and an allocation of other direct costs.

The amendments apply prospectively to contracts existing at the date when the amendments are first applied. The Group has analysed all contracts existing at 1 January 2022 and determined that none of them would be identified as onerous applying the revised accounting policy - i.e., there is no impact on the opening equity balances as at 1 January 2022 as a result of the change.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.5, which addresses changes in accounting policies.

The accounting policies have been applied consistently by Group entities.

### 3.1 Basis of consolidation

#### (i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in income statement.

### **3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **3.1 Basis of consolidation (continued)**

##### *(i) Business combinations (continued)*

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition date at fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in the income statement. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

##### *(ii) Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

##### *(iii) Acquisition from entities under common control*

Acquisitions of subsidiaries from related corporations controlled by the ultimate holding company, Temasek Holdings (Private) Limited ("Temasek"), are accounted for using the acquisition method in accordance with SFRS(I) 3 *Business Combinations* as at the date of acquisition.

##### *(iv) Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in the income statement. Any interest retained in the former subsidiary is measured at fair value on the date that control is lost.

##### *(v) Investments in associate and joint venture (equity-accounted investees)*

Associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to substantially all the economic benefits to its assets and obligations for its liabilities. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing the control.

The investments in associate and joint venture are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the income statement and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

# Notes to the Financial Statements (Continued)

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3.1 Basis of consolidation (continued)

#### (v) Investments in associate and joint venture (equity-accounted investees) (continued)

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

#### (vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### (vii) Written put option or forward purchase agreements with non-controlling interest

When an entity within the Group writes a put option or enters into a forward purchase agreement with the non-controlling shareholders as part of the acquisition of a subsidiary for settlement in cash or in another financial asset, a liability is recognised for the present value of the exercise price of the put option or forward price. This creates an obligation or potential obligation for the entity to purchase its subsidiary's equity instruments (constitutes the Group's own equity in the consolidated financial statements) for cash or another financial asset.

When the non-controlling shareholders still have present access to the returns associated with the underlying ownership interests, the Group has chosen an accounting policy in which the non-controlling shareholders continue to be recognised. Therefore, the present value of the liability is recognised in equity. Subsequent to initial recognition of the financial liability, changes in the carrying amount of the financial liability is recognised within equity (put option) and in the income statement (forward purchase agreement).

If the put option expires unexercised or is cancelled, then the charge to equity will be reversed and the financial liability will be derecognised. If the put option is exercised or when the forward is settled, then the charge to equity will be reversed and the financial liability will be derecognised.

#### (viii) Subsidiaries, associate and joint venture in the separate financial statements

Investments in subsidiaries, associate and joint venture are stated in the Company's statement of financial position at cost less accumulated impairment losses.

### 3.2 Foreign currencies

#### (i) Foreign currencies transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the income statement, except for the differences arising on the translation of qualifying cash flow hedges to the extent the hedges are effective, which are recognised in other comprehensive income.

### **3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **3.2 Foreign currencies (continued)**

##### **(ii) Foreign operations**

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at the dates of the transactions.

Foreign currency translation differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign subsidiary is disposed of such that control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign subsidiary is transferred to the income statement as an adjustment to profit or loss arising on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

#### **3.3 PROPERTY, PLANT AND EQUIPMENT**

##### **(i) Recognition and measurement**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, and when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the assets and restoring the site on which they are located, and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate item (major components) of property, plant and equipment.

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the income statement on the date of retirement or disposal.

##### **(ii) Subsequent costs**

Subsequent expenditure relating to existing property, plant and equipment is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

##### **(iii) Depreciation**

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of the asset, that component is depreciated separately.

# Notes to the Financial Statements (Continued)

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3.3 Property, plant and equipment (continued)

#### (iii) Depreciation (continued)

Depreciation is recognised as an expense in the income statement on a straight-line basis over the estimated useful lives (or lease term, if shorter) of each part of an item of property, plant and equipment as follows:

Buildings	– 30 years to 57 years
Leasehold improvements	– Shorter of lease term or 5 years
Network equipment and infrastructure	– 2 years to 15 years
Office equipment, computers and furniture and fittings	– 2 years to 10 years
Motor vehicles	– 5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at the end of each reporting date.

No depreciation is provided on freehold property or in respect of property, plant and equipment under construction.

### 3.4 Intangible assets

#### (i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets.

Goodwill at the acquisition date represents the excess of:

- + the fair value of the consideration transferred; plus
- + the recognised amount of any non-controlling interests in the acquiree; plus
- + if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment on an annual basis as described in Note 3.7(ii).

Goodwill that has previously been taken to the reserves is not taken to the income statement when the business is disposed of or the goodwill is impaired. Similarly, negative goodwill that has previously been taken to reserves is not taken to the income statement when the business is disposed.

In respect of associate and joint venture, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associate and joint venture.

#### (ii) Telecommunications and spectrum licences

Telecommunications and spectrum licences costs incurred are measured at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income statement using the straight-line method over the period of the licence, being 10 years to 21 years, commencing from the effective date of the licence.

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.4 Intangible assets (continued)

##### (iii) Computer software

Computer software comprises software purchased from third parties, and also the cost of internally developed software. Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income statement using the straight-line method over their estimated useful lives of 2 years to 5 years.

Subsequent expenditure on capitalised intangible assets is added to the carrying value only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the income statement as incurred.

Computer software integral to a related item of equipment is accounted for as property, plant and equipment.

##### (iv) Deferred development costs

Deferred development activities involve a plan or design for the production of new or substantially improved products and processes. Deferred development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in the income statement as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised over 5 to 6 years.

##### (v) Customer contracts and relationships and brands

Customer contracts and relationships (including subscribers base) and brands are acquired in business combinations and carried at fair value at the date of acquisition, and amortised to the income statement using either the straight-line method over the estimated useful lives of 1 to 20 years, or when there is a high correlation with the revenue and margin to be generated, based on units of production method.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

#### 3.5 INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of goods held for resale is determined on the weighted average basis. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. Allowance for obsolescence is made for all deteriorated, damaged, obsolete and slow-moving inventories.

# Notes to the Financial Statements (Continued)

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3.6 FINANCIAL INSTRUMENTS

#### (i) *Recognition and initial measurement*

##### **Non-derivative financial instruments**

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables (including amounts due from related parties), cash and cash equivalents, trade and other payables (including amounts due to related parties), lease liabilities and borrowings.

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

#### (ii) *Classification and subsequent measurement*

##### **Non-derivative financial assets**

On initial recognition, a financial asset is classified as measured at amortised cost and equity investments at FVOCI.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

The determination of classification at initial recognition and subsequent measurement into each of the measurement categories are as described below.

### **3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **3.6 Financial instruments (continued)**

##### **(ii) Classification and subsequent measurement (continued)**

###### **Non-derivative financial assets (continued)**

###### **(a) Financial assets at amortised cost**

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- + it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- + its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by loss allowances. Interest income, foreign exchange gains and losses and loss allowances are recognised in the income statement. Any gain or loss on derecognition is recognised in the income statement.

###### **(b) Equity investments at FVOCI**

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognised as income in the income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the income statement. On de-recognition, cumulative gains and losses recognised in other comprehensive income are transferred to retained profits.

###### **Non-derivative financial liabilities**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in income statement. Directly attributable transaction costs are recognised in the income statement as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method.

##### **(iii) Derecognition**

Financial assets are derecognised when the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of ownership of the asset. On disposal of a financial asset, the difference between the sale proceeds and the carrying amount is recognised in the income statement. Any amount in the fair value reserve relating to that asset is reclassified to the income statement.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the income statement.

# Notes to the Financial Statements (Continued)

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3.6 Financial instruments (continued)

#### (iv) *Offset*

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### (v) *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances, deposits with financial institutions with maturities of three months or less, and bank overdrafts. For the purpose of presentation in the consolidated cash flow statement, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

#### (vi) *Derivative financial instruments and hedge accounting*

##### **Derivative financial instruments and hedge accounting**

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the income statement as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the income statement.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

##### **Cash flow hedges**

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the income statement.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the income statement in the same period or periods as the hedged expected future cash flows affect the income statement.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to the income statement.

### **3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **3.6 Financial instruments (continued)**

##### **(vii) Share capital**

###### **Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

###### **Repurchase, disposal and reissue of share capital (treasury shares)**

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

##### **(viii) Perpetual capital securities**

The Group's perpetual securities do not have a maturity date, and the Company is able to elect to defer making a distribution subject to the terms and conditions of the securities issue. Accordingly, the Company is not considered to have a contractual obligation to make principal repayments or distributions in respect of its perpetual capital securities issue. The perpetual securities are presented within equity. Discretionary dividends thereon are recognised as equity distributions on approval by the Company's shareholders. Costs directly attributable to the issue of the perpetual capital securities are deducted against the proceeds from the issue.

##### **(ix) Financial guarantee**

Financial guarantee contracts are accounted for as insurance contracts and treated as contingent liabilities until such time as they become probable that the Company will be required to make payment under the guarantee. A provision is recognised based on the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

#### **3.7 Impairment**

##### **(i) Non-derivative financial assets and contract assets**

The Group recognises loss allowances for ECL on financial assets measured at amortised cost, and contract assets.

Loss allowances of the Group are measured on either of the following bases:

- + 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for shorter period if the expected life of the instrument is less than 12 months); or
- + Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract assets.

# Notes to the Financial Statements (Continued)

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3.7 Impairment (continued)

#### (i) *Non-derivative financial assets and contract assets (continued)*

##### ***Simplified approach***

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

##### ***General approach***

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held) or the financial asset is more than 360 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

##### ***Measurement of ECLs***

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

##### ***Credit-impaired financial assets***

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.7 Impairment (continued)

##### (i) *Non-derivative financial assets and contract assets (continued)*

###### *Credit-impaired financial assets (continued)*

Evidence that a financial asset is credit-impaired includes the following observable data:

- + significant financial difficulty of the borrower or issuer;
- + breach of contract such as a default;
- + the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- + it is probable that the borrower will enter bankruptcy or other financial reorganisation.

###### *Presentation of allowance for ECLs in the statement of financial position*

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

###### *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

##### (ii) *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than inventories, contract assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

The recoverable amount of an asset or its CGU is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. For the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level within the Group at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses recognised in the income statement in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of units) and then, to reduce the carrying amount of other assets in the CGU (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. All reversals of impairment are recognised in the income statement.

# Notes to the Financial Statements (Continued)

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3.7 Impairment (continued)

#### (ii) Non-financial assets (continued)

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

Goodwill that forms part of the carrying amount of an investment in an associate or joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment is tested for impairment as a single asset when there is objective evidence that the investment may be impaired.

### 3.8 Employee benefits

#### (i) Share-based payment

##### **Performance Share Plans and Restricted Stock Plans**

The Performance Share Plans and the Restricted Stock Plans are accounted as equity-settled share-based payments. Equity-settled share-based payments are measured at fair value at the date of grant. The share-based expense is amortised and recognised in the income statement on a straight line basis over the vesting period. At each reporting date, the Company revises its estimates of the number of shares that the participating employees and directors are expected to receive based on non-market vesting conditions. The difference is charged or credited to the income statement, with a corresponding adjustment to equity.

#### (ii) Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the income statement in the periods during which related service are rendered by employees.

#### (iii) Other short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

#### (iv) Other long-term benefits

Long-term employee benefit obligations are measured on performance conditions over a period of three years. The Group adopts an incentive compensation plan, which is tied to the creation of Economic Value Added ("EVA") for its management personnel executives. An EVA bank is used to hold incentive compensation credited in any year. Typically, one-third of the accumulated EVA-based bonus, comprising the EVA declared in the financial year and the balance of such bonus brought forward from preceding years is paid out in cash each year, with the balance being carried forward to the following year. The balances of the EVA bank in future will be adjusted by the yearly EVA performance of the Group and the payouts made from the EVA bank.

### 3.9 Revenue recognition

Revenue comprises fees earned from telecommunications services, managed services, system integration and solution projects, broadband access, Pay TV, related advertising space and sales of equipment. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligations.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer.

### **3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **3.9 Revenue recognition (continued)**

Revenue is recognised in the income statement as follows:

- + Revenue from bundled products and services is recognised either at a point in time or over time based on the SSP allocated to the individual elements of the bundled products at contract inception. Invoices are issued on a monthly basis and are payable within 14 days.
- + Revenue from telecommunications, broadband and cable television services and advertising space is recognised over time when such services are rendered. Revenue billed in advance of the rendering of services is deferred and presented in the statement of financial position as contract liability. Invoices for telecommunications, broadband and cable television services are issued on a monthly basis and are payable within 14 days. Invoices for advertising space are issued when services have been performed and are payable within 30 days.
- + Revenue from sales of pre-paid phone cards for which services have not been rendered is deferred and presented in the statement of financial position as contract liability. Revenue is recognised over time upon usage of the pre-paid phone cards and upon expiry, any unutilised value of the cards is taken to the income statement. Payment is due when the cards are delivered to customers.
- + Revenue from sales of equipment is recognised at a point in time when control of the equipment has been transferred, being at the point of delivery and acceptance of the equipment sold. Delivery occurs when the goods have been shipped to the customer's specified location. When the customer initially purchases the goods online, the transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customer. Payment is due when the equipment is delivered to customers.
- + Revenue from managed services, system integration and solution projects are recognised based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, multiplied by the total estimated contract revenue. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under SFRS(I) 15. The Group becomes entitled to invoice customers based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer is sent a relevant statement of work and an invoice for the related milestone payment which is due within 14 to 30 days. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date, then the Group recognises a contract liability for the difference. This is not considered to be a significant financing component in construction contracts with customers as the period between the recognition of revenue and the milestone payment is always less than one year.

Any difference between the revenue recognised in relation to the satisfied performance obligation and the amount of consideration received or receivable is presented either as contract asset or contract liability. Contract asset represents the Group's right to consideration, excluding any amount presented as trade receivable, in exchange for the goods or services transferred to customers. Contract liability, on the other hand represents the Group's obligation to transfer goods and services to a customer for which the Group has received consideration from the customer.

##### **Variable consideration**

Certain contracts with customers include variable considerations like right of return, trade discounts or rebates. Currently, the Group recognises revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowance, trade discounts and certain rebates. Under SFRS(I) 15, such provisions will be estimated at contract inception and at every reporting period, adjusted against revenue.

##### **Material right**

Under SFRS(I) 15, options to acquire additional goods or services represent separate performance obligations if they provide the customer a material right that the customer would not otherwise receive. In these cases, revenue from the contract is deferred and recognised when future goods and services are transferred or when the option expires. The transaction price is allocated to performance obligations (including the option) based on relative SSP.

# Notes to the Financial Statements (Continued)

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3.9 Revenue recognition (continued)

#### Contract modification

Changes in scope or price (or both) of a contract that is approved by parties to the contract are contract modifications. SFRS(I) 15 prescribes the treatments of contract modifications depending on the attributes of the modification and the remaining goods and/or services.

#### Contract cost

SFRS(I) 15 requires the incremental costs of obtaining or fulfilling a contract to be recognised as an asset if the entity expects to recover those costs. Those incremental costs are limited to the costs that the entity would not have incurred if the contract had not been successfully obtained. The Group has applied the practical expedient, where the incremental costs of obtaining a contract is expensed if the associated amortisation period is 12 months or less.

### 3.10 Finance income and costs

Finance income comprises interest income, which is recognised using the effective interest method.

Finance costs comprise interest expense and similar charges. They are recognised in the income statement using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to prepare for its intended use or sale.

### 3.11 Government grants

Government grants received, which are designated for the purchase of property, plant and equipment, are accreted to the income statement on a straight-line basis over the estimated useful lives of the related assets, so as to match the related depreciation expense.

Government grants received, which are designated for operating expenditure, are recognised on a systematic basis in the income statement over the periods necessary to match the related cost which they are intended to compensate.

Other government grants are recognised in the income statement when there is reasonable assurance that the Group has complied with the attached conditions and the amount will be received.

### 3.12 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *As a lessee*

At commencement or on modification of a contract that contains a lease component, the Group capitalises only the consideration attributable to lease components.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

### 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.12 Leases (continued)

##### *As a lessee (continued)*

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- + fixed payments, including in-substance fixed payments;
- + variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the Group changes its assessment of whether it will exercise an extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

##### *Short-term leases and leases of low-value assets*

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### 3.13 Income taxes

Income taxes comprise current tax and deferred tax. Income taxes are recognised in the income statement except to the extent that it relates to a business combination, or items recognised directly in equity, or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS (I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

# Notes to the Financial Statements (Continued)

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3.13 Income taxes (continued)

Deferred tax is recognised in respect of temporary differences at the balance sheet date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are not recognised for:

- + temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- + temporary differences relating to investments in subsidiaries and associate to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- + taxable temporary differences on the initial recognition of goodwill

Deferred tax is provided based on the expected realisation or settlement of the temporary differences, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### 3.14 Dividends

Interim dividends to the Company's shareholders are recognised in the financial year in which they are declared payable. Final dividends to the Company's shareholders are recognised in the financial year in which the dividends are approved by the shareholders.

### 3.15 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other component. Segment information is presented based on the information reviewed by chief operating decision maker ("CODM") for performance assessment and resource allocation.

### 3.16 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position:

- + Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- + Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-Current*
- + SFRS(I) 17 *Insurance Contracts* and Amendments to SFRS(I) 17 *Insurance Contracts*
- + Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- + Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*

## 4 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold property \$m	Buildings \$m	Leasehold improvements \$m	Network equipment and infrastructure \$m	Office equipment, computers and furniture and fittings \$m	Motor vehicles \$m	Construction in progress \$m	Total \$m
<b>Cost</b>								
At 1 January 2021	1.7	45.9	46.9	3,140.0	212.8	6.2	124.5	3,578.0
Additions	–	–	1.0	1.4	10.6	0.1	101.0	114.1
Transfers	–	–	0.3	81.5	0.1	–	(81.9)	–
Disposals/Write-offs	–	–	(7.5)	(646.4)	(11.5)	(1.2)	(0.9)	(667.5)
Reclassified from/(to) intangible assets and other assets	–	–	(0.1)	–	0.2	–	–	0.1
<b>At 31 December 2021</b>	<b>1.7</b>	<b>45.9</b>	<b>40.6</b>	<b>2,576.5</b>	<b>212.2</b>	<b>5.1</b>	<b>142.7</b>	<b>3,024.7</b>
At 1 January 2022	<b>1.7</b>	<b>45.9</b>	<b>40.6</b>	<b>2,576.5</b>	<b>212.2</b>	<b>5.1</b>	<b>142.7</b>	<b>3,024.7</b>
Additions	–	–	1.0	7.0	26.4	–	93.2	127.6
Acquisition through business combination (Note 34)	–	–	0.1	6.8	0.9	–	–	7.8
Transfers	–	–	0.5	64.8	–	–	(65.3)	–
Disposals/Write-offs	–	–	(1.0)	(147.3)	(35.2)	(0.3)	(0.2)	(184.0)
<b>At 31 December 2022</b>	<b>1.7</b>	<b>45.9</b>	<b>41.2</b>	<b>2,507.8</b>	<b>204.3</b>	<b>4.8</b>	<b>170.4</b>	<b>2,976.1</b>
<b>Accumulated depreciation and impairment losses</b>								
At 1 January 2021	–	6.3	35.1	2,591.3	186.1	4.2	–	2,823.0
Charge for the year	–	1.3	3.0	148.8	19.2	0.8	–	173.1
Disposals/Write-offs	–	–	(7.2)	(646.3)	(11.5)	(1.2)	–	(666.2)
Reclassified from/(to) intangible assets and other assets	–	–	(0.1)	–	0.2	–	–	0.1
<b>At 31 December 2021</b>	<b>–</b>	<b>7.6</b>	<b>30.8</b>	<b>2,093.8</b>	<b>194.0</b>	<b>3.8</b>	<b>–</b>	<b>2,330.0</b>
At 1 January 2022	<b>–</b>	<b>7.6</b>	<b>30.8</b>	<b>2,093.8</b>	<b>194.0</b>	<b>3.8</b>	<b>–</b>	<b>2,330.0</b>
Charge for the year	–	1.3	3.0	143.1	10.3	0.6	–	158.3
Impairment loss	–	–	–	25.0	–	–	13.5	38.5
Disposals/Write-offs	–	–	(1.0)	(147.0)	(33.9)	(0.2)	–	(182.1)
<b>At 31 December 2022</b>	<b>–</b>	<b>8.9</b>	<b>32.8</b>	<b>2,114.9</b>	<b>170.4</b>	<b>4.2</b>	<b>13.5</b>	<b>2,344.7</b>
<b>Carrying amount</b>								
At 1 January 2021	1.7	39.6	11.8	548.7	26.7	2.0	124.5	755.0
At 31 December 2021	1.7	38.3	9.8	482.7	18.2	1.3	142.7	694.7
<b>At 31 December 2022</b>	<b>1.7</b>	<b>37.0</b>	<b>8.4</b>	<b>392.9</b>	<b>33.9</b>	<b>0.6</b>	<b>156.9</b>	<b>631.4</b>

Staff costs capitalised in construction in progress for the Group during the year amounted to \$0.4 million (2021: \$2.5 million).

# Notes to the Financial Statements (Continued)

## 4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### *Impairment loss*

The shut down of certain legacy network equipment and infrastructure as part of the ongoing DARE+ technology evolution to focus on the rollout of 5G Standalone network, has resulted in the Group recognising impairment loss of \$38.5 million for the year ended 31 December 2022 (2021: nil). The impairment loss was recognised to reduce the carrying amounts of these affected assets to their net realisable value and recorded as a non-operating expense in the income statement (Note 27).

Company	Buildings \$m	Leasehold improvements \$m	Network equipment and infrastructure \$m	furniture and fittings \$m	Motor vehicles \$m	Construction in progress \$m	Total \$m
<b>Cost</b>							
At 1 January 2021	41.7	37.7	1,529.7	142.3	2.4	26.9	1,780.7
Additions	–	–	1.4	6.5	0.3	42.9	51.1
Transfers	–	0.2	43.0	–	–	(43.2)	–
Disposals/Write-offs	–	(7.3)	(328.5)	(8.3)	(0.4)	(0.9)	(345.4)
<b>At 31 December 2021</b>	<b>41.7</b>	<b>30.6</b>	<b>1,245.6</b>	<b>140.5</b>	<b>2.3</b>	<b>25.7</b>	<b>1,486.4</b>
At 1 January 2022							
	<b>41.7</b>	<b>30.6</b>	<b>1,245.6</b>	<b>140.5</b>	<b>2.3</b>	<b>25.7</b>	<b>1,486.4</b>
Additions	–	–	–	4.4	–	45.9	50.3
Transfers	–	0.5	29.2	–	–	(29.7)	–
Disposals/Write-offs	–	(0.9)	(63.0)	(20.5)	(0.3)	–	(84.7)
<b>At 31 December 2022</b>	<b>41.7</b>	<b>30.2</b>	<b>1,211.8</b>	<b>124.4</b>	<b>2.0</b>	<b>41.9</b>	<b>1,452.0</b>
<b>Accumulated depreciation and impairment losses</b>							
At 1 January 2021	6.0	34.4	1,206.5	140.3	1.4	–	1,388.6
Charge for the year	1.3	1.2	67.7	5.4	0.5	–	76.1
Disposals/Write-offs	–	(7.0)	(328.5)	(8.2)	(0.4)	–	(344.1)
<b>At 31 December 2021</b>	<b>7.3</b>	<b>28.6</b>	<b>945.7</b>	<b>137.5</b>	<b>1.5</b>	<b>–</b>	<b>1,120.6</b>
At 1 January 2022							
	<b>7.3</b>	<b>28.6</b>	<b>945.7</b>	<b>137.5</b>	<b>1.5</b>	<b>–</b>	<b>1,120.6</b>
Charge for the year	1.2	1.1	62.9	5.0	0.4	–	70.6
Transfers	–	–	7.9	(7.9)	–	–	–
Disposals/Write-offs	–	(0.9)	(62.9)	(20.5)	(0.3)	–	(84.6)
<b>At 31 December 2022</b>	<b>8.5</b>	<b>28.8</b>	<b>953.6</b>	<b>114.1</b>	<b>1.6</b>	<b>–</b>	<b>1,106.6</b>
<b>Carrying amount</b>							
At 1 January 2021	35.7	3.3	323.2	2.0	1.0	26.9	392.1
At 31 December 2021	34.4	2.0	299.9	3.0	0.8	25.7	365.8
<b>At 31 December 2022</b>	<b>33.2</b>	<b>1.4</b>	<b>258.2</b>	<b>10.3</b>	<b>0.4</b>	<b>41.9</b>	<b>345.4</b>

## 5 INTANGIBLE ASSETS

Group	Telecom- munications and spectrum licences \$m	Computer software, deferred development and development expenditure \$m	Software in development \$m	Goodwill \$m	Brands and customer contracts and relationships \$m	Total \$m
<b>Cost</b>						
At 1 January 2021	305.4	746.6	13.2	406.3	60.1	1,531.6
Additions	–	1.5	66.2	–	–	67.7
Transfers	27.5	14.7	(42.2)	–	–	–
Disposals/Write-offs	–	(262.1)	(0.2)	–	–	(262.3)
Translation	–	(0.4)	–	(1.1)	(0.2)	(1.7)
<b>At 31 December 2021</b>	<b>332.9</b>	<b>500.3</b>	<b>37.0</b>	<b>405.2</b>	<b>59.9</b>	<b>1,335.3</b>
At 1 January 2022	<b>332.9</b>	<b>500.3</b>	<b>37.0</b>	<b>405.2</b>	<b>59.9</b>	<b>1,335.3</b>
Additions	–	1.0	32.9	–	–	33.9
Acquisition through business combination (Note 34)	–	0.3	–	98.5	63.5	162.3
Transfers	–	52.6	(52.6)	–	–	–
Disposals/Write-offs	–	(4.2)	–	–	–	(4.2)
Translation	–	(0.7)	–	(3.6)	(1.1)	(5.4)
<b>At 31 December 2022</b>	<b>332.9</b>	<b>549.3</b>	<b>17.3</b>	<b>500.1</b>	<b>122.3</b>	<b>1,521.9</b>
<b>Accumulated amortisation and impairment losses</b>						
At 1 January 2021	162.0	628.3	–	–	21.8	812.1
Charge for the year	21.3	42.6	–	–	8.7	72.6
Disposals/Write-offs	–	(261.4)	–	–	–	(261.4)
<b>At 31 December 2021</b>	<b>183.3</b>	<b>409.5</b>	<b>–</b>	<b>–</b>	<b>30.5</b>	<b>623.3</b>
At 1 January 2022	<b>183.3</b>	<b>409.5</b>	<b>–</b>	<b>–</b>	<b>30.5</b>	<b>623.3</b>
Charge for the year	<b>14.9</b>	<b>45.3</b>	<b>–</b>	<b>–</b>	<b>11.5</b>	<b>71.7</b>
Impairment loss	–	6.2	–	15.2	0.2	21.6
Disposals/Write-offs	–	(4.1)	–	–	–	(4.1)
Translation	–	0.3	–	–	(0.3)	–
<b>At 31 December 2022</b>	<b>198.2</b>	<b>457.2</b>	<b>–</b>	<b>15.2</b>	<b>41.9</b>	<b>712.5</b>
<b>Carrying amount</b>						
At 1 January 2021	143.4	118.3	13.2	406.3	38.3	719.5
At 31 December 2021	149.6	90.8	37.0	405.2	29.4	712.0
<b>At 31 December 2022</b>	<b>134.7</b>	<b>92.1</b>	<b>17.3</b>	<b>484.9</b>	<b>80.4</b>	<b>809.4</b>

Staff costs and other operating expenses capitalised in software in development for the Group during the year amounted to nil (2021: \$0.8 million).

# Notes to the Financial Statements (Continued)

## 5 INTANGIBLE ASSETS (CONTINUED)

### *Impairment loss*

As at 31 December 2022, an impairment loss of \$6.4 million (2021: Nil) to intangible assets was recognised following the discontinuation of one business line in a subsidiary group of companies to focus on growing other core businesses and develop other capabilities to generate right returns and growth. These intangible assets were fully impaired and the impairment loss was recorded as a non-operating expense in the income statement.

### *Impairment testing for CGUs containing significant goodwill*

For the purposes of impairment testing, goodwill has been allocated to respective CGUs, which represents the lowest level within the Group at which goodwill is monitored. The carrying amount of the Group's goodwill as at 31 December 2022 are attributable to the respective CGUs.

Group	2022 \$m	2021 \$m
Telco	220.3	220.3
Ensign	100.8	100.8
DPL	25.8	25.8
Strateq	39.7	58.3
MR Broadband	94.8	—
Others	3.5	—
	484.9	405.2

- + Telco: The Group, through its "Hubbing" strategy, operates and delivers its Mobile, Entertainment, Broadband and Enterprise Business on an operationally integrated network, customer service, sales, marketing and administration support. Accordingly, the Group's integrated fixed, mobile, cable and broadband operations is considered one CGU ("Telco");
- + Ensign: Ensign InfoSecurity Pte. Ltd. ("Ensign") which operates a cyber-security business under the Cybersecurity operating segment;
- + DPL: D'Crypt Pte Ltd ("DPL") which designs and develops high security assurance products and is a separate CGU under the high security assurance product operating segment;
- + Strateq: Strateq Sdn Bhd ("Strateq"), undertake Regional Information Communication Technology ("Regional ICT") projects; and
- + MR Broadband: MyRepublic Broadband ("MR Broadband") which is an internet access provider.

The recoverable amounts of the CGUs are determined based on value-in-use calculations. The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management.

Key assumptions used in the estimation of recoverable amount are as follows:

- + The cash flow projections within 5 years are based on management's assessment of future trends, taking into account actual past operating results. Where cash flow projections greater than 5 years are used, they reflect the long-term future performance of the CGU as it reaches a steady state of operations.
- + Growth rates and EBITDA margins take into consideration competitive pressures in the industry and effects of uncertainties in the macroeconomic environment.

## 5 INTANGIBLE ASSETS (CONTINUED)

### *Impairment testing for CGUs containing goodwill (continued)*

	Pre-tax discount rate		Terminal growth rates	
	2022	2021	2022	2021
Telco	<b>6.4%</b>	6.0%	–	–
Ensign	<b>9.0%</b>	9.0%	<b>2.5%</b>	2.5%
DPL	<b>14.3%</b>	10.4%	<b>2.5%</b>	2.5%
Strateq	<b>16.4%</b>	16.0%	–	–
MR Broadband	<b>10.2%</b>	–	–	–

- + The discount rates applied to the cash flow projections are based on Weighted Average Cost of Capital ("WACC") calculated using the Capital Asset Pricing Model ("CAPM").
- + The terminal growth rates used in deriving the recoverable amounts reflect management's estimate of the long-term future performance of each CGU as it reaches a steady state of operations, and do not exceed the long term average growth rates of the respective industry and country in which the entity operates and are consistent with forecasts included in industry reports.

In 2022, one business line in a subsidiary group of companies within Strateq CGU was discontinued to focus on growing other core businesses and develop other capabilities to generate the right returns and growth. Consequently, as at 31 December 2022, the carrying amount of the Strateq CGU was determined to be lower than its recoverable amount and an impairment loss of \$15.2 million (2021: Nil) was recognised. The impairment loss was fully allocated to goodwill and included in "non-operating expense" in the income statement. Following the impairment, the recoverable amount was equal to the carrying amount and any movement in a key assumption would lead to changes in recoverable amount.

For the other CGUs containing goodwill, a reasonable change to the key assumptions applied is not likely to cause the recoverable amounts to be below their carrying amounts.

As at 31 December 2021, no impairment charge was required for the carrying amounts of goodwill as the recoverable amounts of each of the CGUs were in excess of their carrying amounts. For each of the CGUs containing goodwill, a reasonable change to the key assumptions applied is not likely to cause the recoverable amounts to be below their carrying amounts.

# Notes to the Financial Statements (Continued)

## 5 INTANGIBLE ASSETS (CONTINUED)

Company	Telecom- munications licences \$m	Computer software \$m	Software in development \$m	Total \$m
<b>Cost</b>				
At 1 January 2021	0.3	624.3	10.7	635.3
Additions	–	–	10.3	10.3
Transfers	–	11.1	(11.1)	–
Write-offs	–	(245.2)	(0.1)	(245.3)
<b>At 31 December 2021</b>	<b>0.3</b>	<b>390.2</b>	<b>9.8</b>	<b>400.3</b>
At 1 January 2022	0.3	390.2	9.8	400.3
Additions	–	–	28.8	28.8
Transfers	–	22.8	(22.8)	–
Write-offs	–	(2.4)	–	(2.4)
<b>At 31 December 2022</b>	<b>0.3</b>	<b>410.6</b>	<b>15.8</b>	<b>426.7</b>
<b>Accumulated amortisation</b>				
At 1 January 2021	0.2	543.5	–	543.7
Charge for the year	–	31.6	–	31.6
Write-offs	–	(244.8)	–	(244.8)
<b>At 31 December 2021</b>	<b>0.2</b>	<b>330.3</b>	<b>–</b>	<b>330.5</b>
At 1 January 2022	0.2	330.3	–	330.5
Charge for the year	–	29.1	–	29.1
Write-offs	–	(2.4)	–	(2.4)
<b>At 31 December 2022</b>	<b>0.2</b>	<b>357.0</b>	<b>–</b>	<b>357.2</b>
<b>Carrying amounts</b>				
At 1 January 2021	0.1	80.8	10.7	91.6
At 31 December 2021	0.1	59.9	9.8	69.8
<b>At 31 December 2022</b>	<b>0.1</b>	<b>53.6</b>	<b>15.8</b>	<b>69.5</b>

## 6 RIGHT-OF-USE ASSETS

### *Leases as lessee*

The Group leases land and buildings, base transceiver stations and other network equipment, computers and infrastructure. The leases typically run for a period of up to 21 years, with an option to renew the lease after that date. Lease payments are renegotiated at the end of the lease term to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

Information about leases for which the Group and Company is a lessee is presented below.

Group	Land and buildings \$m	Base transceiver stations \$m	Network equipment, computers and infrastructure \$m	Total \$m
<b>Cost</b>				
At 1 January 2021	186.0	28.7	4.2	218.9
Additions and modifications to right-of-use assets	7.2	(2.1)	0.7	5.8
Terminations	(1.7)	–	–	(1.7)
Translation	(0.3)	–	–	(0.3)
At 31 December 2021	<b>191.2</b>	<b>26.6</b>	<b>4.9</b>	<b>222.7</b>
Additions and modifications to right-of-use assets	11.6	2.0	4.9	18.5
Acquisition through business combinations (see Note 34)	2.1	–	5.9	8.0
Terminations	(7.6)	(0.3)	–	(7.9)
Translation	(1.0)	–	(0.1)	(1.1)
<b>At 31 December 2022</b>	<b>196.3</b>	<b>28.3</b>	<b>15.6</b>	<b>240.2</b>
<b>Accumulated depreciation</b>				
At 1 January 2021	50.5	16.9	1.4	68.8
Depreciation	27.7	4.0	1.7	33.4
Terminations	(1.1)	–	–	(1.1)
Translation	0.1	–	–	0.1
At 31 December 2021	<b>77.2</b>	<b>20.9</b>	<b>3.1</b>	<b>101.2</b>
Depreciation	28.6	2.5	5.4	36.5
Terminations	(5.2)	(0.2)	–	(5.4)
Translation	(0.2)	–	–	(0.2)
<b>At 31 December 2022</b>	<b>100.4</b>	<b>23.2</b>	<b>8.5</b>	<b>132.1</b>
<b>Carrying amounts</b>				
At 31 December 2021	114.0	5.7	1.8	121.5
<b>At 31 December 2022</b>	<b>95.9</b>	<b>5.1</b>	<b>7.1</b>	<b>108.1</b>

# Notes to the Financial Statements (Continued)

## 6 RIGHT-OF-USE ASSETS (CONTINUED)

### *Leases as lessee (continued)*

Company	Land and buildings \$m	Other network equipment and infrastructure \$m	Total \$m
<b>Cost</b>			
At 1 January 2021	136.0	2.3	138.3
Additions and modifications to right-of-use assets	6.6	–	6.6
Terminations	(1.1)	–	(1.1)
<b>At 31 December 2021</b>	<b>141.5</b>	<b>2.3</b>	<b>143.8</b>
Additions and modifications to right-of-use assets	9.2	–	9.2
Terminations	(3.1)	–	(3.1)
<b>At 31 December 2022</b>	<b>147.6</b>	<b>2.3</b>	<b>149.9</b>
<b>Accumulated depreciation</b>			
At 1 January 2021	37.7	0.9	38.6
Depreciation	18.9	0.4	19.3
Terminations	(1.1)	–	(1.1)
<b>At 31 December 2021</b>	<b>55.5</b>	<b>1.3</b>	<b>56.8</b>
Depreciation	18.1	0.5	18.6
Terminations	(2.8)	–	(2.8)
<b>At 31 December 2022</b>	<b>70.8</b>	<b>1.8</b>	<b>72.6</b>
<b>Carrying amounts</b>			
At 31 December 2021	86.0	1.0	87.0
<b>At 31 December 2022</b>	<b>76.8</b>	<b>0.5</b>	<b>77.3</b>

## 7 SUBSIDIARIES

	Company	
	2022 \$m	2021 \$m
Investments in subsidiaries, at cost or deemed cost	3,336.8	3,288.9

At 31 December 2022 and 2021, no impairment charge was required for the carrying amounts of the Company's cost of investment in subsidiaries as the recoverable amounts were in excess of their carrying amounts. The recoverable amounts were based on the respective value-in-use.

## 7 SUBSIDIARIES (CONTINUED)

### *Details of subsidiaries*

The significant subsidiaries directly held by the Company are as follows:

Name of company	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group	
			2022 %	2021 %
StarHub Cable Vision Ltd. <sup>(1)</sup>	Provision of subscription television and television broadcasting services	Singapore	<b>100</b>	100
StarHub Mobile Pte Ltd <sup>(1)</sup>	Provision of mobile telecommunications services	Singapore	<b>100</b>	100
StarHub Online Pte Ltd <sup>(1)</sup>	Provision of broadband access services	Singapore	<b>100</b>	100
Nucleus Connect Pte. Ltd. <sup>(1)</sup>	Provision of high speed wholesale broadband services	Singapore	<b>100</b>	100
Ensign InfoSecurity Pte. Ltd. ("Ensign") <sup>(3)</sup>	Provision of computer systems integration activities, other professional, scientific and technical activities	Singapore	<b>55.73<sup>(6)</sup></b>	56.86 <sup>(6)</sup>
Malaren International Sdn Bhd ("Malaren") <sup>(2)</sup>	Investment holding	Malaysia	<b>100</b>	100
JOS (SG) Pte. Ltd. <sup>(1)</sup>	Distribution, sales, servicing and rental of computer hardware, software and related equipment	Singapore	<b>60</b>	-

# Notes to the Financial Statements (Continued)

## 7 SUBSIDIARIES (CONTINUED)

### *Details of subsidiaries (continued)*

The significant subsidiaries held by the Company's subsidiary companies are as follows:

Name of company	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group	
			2022 %	2021 %
<b>Subsidiaries of Ensign</b>				
Ensign InfoSecurity (Cybersecurity) Pte. Ltd. ("EIC") <sup>(3)</sup>	Investment holding	Singapore	<b>55.73<sup>(6)</sup></b>	56.86 <sup>(6)</sup>
Ensign InfoSecurity (Systems) Pte. Ltd. ("EIS") <sup>(3)</sup>	Information security systems integrator	Singapore	<b>55.73<sup>(6)</sup></b>	56.86 <sup>(6)</sup>
Keele Investments Pte. Ltd. ("Keele") <sup>(3)</sup>	Investment holding	Singapore	<b>55.73<sup>(6)</sup></b>	56.86 <sup>(6)</sup>
<b>Subsidiaries of Keele</b>				
D'Crypt Pte Ltd ("DPL") <sup>(3)</sup>	Development and supply of data security products and components	Singapore	<b>55.73<sup>(6)</sup></b>	56.86 <sup>(6)</sup>
<b>Subsidiaries of EIC</b>				
Ensign InfoSecurity (Asia Pacific) Pte. Ltd. ("EIS Asia Pacific") <sup>(3)</sup>	Provision of information security and network security surveillance services	Singapore	<b>55.73<sup>(6)</sup></b>	56.86 <sup>(6)</sup>
Ensign InfoSecurity (SmartTech) Pte. Ltd. <sup>(3)</sup>	Sales of information technology security related products	Singapore	<b>55.73<sup>(6)</sup></b>	56.86 <sup>(6)</sup>
Ensign InfoSecurity (Networks) Pte. Ltd. <sup>(3)</sup>	Provision of security consultancy services	Singapore	<b>55.73<sup>(6)</sup></b>	56.86 <sup>(6)</sup>
<b>Subsidiaries of EIS Asia Pacific</b>				
Ensign InfoSecurity (Malaysia) Sdn Bhd <sup>(3)</sup>	Provision of information security and network security surveillance services	Malaysia	<b>55.73<sup>(6)</sup></b>	56.86 <sup>(6)</sup>
Ensign InfoSecurity (East Asia) Limited <sup>(3)</sup>	Provision of information security and network security surveillance services	People's Republic of China	<b>55.73<sup>(6)</sup></b>	56.86 <sup>(6)</sup>
Ensign InfoSecurity (Singapore) Pte. Ltd. <sup>(3)</sup>	Provision of information security and network security surveillance services	Singapore	<b>55.73<sup>(6)</sup></b>	56.86 <sup>(6)</sup>
Vectra Information Security Pte. Ltd. <sup>(3)</sup>	Provision of security consultancy services	Singapore	<b>55.73<sup>(6)</sup></b>	56.86 <sup>(6)</sup>

## 7 SUBSIDIARIES (CONTINUED)

*Details of subsidiaries (continued)*

Name of company	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group	
			2022 %	2021 %
<b>Subsidiary of Malaren</b>				
Nettilling Sdn. Bhd. ("Nettilling") <sup>(2)</sup>	Investment holding	Malaysia	<b>88.28</b>	88.28
JOS (Malaysia) Sdn. Bhd. <sup>(2)</sup>	Marketing and distribution of computer and computer related products and provision of installation and maintenance services	Malaysia	<b>60.00</b>	—
<b>Subsidiary of Nettilling</b>				
Taman Kenyir Holdings Sdn. Bhd. ("Taman Kenyir") <sup>(2)</sup>	Investment holding	Malaysia	<b>43.26<sup>(5)</sup></b>	43.26 <sup>(5)</sup>
<b>Subsidiary of Taman Kenyir</b>				
Strateq Sdn. Bhd. <sup>(2)</sup>	Implementation of Information Communication Technology projects	Malaysia	<b>43.26<sup>(5)</sup></b>	43.26 <sup>(5)</sup>
<b>Subsidiaries of Strateq Sdn. Bhd.</b>				
Strateq Systems Sdn. Bhd. <sup>(2)</sup>	System integration, supply and implementation of hardware and software solutions and provision of maintenance services	Malaysia	<b>43.26<sup>(5)</sup></b>	43.26 <sup>(5)</sup>
Strateq (Singapore) Pte Ltd <sup>(3)</sup>	Provision of petrol station retail solutions and fuel logistics management solutions and data centre and business continuity services	Singapore	<b>43.26<sup>(5)</sup></b>	43.26 <sup>(5)</sup>
Strateq Oil & Gas Sdn Bhd. <sup>(2)</sup>	Provision of petrol station retail solutions and fuel logistics management solutions	Malaysia	<b>43.26<sup>(5)</sup></b>	43.26 <sup>(5)</sup>
Strateq Health Sdn Bhd. <sup>(2)</sup>	Provision of hospital information systems solutions	Malaysia	<b>43.26<sup>(5)</sup></b>	43.26 <sup>(5)</sup>
Strateq Global Services Sdn. Bhd. <sup>(2)</sup>	Development and provision of software as a service application	Malaysia	<b>43.26<sup>(5)</sup></b>	43.26 <sup>(5)</sup>
Strateq Business Solutions Sdn. Bhd. <sup>(2)</sup>	Provision of business application solutions and related services	Malaysia	<b>43.26<sup>(5)</sup></b>	43.26 <sup>(5)</sup>

# Notes to the Financial Statements (Continued)

## 7 SUBSIDIARIES (CONTINUED)

### *Details of subsidiaries (continued)*

Name of company	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group	
			2022 %	2021 %
<b>Subsidiaries of Strateq Sdn. Bhd. (continued)</b>				
Strateq Sentry Sdn. Bhd. <sup>(2)</sup>	Provision of architecting ICT solutions and project management services into building complexes and infrastructure related projects	Malaysia	<b>43.26<sup>(5)</sup></b>	43.26 <sup>(5)</sup>
Strateq Capital Sdn. Bhd. <sup>(2)</sup>	Investment holding and provision of management services	Malaysia	<b>43.26<sup>(5)</sup></b>	43.26 <sup>(5)</sup>
<b>Subsidiaries of Strateq Systems Sdn. Bhd.</b>				
Strateq Data Centre Sdn. Bhd. <sup>(2)</sup>	Provision of data centre and business continuity services	Malaysia	<b>43.26<sup>(5)</sup></b>	43.26 <sup>(5)</sup>
Strateq Systems (Thailand) Co. Ltd <sup>(3)</sup>	Provision of petrol station retail solutions and fuel logistics management solutions	Thailand	<b>43.26<sup>(5)</sup></b>	43.26 <sup>(5)</sup>
<b>Subsidiary of Strateq Capital Sdn. Bhd.</b>				
Strateq Health B.V. <sup>(4)</sup>	Provision of healthcare information technology products and services globally	Netherlands	<b>42.54<sup>(5)</sup></b>	42.54 <sup>(5)</sup>
<b>Subsidiary of Strateq Health B.V.</b>				
Strateq Health Inc <sup>(4)</sup>	Provision of healthcare information technology software, research and development services and support services	United States	<b>42.54<sup>(5)</sup></b>	42.54 <sup>(5)</sup>
<b>Subsidiary of StarHub Online Pte. Ltd.</b>				
MyRepublic Broadband Pte. Ltd. <sup>(3)</sup>	Provider of broadband internet access	Singapore	<b>50.10</b>	–

(1) Audited by KPMG LLP Singapore.

(2) Audited by member firms of KPMG International.

(3) Audited by another firm.

(4) Not required to be audited by laws of the country of incorporation.

(5) Although the Group owns less than half of the voting rights, the Group controls these companies as it has the power to appoint the majority of the board of directors and is able to exercise control over their financial and operating policies.

(6) The Group controls these companies as 20% of the rights, benefits and interests in Ensign have been assigned to the Company by the non-controlling interest shareholder at the date of acquisition. During the year, the Group's interest decreased from 56.86% to 55.73% (see Note 22).

## 8 ASSOCIATE AND JOINT VENTURE

	Group		Company	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
<b>Interests in associate</b>				
Unquoted equity investments	27.8	27.8	27.8	27.8
Share of post-acquisition reserves	0.9	(1.5)	–	–
	28.7	26.3	27.8	27.8
<b>Interests in joint venture</b>				
Unquoted equity investments	9.5	8.5	–	–
Share of post-acquisition reserves	5.1	1.6	–	–
	14.6	10.1	–	–

### Associate

Details of the associate are as follows:

Name of company	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group	
			2022 %	2021 %
Shine Systems Assets Pte. Ltd. <sup>(1)</sup>	Investment in, ownership or lease of infrastructure assets and provision of data centre services	Singapore	30	30

<sup>(1)</sup> Audited by KPMG LLP Singapore.

# Notes to the Financial Statements (Continued)

## 8 ASSOCIATE AND JOINT VENTURE (CONTINUED)

### *Associate (continued)*

The following summarises the financial information of the associate, based on its financial statements prepared in accordance with SFRS(I), amended for fair value adjustments on acquisition:

	2022 \$m	2021 \$m
Revenue	<b>57.6</b>	51.7
Profit from continuing operations	2.1	10.7
Other comprehensive income	6.0	–
<b>Total comprehensive income</b>	<b>8.1</b>	10.7
Non-current assets	266.7	275.8
Current assets	51.1	31.3
Non-current liabilities	(202.9)	(208.6)
Current liabilities	(19.1)	(11.0)
<b>Net assets</b>	<b>95.8</b>	87.5
<b>Group's interest in net assets of associate at beginning of the year</b>	<b>26.3</b>	22.9
Group's share of:		
– Profit from continuing operations	0.6	3.4
– Other comprehensive income	1.8	–
Total comprehensive income	2.4	3.4
<b>Carrying amount of interest in associate at end of the year</b>	<b>28.7</b>	26.3

### *Joint Venture*

StarHub Mobile Pte Ltd (a wholly-owned subsidiary of the Company), and M1 Limited, jointly incorporated a joint venture company, Antina Pte. Ltd., to develop, deploy and operate a 5G mobile network in Singapore.

Details of the joint venture are as follows:

Name of company	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group	
			2022 %	2021 %
Antina Pte. Ltd. <sup>(1)</sup>	Provision of mobile telecommunication services	Singapore	50	50

<sup>(1)</sup> Audited by another firm.

## 8 ASSOCIATE AND JOINT VENTURE (CONTINUED)

### *Joint Venture (continued)*

The following summarises the financial information of the joint venture, based on its financial statements prepared in accordance with SFRS(I):

	2022 \$m	2021 \$m
Profit from continuing operations	<b>7.0</b>	3.4
<b>Total comprehensive income</b>	<b>7.0</b>	3.4

The Group has funding commitments to the joint venture of approximately \$1 million (2021: \$2 million) over a period of 3 years (2021: 4 years). These have not been recognised in the Group's consolidated financial statements.

## 9 BALANCES WITH RELATED PARTIES

The immediate and ultimate holding companies are Asia Mobile Holdings Pte. Ltd. and Temasek Holdings (Private) Limited, respectively. These companies are incorporated in the Republic of Singapore.

### 9.1 Amounts due from related parties

	Group		Company	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
<b>Current</b>				
Amounts due from (trade):				
– Subsidiaries	–	–	<b>937.3</b>	696.9
– Related corporations	<b>17.8</b>	15.0	<b>11.0</b>	7.5
	<b>17.8</b>	15.0	<b>948.3</b>	704.4
Less: Loss allowance	–	–	<b>(787.3)</b>	(590.2)
	<b>17.8</b>	15.0	<b>161.0</b>	114.2

Included in current amounts due from subsidiaries are amounts of \$716.2 million (2021: \$542.5 million) from certain subsidiaries which are unsecured, bear interest of 7.75% (2021: 7.75%) per annum and are repayable on demand.

All other amounts are unsecured, interest-free and trade in nature.

# Notes to the Financial Statements (Continued)

## 9 BALANCES WITH RELATED PARTIES (CONTINUED)

### 9.1 Amounts due from related parties (continued)

Movements in loss allowance during the year are as follows:

	Company	
	2022 \$m	2021 \$m
At 1 January	<b>590.2</b>	516.6
Loss allowances recognised	<b>197.1</b>	73.6
At 31 December	<b>787.3</b>	590.2

During the year, the Company impaired additional balances owing by certain subsidiaries amounting to \$197.1 million (2021: \$73.6 million). Other than the above, there is no loss allowance arising from the remaining outstanding balances with subsidiaries and related corporations as the ECL is not material.

### 9.2 Amounts due to related parties

	Group		Company	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
<b>Current</b>				
Amounts due to:				
– Subsidiaries	–	–	<b>377.6</b>	191.0
– Associate	<b>3.0</b>	0.6	<b>3.0</b>	0.6
– Joint venture	<b>10.3</b>	–	–	–
– Related corporations	<b>29.0</b>	23.0	<b>13.9</b>	10.5
	<b>42.3</b>	23.6	<b>394.5</b>	202.1

Amounts due to subsidiaries included \$183.9 million (2021: \$35.5 million) placed by a subsidiary with the Company under a cash pooling arrangement (see Note 14).

All other balances with related parties are unsecured and interest-free and trade in nature.

## 9 BALANCES WITH RELATED PARTIES (CONTINUED)

**9.3** The Company's balances with subsidiaries included amounts netted under agreed master netting arrangements. The amounts, after impairment, before netting are as follows:

Company	Gross amounts \$m	Gross amounts offset \$m	Net amounts \$m
<b>2022</b>			
<b>Current</b>			
Amounts due from subsidiaries	542.1	(392.1)	150.0
Amounts due to subsidiaries	769.7	(392.1)	377.6
<b>2021</b>			
<b>Current</b>			
Amounts due from subsidiaries	297.5	(190.8)	106.7
Amounts due to subsidiaries	381.8	(190.8)	191.0

## 10 CONTRACT BALANCES

The following section provides information about contract assets, contract liabilities and contract cost from contracts with customers.

### 10.1 Contract assets

	Group		Company	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
Contract assets	385.0	362.3	20.4	23.1
Loss allowance	(4.8)	(6.1)	–	–
	380.2	356.2	20.4	23.1
Analysed as:				
Third parties	374.6	354.6	19.3	22.4
Related parties	5.6	1.6	1.1	0.7
	380.2	356.2	20.4	23.1
Current	340.3	289.9	18.1	22.0
Non-current	39.9	66.3	2.3	1.1
	380.2	356.2	20.4	23.1

The contract assets primarily relate to the Group's rights to consideration for goods and services provided but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices its customers.

# Notes to the Financial Statements (Continued)

## 10 CONTRACT BALANCES (CONTINUED)

### 10.1 Contract assets (continued)

Movements in the contract asset balances during the year are as follows:

	Group		Company	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
At 1 January	<b>362.3</b>	394.9	<b>23.1</b>	25.0
Prior year contract assets reclassified to trade receivables	(284.4)	(280.0)	(12.4)	(16.6)
Contract assets recognised, net of reclassification to trade receivables	<b>296.6</b>	247.5	<b>10.8</b>	14.8
Acquisition through business combinations	<b>12.1</b>	–	–	–
Contract assets written off	(1.6)	(0.1)	(1.1)	(0.1)
	<b>385.0</b>	362.3	<b>20.4</b>	23.1
Less: Loss allowance	(4.8)	(6.1)	–	–
At 31 December	<b>380.2</b>	356.2	<b>20.4</b>	23.1

The Group uses an allowance matrix to measure the ECL of contract assets. In determining the ECL, the Group has taken into account the historical termination write-off experience of the corporate and consumer customer bases, adjusted for factors based on the Group's view of economic conditions over the remaining lifetime of future performance obligations.

The following table details the risk profile of contract assets based on the Group's provision matrix.

	Group					
	Weighted average loss rate	2022 Gross carrying amount \$m	Loss allowance \$m	Weighted average loss rate	2021 Gross carrying amount \$m	Loss allowance \$m
Current	<b>1.3%</b>	<b>385.0</b>	<b>4.8</b>	1.7%	<b>362.3</b>	<b>6.1</b>

## 10 CONTRACT BALANCES (CONTINUED)

### 10.1 Contract assets (continued)

Movements in loss allowance (lifetime ECL) during the year are as follows:

	Group		Company	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
At 1 January	<b>6.1</b>	6.4	–	–
Loss allowances recognised	<b>9.0</b>	11.7	–	–
Allowance utilised	(10.3)	(12.0)	–	–
At 31 December	<b>4.8</b>	6.1	–	–

Based on the Company's credit assessment, management believes that credit exposure is low and the expected credit loss is negligible.

### 10.2 Contract liabilities

Contract liabilities primarily relate to amounts billed in advance for telecommunications, broadband and Pay TV services, advance consideration received from customers for prepaid mobile services and excess of progress payments over the revenue recognised for managed services.

	Group		Company	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
Managed services contracts	<b>39.3</b>	15.9	<b>13.8</b>	6.2
Amounts billed in advance for telecommunications, broadband and Pay TV services	<b>87.5</b>	61.2	<b>57.2</b>	52.3
Amounts received in advance for prepaid mobile services	<b>6.5</b>	24.6	-	–
	<b>133.3</b>	101.7	<b>71.0</b>	58.5
Analysed as:				
Third parties	<b>123.9</b>	93.7	<b>62.5</b>	50.5
Related parties	<b>9.4</b>	8.0	<b>8.5</b>	8.0
	<b>133.3</b>	101.7	<b>71.0</b>	58.5
Current	<b>91.1</b>	63.1	<b>28.8</b>	19.9
Non-current	<b>42.2</b>	38.6	<b>42.2</b>	38.6
	<b>133.3</b>	101.7	<b>71.0</b>	58.5

# Notes to the Financial Statements (Continued)

## 10 CONTRACT BALANCES (CONTINUED)

### 10.2 Contract liabilities (continued)

Movements in the contract liabilities balances during the year are as follows:

	Group		Company	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
At 1 January	101.7	96.0	58.5	52.8
Revenue recognised that was included in the contract liability balance at the beginning of the year	(61.0)	(54.8)	(11.5)	(14.2)
Cash received, excluding amounts recognised as revenue during the year	9.2	0.6	1.3	0.6
Billings in advance, excluding amounts recognised as revenue during the year	76.0	59.9	22.7	19.3
Acquisition through business combinations	7.4	–	–	–
At 31 December	133.3	101.7	71.0	58.5

### 10.3 Contract costs

	Group		Company	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
Costs to obtain contracts	7.5	7.8	1.3	1.4
Costs to fulfil contracts	15.7	21.8	–	–
	23.2	29.6	1.3	1.4
Current	20.2	27.1	0.9	1.0
Non-current	3.0	2.5	0.4	0.4
	23.2	29.6	1.3	1.4

Costs to obtain contracts relate to commission fees paid to dealers as a result of obtaining mobile, pay TV and broadband service contracts. Costs to fulfil contracts relate to costs of materials which generate or enhance resources that will be used in satisfying future performance obligations.

These costs are amortised consistently with the pattern of revenue for related contracts. In 2022, amortisation amounting to \$16.7m and \$130.4m (2021: \$24.8m and \$159.8m) were recognised as customer acquisition costs and cost of services in the income statement, respectively. There was no loss allowance in relation to the costs capitalised.

## 11 INVENTORIES

	Group		Company	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
Equipment held for resale	<b>37.6</b>	40.5	—	—
Maintenance and project inventories	<b>28.9</b>	9.5	<b>5.1</b>	4.3
Inventories, net of allowance	<b>66.5</b>	50.0	<b>5.1</b>	4.3
Allowance written back during the year, net	(1.2)	(1.7)	(0.2)	—

## 12 TRADE RECEIVABLES

	Group		Company	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
Trade receivables	<b>288.2</b>	235.7	<b>201.2</b>	178.8
Loss allowances	(45.4)	(43.5)	(41.5)	(39.4)
	<b>242.8</b>	192.2	<b>159.7</b>	139.4

The trade receivables of the Company include amounts billed under a combined billing arrangement to customers for services provided by certain subsidiaries.

The Group uses an allowance matrix to measure the ECL of trade receivables. In the assessment of ECL, the Group applies the simplified approach to estimate the loss allowance based on aging buckets of the trade receivables, adjusted for certain external indices to different groups between consumer and corporate customers, where applicable.

The following table details the risk profile of trade receivables from contracts with customers based on the Group's allowance matrix.

	2022			2021			Credit impaired?
	Weighted average loss rate	Gross carrying amount \$m	Loss allowance \$m	Weighted average loss rate	Gross carrying amount \$m	Loss allowance \$m	
<b>Group</b>							
Current	<b>5.3%</b>	<b>114.5</b>	<b>6.1</b>	4.0%	104.8	4.2	No
Past due 1 - 15 days	<b>6.8%</b>	<b>22.2</b>	<b>1.5</b>	10.0%	19.6	2.0	Yes
Past due above 15 days	<b>25.0%</b>	<b>151.5</b>	<b>37.8</b>	33.5%	111.3	37.3	Yes
		<b>288.2</b>	<b>45.4</b>		235.7	43.5	
<b>Company</b>							
Current	<b>8.4%</b>	<b>71.3</b>	<b>6.0</b>	5.5%	74.9	4.1	No
Past due 1 - 15 days	<b>7.5%</b>	<b>18.7</b>	<b>1.4</b>	12.8%	15.2	1.9	Yes
Past due above 15 days	<b>30.7%</b>	<b>111.2</b>	<b>34.1</b>	37.6%	88.7	33.4	Yes
		<b>201.2</b>	<b>41.5</b>		178.8	39.4	

# Notes to the Financial Statements (Continued)

## 12 TRADE RECEIVABLES (CONTINUED)

Movements in lifetime ECL balances during the year are as follows:

	Group		Company	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
At 1 January	43.5	55.2	39.4	48.9
Loss allowances recognised / (written back)	10.6	3.0	3.2	(1.4)
Recharged to subsidiaries	–	–	7.5	6.5
Allowance utilised	(8.7)	(14.7)	(8.6)	(14.6)
At 31 December	45.4	43.5	41.5	39.4

## 13 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
<b>Current</b>				
Grant receivables	11.3	6.7	–	–
Deposits	7.8	6.4	1.0	1.0
Prepayments	115.6	67.7	29.2	32.1
Other receivables	23.1	10.0	3.0	2.8
Loan receivable	–	105.0	–	–
Forward exchange contracts	–	0.1	–	0.1
Others	0.3	–	–	–
	158.1	195.9	33.2	36.0
<b>Non-current</b>				
Prepayments	–	0.8	–	0.8
Loan receivable	74.2	–	–	–
Others	0.2	–	–	–
	74.4	0.8	–	0.8

On 22 September 2021, the Company announced that StarHub Online Pte Ltd ("SHOL") had entered into a share purchase agreement with MyRepublic Group Limited ("MR GroupCo") and MyRepublic Holdings Ltd ("MR HoldCo") to acquire a majority interest in MR HoldCo's broadband business in Singapore ("the Acquisition").

Concurrent with the entry of the share purchase agreement, SHOL extended a \$105.0 million loan to MR HoldCo for the repayment of MR HoldCo's existing debts. The loan, being interest bearing, was secured over certain assets of MR GroupCo and repayable within one year.

During the year, the Group completed the Acquisition of 50.1% equity interest in MyRepublic Broadband Pte. Ltd. ("MR Broadband"). In addition to the equity stake, SHOL has agreed to extend a \$74.2 million loan to MR HoldCo. The loan being interest bearing, secured over certain assets of MR GroupCo for a period of three years, is considered to be of low credit risk.

Both loans were net settled and disbursed amounting to \$30.8 million, by way of offset against the consideration paid for the Acquisition (see Note 34).

## 14 CASH AND CASH EQUIVALENTS

Note	Group		Company	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
Fixed deposits	325.2	577.8	318.1	568.0
Cash at bank and in hand	248.4	255.0	87.5	131.4
Cash and cash equivalents in the statement of financial position	573.6	832.8	405.6	699.4
Restricted cash and fixed deposits	(4.9)	(10.7)	–	–
Bank overdraft	16	(1.5)	(0.6)	–
Cash and cash equivalents in the cash flow statement	567.2	821.5	405.6	699.4

Fixed deposits relate to deposits with financial institutions with maturities of three months or less with effective interest rates ranging from 0.05% to 5.15% (2021: 0.28% to 3.15%) per annum.

At the reporting date, cash and cash equivalents held by the Company included \$183.9 million (2021: \$35.5 million) cash pooled together from a subsidiary and managed centrally by the Company as part of the Group's cash management and treasury activities.

Impairment on cash and cash equivalents are measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on external credit ratings of counterparties. The amount of allowance on cash and cash equivalents was negligible.

Restricted cash and fixed deposits were set aside for performance bonds with customers.

## 15 TRADE AND OTHER PAYABLES

	Group		Company	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
<b>Current</b>				
Trade payables	265.7	214.3	162.8	156.1
Accruals	490.7	439.0	196.9	203.9
Other deferred income	1.3	1.1	–	–
Deposits from customers	15.2	9.0	8.0	8.4
Contingent consideration	46.2	31.0	–	–
Forward exchange contracts	4.6	–	4.4	–
	823.7	694.4	372.1	368.4

# Notes to the Financial Statements (Continued)

## 15 TRADE AND OTHER PAYABLES (CONTINUED)

	Group		Company	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
<b>Non-current</b>				
Accruals	43.0	33.3	26.8	25.5
Other deferred income	1.9	2.6	—	—
Other non-trade payables	2.7	—	—	—
Contingent consideration	—	8.0	—	—
Forward liability to acquire non-controlling interests	12.8	37.3	—	—
	60.4	81.2	26.8	25.5

Included in trade payables are bills payable with a vendor of \$62.0 million (2021: \$56.8 million), which are unsecured, payable within 61-90 days, and bear an extension fee ranging from 4.36% to 4.93% (2021: 1.43% to 1.44%) per annum.

The Group also participates in a supply chain finance programme ("SCF") under which its suppliers may elect to receive early payment of their invoice from a bank by factoring their receivable from the Group. Under the arrangement, a bank agrees to pay amounts to a participating supplier in respect of invoices owed by the Group and receives settlement from the Group at a later date. As at 31 December 2022, trade payables under the SCF programme is \$2.2 million (2021: \$0.9 million).

The Group does not derecognise the original liabilities to which these arrangements apply. These arrangements do not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating. The Group discloses these amounts within trade payables because the nature and function of the financial liabilities remained the same. The payments to the bank and vendor are included within operating cashflows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating.

## 16 BORROWINGS

Note	Group		Company	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
<b>Current</b>				
Bank loans	16.1	135.1	5.6	120.0
Medium term notes	16.2		220.0	—
Bank overdraft	14	1.5	0.6	—
	136.6	226.2	120.0	220.0
<b>Non-current</b>				
Bank loans	16.1	513.8	638.7	435.1
Medium term notes	16.2	499.8	499.8	499.8
	1,013.6	1,138.5	934.9	1,054.4

## 16 BORROWINGS (CONTINUED)

Reconciliation of movements of borrowings to cash flows arising from financing activities:

	Group	
	2022 \$m	2021 \$m
At 1 January	1,364.7	1,172.4
<b>Changes from financing cash flows</b>		
Proceeds from borrowings	29.5	200.0
Repayment of borrowings	(240.1)	(1.6)
Interest paid	(38.4)	(36.7)
<b>Total changes from financing cash flows</b>	(249.0)	161.7
Total liability-related other changes	40.0	32.3
Effects of foreign exchange rate	(5.5)	(1.7)
<b>At 31 December</b>	<b>1,150.2</b>	<b>1,364.7</b>

### 16.1 Bank loans

At 31 December 2022, bank loans of \$3.9 million (2021: \$5.8 million) are secured over fixed deposits and bear interest rates at 4.07% to 8.40% (2021: 2.17% to 7.95%) per annum. The remaining unsecured bank loans bear interest at rates ranging from 1.30% to 7.14% (2021: 1.30% to 2.78%) per annum.

As at 31 December 2022, the fair value of bank loans is \$618.8 million (2021: \$638.5 million).

At the reporting date, the Company has provided a financial guarantee for a loan of \$79.1 million (2021: \$83.5 million) drawn down under a loan facility entered by a subsidiary. The guarantee is accounted for in accordance to SFRS(I) 4 *Insurance Contracts*.

### 16.2 Medium term notes

The Company had established in September 2011 a multicurrency medium term note programme with a maximum aggregate principal amount of \$1,000.0 million.

In September 2012, the Company issued a \$220.0 million 10-year medium term note which bore interest rate of 3.08% per annum. The amount was repaid in September 2022.

In June 2016, the Company issued a \$300.0 million 10-year medium term note which bears interest of 3.55% per annum and is repayable in June 2026.

On 29 May 2017, the Company updated and amended its \$1,000.0 million multicurrency medium term note programme to a \$2,000.0 million multicurrency debt issuance programme with the inclusion of the mechanism for the issuance of, and the terms and conditions of, perpetual securities. The amendments do not affect the validity of the existing term notes issued by the Company under the original programme.

In January 2021, the Company issued a \$200.0 million 10-year medium term note which bears interest of 2.48% per annum and is repayable in January 2031.

As at 31 December 2022, the fair value of the medium term notes are \$461.1 million (2021: \$736.7 million).

# Notes to the Financial Statements (Continued)

## 17 LEASE LIABILITIES

	Group		Company	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
Current	<b>31.8</b>	29.2	<b>17.0</b>	15.6
Non-current	<b>86.9</b>	102.8	<b>65.0</b>	75.5
	<b>118.7</b>	132.0	<b>82.0</b>	91.1

Reconciliation of movements of lease liabilities to cash flows arising from financing activities:

	Note	Group	
		2022 \$m	2021 \$m
At 1 January		<b>132.0</b>	157.6
<b>Changes from financing cash flows</b>			
Payment of lease liabilities		(38.3)	(31.4)
Interest paid		(5.1)	(5.9)
<b>Total changes from financing cash flows</b>		<b>(43.4)</b>	(37.3)
<b>Other changes</b>			
New leases and modifications		<b>18.5</b>	5.8
Interest expense		<b>5.1</b>	5.9
Termination of lease		(3.1)	–
Acquisition through business combination	34	<b>9.6</b>	–
<b>Total other changes</b>		<b>30.1</b>	11.7
<b>At 31 December</b>		<b>118.7</b>	132.0

## 18 DEFERRED TAX ASSETS AND LIABILITIES

Movements in deferred tax assets/(liabilities) during the year are as follows:

Group	At 1 January \$m	Recognised in income statement (Note 28) \$m	Recognised in other comprehensive income \$m	Recognised in equity \$m	Acquired in business combination (Note 34) \$m	Translation \$m	At 31 December \$m
<b>2022</b>							
<b>Deferred tax liabilities</b>							
Property, plant and equipment and intangible assets	(101.0)	13.0	–	–	(11.1)	0.5	(98.6)
Right-of-use assets	2.0	(0.4)	–	–	–	–	1.6
Other payables and accruals	8.5	1.7	–	–	–	0.2	10.4
Contract assets	1.0	–	–	–	–	–	1.0
Contract costs	(2.5)	(0.3)	–	–	–	–	(2.8)
Derivatives	–	–	0.8	–	–	–	0.8
Share-based payment transactions	0.3	0.1	–	0.4	–	–	0.8
	(91.7)	14.1	0.8	0.4	(11.1)	0.7	(86.8)
<b>2021</b>							
<b>Deferred tax assets</b>							
Other payables and accruals	0.1	–	(0.1)	–	–	–	–
Unutilised tax losses	0.7	–	(0.7)	–	–	–	–
	0.8	–	(0.8)	–	–	–	–
<b>Deferred tax liabilities</b>							
Property, plant and equipment and intangible assets	(119.9)	–	18.9	–	–	–	(101.0)
Right-of-use assets	1.8	–	0.2	–	–	–	2.0
Other payables and accruals	8.2	–	0.3	–	–	–	8.5
Contract assets	1.1	–	(0.1)	–	–	–	1.0
Contract costs	(3.2)	–	0.7	–	–	–	(2.5)
Derivatives	0.4	–	–	(0.4)	–	–	–
Share-based payment transactions	0.3	–	–	–	–	–	0.3
	(111.3)	–	20.0	(0.4)	–	–	(91.7)

# Notes to the Financial Statements (Continued)

## 18 DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

### *Unrecognised deferred tax assets*

Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2022 \$m	2021 \$m
Tax losses	30.8	30.1

The Group has not recognised deferred tax assets in respect of the above tax losses as the Group does not expect to recover these potential deferred tax assets in the foreseeable future. The Group reassesses the recovery of these potential deferred tax assets annually.

The tax losses include \$3.6 million (2021: \$4.1 million) which can be carried forward up to financial years 2028 to 2031 (2021: 2025 to 2028) subject to different jurisdiction requirements by those companies with unrecognised tax losses in their respective country of incorporation. The remaining tax losses do not expire under current tax legislation.

Company	At 1 January \$m	Recognised in income statement \$m	Recognised in equity \$m	At 31 December \$m
<b>2022</b>				
<b>Deferred tax (liabilities)/assets</b>				
Property, plant and equipment and intangible assets	(61.5)	3.7	–	(57.8)
Right-of-use assets	1.3	(0.5)	–	0.8
Other payables and accruals	5.8	(2.1)	–	3.7
Contract asset	–	0.2	–	0.2
Contract cost	(0.3)	–	–	(0.3)
Share-based payment transactions	0.3	0.1	0.4	0.8
	<b>(54.4)</b>	<b>1.4</b>	<b>0.4</b>	<b>(52.6)</b>
<b>2021</b>				
<b>Deferred tax (liabilities)/assets</b>				
Property, plant and equipment and intangible assets	(69.3)	7.8	–	(61.5)
Right-of-use assets	1.0	0.3	–	1.3
Other payables and accruals	5.0	0.8	–	5.8
Contract cost	(0.3)	–	–	(0.3)
Share-based payment transactions	0.3	–	–	0.3
	<b>(63.3)</b>	<b>8.9</b>	<b>–</b>	<b>(54.4)</b>

## 19 SHARE CAPITAL

Group and Company	2022		2021	
	Number of shares '000	\$m	Number of shares '000	\$m
<b>Issued and fully paid ordinary shares:</b>				
At beginning and end of year	1,731,651	299.7	1,731,651	299.7

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

## 20 RESERVES

	Group		Company	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
Treasury shares	(4.8)	(1.9)	(4.8)	(1.9)
Capital reserve	(4.4)	(6.9)	–	–
Fair value reserve	(35.5)	(34.8)	(35.5)	(34.8)
Goodwill written off	(276.3)	(276.3)	–	–
Share-based payments reserve	9.1	8.5	9.1	8.5
Hedging reserve	(1.9)	–	–	–
Translation reserve	–	0.2	–	–
Retained profits	344.6	401.1	2,125.5	2,295.0
	30.8	89.9	2,094.3	2,266.8

### Treasury shares

Treasury shares comprise the cost of the Company's shares held by the Company. As at year-end, 4,363,994 (2021: 1,481,178) treasury shares were held by the Company. During the year, 3,527,184 (2021: 2,269,745) treasury shares were transferred to share-based payments reserve.

### Capital reserve

The capital reserve comprises:

- + acquisitions and disposals of interests with non-controlling interests that did not result in a change in control; and
- + present value of a forward contract issued to a non-controlling interest shareholder.

# Notes to the Financial Statements (Continued)

## 20 RESERVES (CONTINUED)

### *Fair value reserve*

The fair value reserve comprises the cumulative net change in the fair value of equity investments designated at FVOCI.

### *Goodwill written off*

The goodwill written off represents the excess of consideration paid on the acquisition of subsidiaries prior to 1 January 2001 over the Group's share of the fair value of net assets acquired.

### *Share-based payments reserve*

The share-based payments reserve comprises the cumulative value of services received from employees and directors recorded in respect of the grant of share options and share awards.

### *Hedging reserve*

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions.

### *Translation reserve*

The translation reserve comprises all foreign currency translation differences arising from the translation of the financial statements of foreign operations.

## 21 PERPETUAL CAPITAL SECURITIES

On 16 June 2017, the Company issued subordinated perpetual securities (the "perpetual securities") with an aggregate principal amount of \$200.0 million. Incremental costs incurred amounting to \$0.4 million was recognised in equity as a deduction from the proceeds. Such perpetual securities bear distributions at a rate of 3.95% per annum, payable semi-annually. Subject to the relevant terms and conditions in the offering memorandum, the Company may elect to defer making distributions on the perpetual securities and is not subject to any limits as to the number of times a distribution can be deferred. As a result, the perpetual securities do not meet the definition for classification as a financial liability under SFRS(I) 1-32 *Financial Instruments: Presentation*. The whole instrument is presented within equity, and distributions are treated as dividends.

During the year, distributions amounting to \$7.9 million (2021: \$7.9 million) were accrued and paid to perpetual security holders.

## 22 NON-CONTROLLING INTERESTS

The following subsidiaries have material non-controlling interests to the Group:

Name of company	Principal activities	Country of incorporation/ Principal place of business	Effective ownership interest held by NCI	
			2022 %	2021 %
Ensign InfoSecurity Pte. Ltd. ("Ensign")	Provision of computer systems integration activities, other professional, scientific and technical activities	Singapore	<b>44.27<sup>(1)</sup></b>	43.14 <sup>(1)</sup>
MyRepublic Broadband Pte. Ltd. ("MR Broadband")	Provider of broadband internet access	Singapore	<b>49.90</b>	—

<sup>(1)</sup> At the date of acquisition, the non-controlling interest shareholder assigned to the Company 20% of its rights, benefits and interests in Ensign.

The following summarised financial information for the non-controlling interests of Ensign and MR Broadband are prepared in accordance with SFRS(I) and modified for fair value adjustments on acquisition.

	2022 \$m Ensign	2022 \$m MR Broadband	2021 \$m Ensign
Revenue	<b>303.3</b>	<b>53.0</b>	270.9
Profit from continuing operations	<b>9.9</b>	<b>7.0</b>	3.0
<b>Total comprehensive income</b>	<b>9.9</b>	<b>7.0</b>	3.0
Attributable to NCI:			
Profit from continuing operations	<b>4.4</b>	<b>3.5</b>	1.3
<b>Total comprehensive income</b>	<b>4.4</b>	<b>3.5</b>	1.3
Non-current assets	<b>118.4</b>	<b>59.4</b>	129.1
Current assets	<b>338.0</b>	<b>14.2</b>	246.9
Borrowings	—	—	(0.7)
Non-current liabilities	<b>(10.7)</b>	<b>(9.0)</b>	(13.8)
Current liabilities	<b>(171.1)</b>	<b>(22.4)</b>	(125.9)
<b>Net assets</b>	<b>274.6</b>	<b>42.2</b>	235.6
<b>Net assets attributable to NCI</b>	<b>121.6</b>	<b>21.0</b>	101.6
Cash flows from operating activities	<b>10.7</b>	<b>18.0</b>	29.2
Cash flows from investing activities	<b>(12.9)</b>	<b>(4.1)</b>	(3.9)
Cash flows from financing activities	<b>24.7</b>	<b>(11.6)</b>	29.5
<b>Net increase in cash and cash equivalents</b>	<b>22.5</b>	<b>2.3</b>	54.8

# Notes to the Financial Statements (Continued)

## 22 NON-CONTROLLING INTERESTS (CONTINUED)

### *Dilution of equity interest in Ensign Group*

During the year, the non-controlling interest shareholder increased its capital contribution in Ensign, decreasing the Group's ownership from 56.86% to 55.73% (2021: 58.38% to 56.86%). The following summarises the effect of change in Group's ownership interest on the equity attributable to owners of the Company.

	2022 \$m	2021 \$m
Capital contribution from non-controlling interest shareholder	<b>17.7</b>	20.7
Net increase in non-controlling interests	<b>(15.4)</b>	(17.6)
Net increase in capital reserve attributable to owners of the Company	<b>2.3</b>	3.1

## 23 REVENUE

	Group	
	2022 \$m	2021 \$m
<i>Disaggregation of revenue from contracts with customers</i>		
Mobile revenue	<b>564.4</b>	525.0
Entertainment revenue	<b>216.3</b>	186.3
Broadband revenue	<b>242.4</b>	193.8
Enterprise Business revenue	<b>865.5</b>	706.1
Total service and contract revenue	<b>1,888.6</b>	1,611.2
Sales of equipment	<b>438.7</b>	431.4
	<b>2,327.3</b>	2,042.6

### *Transaction price allocated to the remaining performance obligations*

The following table includes revenue expected to be recognised in the future related to performance obligations that have not been fulfilled at the reporting date:

Group	2023 \$m	2024 \$m	2025 \$m	2026 \$m	2027 onwards \$m	Total \$m
<b>2022</b>						
Mobile revenue	<b>114.3</b>	<b>35.8</b>	<b>1.1</b>	<b>0.1</b>	<b>0.6</b>	<b>151.9</b>
Entertainment revenue	<b>35.1</b>	<b>10.1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>45.2</b>
Broadband revenue	<b>123.5</b>	<b>40.5</b>	<b>0.3</b>	<b>–</b>	<b>–</b>	<b>164.3</b>
Enterprise Business revenue	<b>433.9</b>	<b>181.8</b>	<b>50.7</b>	<b>17.2</b>	<b>31.6</b>	<b>715.2</b>
Total	<b>706.8</b>	<b>268.2</b>	<b>52.1</b>	<b>17.3</b>	<b>32.2</b>	<b>1,076.6</b>

**23 REVENUE (CONTINUED)**

Group	2022 \$m	2023 \$m	2024 \$m	2025 \$m	2026 onwards \$m	Total \$m
<b>2021</b>						
Mobile revenue	141.8	44.5	0.9	–	0.6	187.8
Entertainment revenue	42.7	12.6	–	–	–	55.3
Broadband revenue	87.5	26.5	–	–	–	114.0
Enterprise Business revenue	350.6	183.1	31.1	15.9	29.2	609.9
<b>Total</b>	<b>622.6</b>	<b>266.7</b>	<b>32.0</b>	<b>15.9</b>	<b>29.8</b>	<b>967.0</b>

Variable consideration that is constrained and therefore not included in the transaction price is excluded in the amounts presented above.

The Group applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if the performance obligations is part of a contract that has an original expected duration of one year or less. In addition, amounts that are not contractually committed are excluded.

**24 OPERATING EXPENSES**

	Group	2022 \$m	2021 \$m
Cost of equipment sold		<b>401.1</b>	401.3
Cost of services		<b>709.5</b>	504.2
Traffic expenses		<b>43.9</b>	42.6
Customer acquisition costs		<b>36.2</b>	23.4
Depreciation and amortisation		<b>266.5</b>	279.0
Loss allowances of:			
– Contract assets		<b>9.0</b>	11.7
– Trade receivables		<b>10.6</b>	3.0
Marketing and promotions		<b>29.4</b>	22.0
Staff costs		<b>344.0</b>	276.5
Repairs and maintenance		<b>117.1</b>	90.2
Short-term lease expenses		<b>7.7</b>	8.4
Other expenses		<b>206.1</b>	162.7
		<b>2,181.1</b>	1,825.0

# Notes to the Financial Statements (Continued)

## 24 OPERATING EXPENSES (CONTINUED)

### 24.1 Depreciation and amortisation

Depreciation and amortisation expenses comprise the following:

	Group	
	2022 \$m	2021 \$m
Depreciation of property, plant and equipment	158.3	173.1
Accretion of asset grants to the income statement	-	(0.1)
	158.3	173.0
Amortisation of intangible assets	71.7	72.6
Depreciation of right-of-use assets	36.5	33.4
	266.5	279.0

### 24.2 Staff costs

The following are included in staff costs:

	Group	
	2022 \$m	2021 \$m
Defined contribution plans	30.1	25.1
Share-based payments	4.7	3.4
Government grants	(1.1)	(1.2)

#### 24.2.1 Key management personnel compensation

	Group	
	2022 \$m	2021 \$m
Directors' fees	1.7	1.7
Short-term employee benefits	10.5	10.4
Share-based payments	2.6	2.1
	14.8	14.2

Key management personnel also participate in the StarHub Performance Share Plans and the StarHub Restricted Stock Plans. The short-term benefits include the Group balanced scorecard incentive programme to reward employees for achieving or exceeding performance targets.

During the year, conditional awards of shares of 1,648,000 (2021: 1,726,000) shares under the StarHub Performance Share Plans and conditional awards of shares of 1,433,000 (2021: 1,344,000) shares under the StarHub Restricted Stock Plans were granted to the key management personnel of the Group during the year. These represent the number of shares to be delivered when performance targets at "on-target" level are achieved, or as the case may be when the time-based service conditions are completed.

## 24 OPERATING EXPENSES (CONTINUED)

### 24.2 Staff costs (continued)

#### 24.2.1 Key management personnel compensation (continued)

During the year, awards of 417,600 (2021: 321,500) shares under the StarHub Restricted Stock Plans were vested and delivered to certain non-executive directors of the Group as part of their non-executive directors' remuneration, without performance or vesting conditions attached.

Based on the actual level of achievement of the pre-determined performance targets over the 2019 performance period, final awards comprising 237,060 (2021: 236,070) shares were delivered to key management personnel of the Group during the year under the 2019 conditional awards granted to the key management personnel of the Group in July 2019 pursuant to the StarHub Restricted Stock Plans.

Based on the actual level of achievement of the pre-determined performance targets over the 2020 performance period, final awards comprising 315,756 (2021: 342,090) shares were delivered to key management personnel of the Group during the year under the 2020 conditional awards granted to the key management personnel of the Group in March 2020 pursuant to the StarHub Restricted Stock Plans.

Based on the actual level of achievement of the pre-determined performance targets over the 2021 performance period, final awards comprising 448,004 (2021: nil) shares were delivered to key management personnel of the Group during the year under the 2021 conditional awards granted to the key management personnel of the Group in March 2021 pursuant to the StarHub Restricted Stock Plans.

All conditional share awards (except for the time-based restricted share awards) granted to the key management personnel of the Group were on the same terms and conditions as those offered to other employees of the Group. As at 31 December 2022, 3,465,111 (2021: 3,454,000) of the conditional awards of shares under the StarHub Performance Share Plans, and 2,375,788 (2021: 2,212,554) of the conditional awards of shares under the StarHub Restricted Stock Plans granted to the key management personnel were outstanding.

#### 24.2.2 Share-based Payments

##### *StarHub Performance Share Plans*

Under the StarHub PSP 2014 ("StarHub Performance Share Plans"), conditional awards of shares are granted. Awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the participant achieving prescribed performance targets set based on medium-term corporate objectives. Awards are released once the Company's Executive Resource and Compensation Committee is satisfied that the prescribed performance targets have been achieved. There are no vesting periods beyond the performance achievement periods.

# Notes to the Financial Statements (Continued)

## 24 OPERATING EXPENSES (CONTINUED)

### 24.2 Staff costs (continued)

#### 24.2.2 Share-based Payments (continued)

##### *StarHub Performance Share Plans (continued)*

The movements of the number of shares under the StarHub Performance Share Plans, the fair values of the grant at measurement date and the assumptions of the fair value model for the grants of the Company are as follows:

Company	Balance outstanding at 1 January '000	Number of performance shares granted '000	Number of performance shares vested '000	Number of performance shares forfeited '000	Balance outstanding at 31 December '000
<b>2022</b>					
<b>Date of grant</b>					
1 October 2019	1,206	–	(603)	(603)	–
28 December 2020	522	–	–	(89)	433
16 August 2021	1,726	–	–	(252)	1,474
10 June 2022	–	1,648	–	(90)	1,558
Total	3,454	1,648	(603)	(1,034)	3,465
<b>2021</b>					
<b>Date of grant</b>					
28 March 2018	395	–	(109)	(286)	–
1 October 2019	1,206	–	–	–	1,206
28 December 2020	564	–	–	(42)	522
16 August 2021	–	1,726	–	–	1,726
Total	2,165	1,726	(109)	(328)	3,454

The fair value of the shares is estimated using a Monte-Carlo simulation methodology at the measurement dates, which are grant dates of the share awards. The assumptions under the model used for the grants in 2022 and 2021 are as follows:

	Year of grant	
	2022	2021
Fair value	\$0.95	\$0.98
Share price	\$1.25	\$1.25
Expected volatility of the Company's shares	18.77%	20.12%
Expected dividend yield	4.81%	5.54%
Risk-free interest rates	2.49%	0.44%

## 24 OPERATING EXPENSES (CONTINUED)

### 24.2 Staff costs (continued)

#### 24.2.2 Share-based Payments (continued)

##### *StarHub Restricted Stock Plans*

Under the StarHub RSP Plan 2014 ("StarHub Restricted Stock Plans"), awards granted vest only after the satisfactory completion of time-based service conditions (time-based restricted awards) or where the award is performance-related after a further period of service beyond the performance targets completion date (performance-based restricted awards).

During the year, conditional grants of 4,146,700 (2021: 3,554,200) shares under the StarHub Restricted Stock Plans were made to key employees of the Group. These represent the number of shares to be delivered when performance targets at "on-target" level are achieved, or as the case may be when the time-based service conditions are completed.

The movements of the number of shares for key employees under the StarHub Restricted Stock Plans, the fair values of the grant at measurement date and the assumptions of the fair value model for the grants of the Company are as follows:

Date of grant	Balance outstanding at 1 January '000	Number of restricted shares granted '000	Number of restricted shares vested '000	Number of restricted shares forfeited '000	Balance outstanding at 31 December '000
<b>2022</b>					
3 July 2019	473	–	(473)	–	–
1 October 2019	168	–	(146)	(22)	–
26 March 2020	1,487	–	(779)	(102)	606
31 March 2021	3,252	–	(1,109)	(240)	1,903
10 June 2022	–	4,147	–	(157)	3,990
Total	5,380	4,147	(2,507)	(521)	6,499

Date of grant	Balance outstanding at 1 January '000	Number of restricted shares granted '000	Number of restricted shares vested '000	Number of restricted shares forfeited '000	Balance outstanding at 31 December '000
<b>2021</b>					
28 March 2018	332	–	(325)	(7)	–
3 July 2019	1,018	–	(502)	(43)	473
1 October 2019	377	–	(178)	(31)	168
26 March 2020	2,646	–	(834)	(325)	1,487
31 March 2021	–	3,554	–	(302)	3,252
Total	4,373	3,554	(1,839)	(708)	5,380

# Notes to the Financial Statements (Continued)

## 24 OPERATING EXPENSES (CONTINUED)

### 24.2 Staff costs (continued)

#### 24.2.2 Share-based Payments (continued)

##### *StarHub Restricted Stock Plans (continued)*

The fair value of the share awards is estimated using a Monte-Carlo simulation methodology at the measurement dates, which are grant dates of the share awards.

The assumptions under the model used for the grants in 2022 and 2021 are as follows:

	Year of grant	
	2022	2021
Fair value	\$1.11 - \$1.21	\$1.11 - \$1.22
Share price	\$1.25	\$1.28
Expected volatility of the Company's shares	18.77%	24.51%
Expected dividend yield	4.81%	5.27%
Risk-free interest rates	1.98%-2.48%	0.45%-0.66%

### 24.3 Other expenses

Included in other expenses are the following:

	Group	
	2022 \$m	2021 \$m
Audit fees paid to:		
– Auditors of the Company	0.9	0.6
– Member firms of auditors of the Company	0.2	0.2
– Other auditors of the Group	0.5	0.3
Audit-related fees paid to:		
– Auditors of the Company	0.1	–
– Other auditors of the Group	0.1	–
Non-audit fees paid to:		
– Auditors of the Company	0.3	0.2
– Other auditors of the Group	1.2	–
Foreign currency exchange loss, net	0.5	0.4

**25 OTHER INCOME**

	Group	
	2022 \$m	2021 \$m
Rental income	–	0.1
Special project related income	0.9	2.3
Income related grants	7.4	6.0
Deferred grants accredited to the income statement	0.2	5.8
	8.5	14.2

**26 NET FINANCE COSTS**

	Group	
	2022 \$m	2021 \$m
Interest income:		
– Bank deposits	5.5	3.0
– Loan to an external party	2.7	1.1
<b>Finance income</b>	<b>8.2</b>	<b>4.1</b>
Interest expense:		
– Bank loans	17.5	17.3
– Medium term notes	20.3	22.3
Interest on borrowings	37.8	39.6
Interest on lease liabilities	5.1	5.9
Other financing charges	2.3	3.6
<b>Finance expenses</b>	<b>45.2</b>	<b>49.1</b>

# Notes to the Financial Statements (Continued)

## 27 NON-OPERATING INCOME/EXPENSE

	Group	2022 \$m	2021 \$m
<b>Income</b>			
Fair value gain of forward liability to acquire non-controlling interest		<b>22.5</b>	–
Fair value gain on contingent consideration		<b>8.5</b>	–
Others		<b>0.4</b>	1.3
<b>Non-operating income</b>		<b>31.4</b>	1.3
<b>Expenses</b>			
Impairment loss of property, plant and equipment		<b>38.5</b>	–
Impairment loss of intangible assets		<b>21.6</b>	–
Others		<b>–</b>	3.0
<b>Non-operating expenses</b>		<b>60.1</b>	3.0

## 28 TAXATION

	Group	2022 \$m	2021 \$m
<b>Current tax</b>			
Current income tax		<b>36.0</b>	58.4
Underprovision in prior year		<b>1.4</b>	0.9
		<b>37.4</b>	59.3
<b>Deferred tax</b>			
Reversal and origination of temporary differences		<b>(15.2)</b>	(19.3)
Underprovision in prior year		<b>1.1</b>	0.1
		<b>(14.1)</b>	(19.2)
Total income tax in the income statement		<b>23.3</b>	40.1

## 28 TAXATION (CONTINUED)

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December is as follows:

	Group	
	2022 \$m	2021 \$m
Profit before taxation	<b>93.1</b>	190.2
Income tax using Singapore tax rate of 17% (2021: 17%)	<b>15.8</b>	32.3
Income not subject to tax	(2.3)	(0.9)
Non-deductible expenses	<b>11.8</b>	8.7
Tax incentives	(1.8)	(0.1)
Effect of tax rates in foreign jurisdiction	(1.0)	0.1
Recognition of previously unrecognised deferred tax assets	(1.6)	(1.2)
Under provision in prior year, net	<b>2.5</b>	1.0
Others	(0.1)	0.2
Total income tax in the income statement	<b>23.3</b>	40.1

Income tax recognised in other comprehensive income for the years ended 31 December are as follows:

	Group	
	2022 \$m	2021 \$m
Cash flow hedge, before taxation	(4.5)	2.5
Taxation	<b>0.8</b>	(0.4)
Effective portion of changes in fair value of cash flow hedge	<b>(3.7)</b>	2.1

## 29 EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the adjusted profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding (excluding treasury shares) during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding (excluding treasury shares), for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees under the StarHub share plans.

	Group	
	2022 \$m	2021 \$m
Profit attributable to owners of the Company	<b>62.2</b>	149.3
Less: Perpetual capital securities distribution	(7.9)	(7.9)
Adjusted profit attributable to owners of the Company	<b>54.3</b>	141.4

# Notes to the Financial Statements (Continued)

## 29 EARNINGS PER SHARE (EPS) (CONTINUED)

	Number of shares	
	2022 '000	2021 '000
Weighted average number of ordinary shares (basic) during the year <sup>#</sup>	1,730,468	1,730,945
Adjustment for dilutive effect of share plans	8,384	7,415
Weighted average number of ordinary shares (diluted) during the year	1,738,852	1,738,360

<sup>#</sup> Excludes treasury shares.

## 30 EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION

The earnings before interest, taxation, depreciation and amortisation ("EBITDA") is a supplementary indicator of performance used by the Group. The measurement of EBITDA is not governed by SFRS(I).

The Group defines EBITDA as follows:

	Group	
	2022 \$m	2021 \$m
Profit before taxation	93.1	190.2
Adjustments for:		
Depreciation and amortisation*	262.3	279.0
Finance income	(8.2)	(4.1)
Finance expense	45.2	49.1
Non-operating income	(31.4)	(1.3)
Non-operating expense	60.1	3.0
Share of results of associate (net of tax)	(0.6)	(3.4)
Share of results of joint venture (net of tax)	(3.5)	(1.7)
EBITDA	417.0	510.8

\* Excludes \$4.2 million (2021: nil) of depreciation of certain assets.

## 31 RELATED PARTY TRANSACTIONS

The Company has entered into contractual agreements on behalf of its subsidiaries, and recharges its subsidiaries based on terms agreed between the parties involved.

In the normal course of business, the Group purchases and sells info-communications services to related companies. The related party transactions are carried out on terms negotiated between the parties which are intended to reflect competitive terms.

Other than disclosed above and elsewhere in the financial statements, significant transactions of the Group with related parties during the financial year were as follows:

	Group	
	2022 \$m	2021 \$m
<b>Ultimate holding company</b>		
Sales	<b>0.1</b>	0.1
<b>Associate</b>		
Purchase of property, plant and equipment	–	0.1
Other income	<b>0.3</b>	–
Leases of premises	<b>2.8</b>	2.8
Purchase of services	<b>13.9</b>	15.5
<b>Related corporations</b>		
Sales	<b>58.8</b>	44.7
Purchase of property, plant and equipment	<b>2.2</b>	6.0
Leases of infrastructure and equipment	<b>3.1</b>	5.1
Purchase of services	<b>18.0</b>	29.9
Purchase of inventories	<b>1.2</b>	4.3

# Notes to the Financial Statements (Continued)

## 32 DIVIDENDS

	Group and Company	
	2022 \$m	2021 \$m
<b>Paid by the Company to owners of the Company</b>		
Final dividend of \$0.039 (2021: \$0.025) per share (1-tier tax exempt) paid in respect of the previous financial year	<b>67.5</b>	43.3
Interim dividends of \$0.025 (2021: \$0.025) per share (1-tier tax exempt) paid in respect of the current financial year	<b>43.3</b>	43.2
	<b>110.8</b>	86.5
<b>Paid by a subsidiary to NCI</b>		
Interim dividends of \$2.504 (2021: nil) per share (1-tier tax exempt) paid in respect of the current financial year	<b>5.4</b>	-
	<b>5.4</b>	-

## 33 SEGMENT REPORTING

Segment information is presented based on the information reviewed by the chief operating decision makers ("CODM") for performance assessment and resource allocation. The CODM assesses the Group's financial performance using performance indicators which include revenue, EBITDA (see Note 30), capital expenditure and cash flow of the Group.

The Group has two reportable segments, which are Telecommunications and Cybersecurity segments.

- (i) Telecommunications segment comprises the Group's Mobile, Entertainment, Broadband, Enterprise Business and equipment sales on a fully integrated network that has a centralised customer service, sales, marketing and administration support. In addition, it includes Regional ICT, MyRepublic Broadband and JOS entities as the CODM determined that they exhibit similar economic characteristics to the Telecommunications segment. In making this judgement, the CODM has considered the enterprise digital services and products offering and the customer base.
- (ii) Cybersecurity segment was formed by aggregating with high security assurance product segment, which was determined by the CODM to exhibit similar economic characteristics. The principal activities of this segment, include provision of systems integration activities and supply of high security assurance products and technology.

### 33 SEGMENT REPORTING (CONTINUED)

The Group operates primarily in Singapore and has a large and diversified customer base consisting of individuals and corporations. There was no single customer that contributed to 10% or more of the Group's revenue.

The Group's reportable segment information is as follows:

	Telecommunications 2022 \$m	Cybersecurity 2022 \$m	Elimination of intersegment transactions 2022 \$m	Group 2022 \$m
Mobile revenue	564.9	—	(0.5)	564.4
Entertainment revenue	216.3	—	—	216.3
Broadband revenue	242.4	—	—	242.4
Enterprise Business revenue	564.5	303.3	(2.3)	865.5
Sales of equipment	438.7	—	—	438.7
<b>Total revenue</b>	<b>2,026.8</b>	<b>303.3</b>	<b>(2.8)</b>	<b>2,327.3</b>
EBITDA	386.2	30.8	—	417.0
Depreciation and amortisation	(245.6)	(16.7)	—	(262.3)
Finance income	8.2	—	—	8.2
Finance expense	(43.5)	(1.7)	—	(45.2)
Non-operating income	31.4	—	—	31.4
Non-operating expenses	(60.1)	—	—	(60.1)
Share of profit of associate (net of tax)	0.6	—	—	0.6
Share of profit of joint venture (net of tax)	3.5	—	—	3.5
<b>Profit before taxation</b>	<b>80.7</b>	<b>12.4</b>	<b>—</b>	<b>93.1</b>
Taxation	(20.8)	(2.5)	—	(23.3)
<b>Profit for the year</b>	<b>59.9</b>	<b>9.9</b>	<b>—</b>	<b>69.8</b>
<b>Assets and liabilities</b>				
Segment assets	2,593.7	498.7	(1.8)	3,090.6
Equity-accounted investees	43.3	—	—	43.3
<b>Total assets</b>	<b>2,637.0</b>	<b>498.7</b>	<b>(1.8)</b>	<b>3,133.9</b>
Segment liabilities	1,122.1	179.6	(1.8)	1,299.9
Borrowings	1,150.2	—	—	1,150.2
<b>Total liabilities</b>	<b>2,272.3</b>	<b>179.6</b>	<b>(1.8)</b>	<b>2,450.1</b>
<b>Other information</b>				
Capital expenditure *	157.7	3.8	—	161.5

# Notes to the Financial Statements (Continued)

## 33 SEGMENT REPORTING (CONTINUED)

	Telecommunications 2021 \$m	Cybersecurity 2021 \$m	Elimination of intersegment transactions 2021 \$m	Group 2021 \$m
Mobile revenue	525.4*	–	(0.4)	525.0
Entertainment revenue	186.3*	–	–	186.3
Broadband revenue	193.8*	–	–	193.8
Enterprise Business revenue	438.3	270.9	(3.1)	706.1
Sales of equipment	431.4	–	–	431.4
<b>Total revenue</b>	<b>1,775.2</b>	<b>270.9</b>	<b>(3.5)</b>	<b>2,042.6</b>
EBITDA	484.0	26.8	–	510.8
Depreciation and amortisation	(257.0)	(22.0)	–	(279.0)
Finance income	4.0	0.1	–	4.1
Finance expense	(48.0)	(1.1)	–	(49.1)
Non-operating income	1.3	–	–	1.3
Non-operating expense	(3.0)	–	–	(3.0)
Share of profit of associate (net of tax)	3.4	–	–	3.4
Share of profit of joint venture (net of tax)	1.7	–	–	1.7
<b>Profit before taxation</b>	<b>186.4</b>	<b>3.8</b>	<b>–</b>	<b>190.2</b>
Taxation	(39.3)	(0.8)	–	(40.1)
<b>Profit for the year</b>	<b>147.1</b>	<b>3.0</b>	<b>–</b>	<b>150.1</b>
<b>Assets and liabilities</b>				
Segment assets	2,788.9	420.6	(3.0)	3,206.5
Equity-accounted investees	36.4	–	–	36.4
<b>Total assets</b>	<b>2,825.3</b>	<b>420.6</b>	<b>(3.0)</b>	<b>3,242.9</b>
Segment liabilities	1,045.2	139.8	(3.0)	1,182.0
Borrowings	1,364.0	0.7	–	1,364.7
<b>Total liabilities</b>	<b>2,409.2</b>	<b>140.5</b>	<b>(3.0)</b>	<b>2,546.7</b>
<b>Other information</b>				
Capital expenditure *	178.1	3.7	–	181.8

\* Segment capital expenditure is the total costs incurred during the year to acquire property, plant and equipment and intangible assets.

## 34 BUSINESS COMBINATIONS

### 34.1 JOS (SG) Pte. Ltd. and JOS (Malaysia) Sdn. Bhd. ("JOS Entities")

On 3 January 2022, the Group completed the acquisitions of 60% equity interest in JOS (SG) Pte. Ltd. ("JOS SG") and JOS (Malaysia) Sdn. Bhd. ("JOS MY"), collectively known as "JOS Entities", for a total consideration of \$12.9 million.

The business of JOS Entities is the provision of end-user computing, IT maintenance and infrastructure support services. The acquisition will allow the Group to strengthen the Group's Information and Communication Technology ("ICT") capabilities, enterprise solution offerings and customer footprint across Singapore and Malaysia.

Since the acquisition date to 31 December 2022, JOS Entities contributed revenue of \$119.5 million and profit after tax of \$2.7 million to the Group's results. If the acquisition had occurred on 1 January 2022, management estimated that the Group's consolidated revenue and consolidated profit for the year would not be materially different. In determining these amounts, management assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

#### ***Acquisition-related costs***

The Group incurred acquisition-related costs of \$0.1 million (2021: \$0.5 million) on legal fees and due diligence costs. These costs have been included in other expenses.

#### ***Identifiable assets acquired and liabilities assumed***

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	2022 \$m
Property, plant and equipment	<b>0.8</b>
Brand, customer relationships and other intangible asset	<b>7.2</b>
Right-of-use assets	<b>6.8</b>
Other net assets	<b>10.5</b>
Provision for taxation	<b>(0.2)</b>
Lease liabilities	<b>(8.3)</b>
Deferred tax liabilities	<b>(1.5)</b>
<b>Total identifiable net assets</b>	<b>15.3</b>

# Notes to the Financial Statements (Continued)

## 34 BUSINESS COMBINATIONS (CONTINUED)

### 34.1 JOS (SG) Pte. Ltd. and JOS (Malaysia) Sdn. Bhd. ("JOS Entities") (continued)

#### *Measurement of fair values*

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation techniques
Intangible assets (Brands)	<i>Relief from royalty method:</i> The relief from royalty method estimates the value of an intangible asset by calculating the fair value of the registered trademarks in their respective territories.
Intangible assets (Customer relationships)	<i>Multi-period excess earnings method:</i> The multi-period excess earnings method estimates the value of an intangible asset as the present value of the excess cash flows attributable to the intangible asset.

Trade receivables comprise gross contractual amounts due of \$12.8 million, of which \$0.5 million was expected to be uncollectible at the date of acquisition.

#### *Goodwill*

Goodwill arising from the acquisitions have been recognised as follows:

	2022 \$m
Total purchase consideration	<b>12.9</b>
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	<b>6.1</b>
Fair value of identifiable net assets	<b>(15.3)</b>
Goodwill	<b>3.7</b>

The goodwill is attributable mainly to synergies expected to be achieved from integrating the subsidiaries into the Group's existing operations. None of the goodwill recognised is expected to be deductible for tax purposes.

### 34.2 MyRepublic Broadband Pte. Ltd. ("MR Broadband")

On 21 March 2022, the Group completed the acquisition of 50.1% equity interest in MR Broadband, which provides broadband services in Singapore for residential and enterprise customers, for a total consideration of \$117.8 million. This acquisition will consolidate and strengthen the Group's position in the Singapore broadband market to steer long-term business growth. Consideration for the acquisition of MR Broadband comprises an initial consideration of \$71.6 million and contingent consideration estimated at present value of \$46.2 million.

Since the acquisition date to 31 December 2022, MR Broadband contributed revenue of \$53.0 million and profit after tax of \$7.0 million to the Group's results. If the acquisition had occurred on 1 January 2022, management estimated that the Group's consolidated revenue would have increased by \$16.9 million, and consolidated profit for the year increased by \$4.0 million. In determining these amounts, management assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

## 34 BUSINESS COMBINATIONS (CONTINUED)

### 34.2 MyRepublic Broadband Pte. Ltd. ("MR Broadband") (continued)

#### *Consideration transferred*

The following table summarises the acquisition date fair value of each major class of consideration transferred:

	2022 \$m
Total purchase consideration	<b>117.8</b>
Less: Contingent consideration	(46.2)
Less: Cash and cash equivalents in subsidiary acquired	(1.9)
Less: Net settlement of loans to MR HoldCo (Note 13)	(30.8)
Net cash outflow on acquisition	<b>38.9</b>

#### *Contingent consideration*

The contingent consideration to be paid is derived on a formula that is dependent on the future results of MR Broadband and is capped at a maximum of \$92.0 million. The Group has included \$46.2 million as contingent consideration related to the additional consideration, which represents its fair value at the date of acquisition, using a risk-adjusted discount rate of 2.6%.

#### *Acquisition-related costs*

The Group incurred acquisition-related costs of \$0.4 million on legal fees and due diligence costs. These costs have been included in other expenses.

#### *Identifiable assets acquired and liabilities assumed*

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	2022 \$m
Property, plant and equipment	7.0
Brand and customer base	56.6
Right-of-use assets	1.2
Other net liabilities	(9.8)
Cash and cash equivalents	1.9
Lease liabilities	(1.3)
Deferred tax liabilities	(9.6)
<b>Total identifiable net assets</b>	<b>46.0</b>

# Notes to the Financial Statements (Continued)

## 34 BUSINESS COMBINATIONS (CONTINUED)

### 34.2 MyRepublic Broadband Pte. Ltd. ("MR Broadband") (continued)

#### *Measurement of fair values*

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation techniques
Intangible assets (Brands)	<i>Relief from royalty method:</i> The relief from royalty method estimates the value of an intangible asset by calculating the fair value of the Right of Use of the Brand, incorporating the key parameters such as estimated royalty rate and the useful life of the right of use of brands.
Intangible assets (Customer base)	<i>Multi-period excess earnings method:</i> The multi-period excess earnings method estimates the value of an intangible asset as the present value of the excess cash flows attributable to the intangible asset.

Trade receivables comprise gross contractual amounts due of \$1.5 million, of which \$0.3 million was expected to be uncollectible at the date of acquisition.

#### *Goodwill*

Goodwill arising from the acquisition had been recognised as follows:

	2022 \$m
Total purchase consideration	<b>117.8</b>
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	<b>23.0</b>
Fair value of identifiable net assets	<b>(46.0)</b>
Goodwill	<b>94.8</b>

The goodwill is attributable mainly to synergies expected to be achieved from integrating the subsidiary into the Group's existing operations. None of the goodwill recognised is expected to be deductible for tax purposes.

## 35 FINANCIAL RISK MANAGEMENT

#### *Overview*

Exposure to credit, liquidity, interest risk, foreign exchange and market risks arises in the normal course of the Group's business.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

## 35 FINANCIAL RISK MANAGEMENT (CONTINUED)

### *Risk management framework*

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk and Sustainability Committee, which in turn is assisted by the Management Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The Management Risk Committee reports to the Risk and Sustainability Committee on a regular basis. The Risk and Sustainability Committee reports to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group from both an operational and execution basis. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to promote a culture of risk management which entails awareness, accountability and ownership in all employees.

Derivative financial instruments are used to reduce exposure to fluctuations in foreign exchange rates, where appropriate. While these are subject to the risk of market rates changing subsequent to acquisition, such changes are generally offset by opposite effects on the items being hedged.

### *Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Periodic review of credit policy and counterparty credit limits are also practised.

The Group has no significant concentration of credit risk from trade receivables due to its large diversified customer base. Credit evaluations are performed on corporate customers requiring credit. Identification documents are obtained from retail customers. Deposits are obtained for certain categories of higher risk customers.

Counterparty risk arising from cash and cash equivalents and treasury transactions is managed by dealing mainly with high credit quality counterparties, which have a minimum rating of A/A1 based on Standard & Poor or Moody's ratings.

The maximum credit risk exposure is represented by the carrying value of each financial asset in the statement of financial position less collaterals held. Collaterals in the form of cash or bank guarantees are obtained from counterparties where appropriate.

### *Liquidity risk*

Liquidity risk is the risk that the Group and Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group and Company actively monitors its liquidity risk and manages its operating cash flows, debt maturity profile, availability of funding, and reviews compliance with loan covenants. The Group and Company maintain sufficient level of cash and cash equivalents, expects to generate sufficient cash flows from its operation, and has available funding through diverse sources of committed and uncommitted credit facilities from banks and the capital market through its multicurrency debt issuance programme to ensure that there are adequate credit facilities which may be utilised when the need arises to meet its working capital requirements.

# Notes to the Financial Statements (Continued)

## 35 FINANCIAL RISK MANAGEMENT (CONTINUED)

### *Liquidity risk (continued)*

Management assessed that with these available facilities and positive cash flows from the Group's operations, the Group and Company will be able to pay its liabilities as and when they are due.

The following are the remaining contractual undiscounted cash outflows (including interest payments) of financial liabilities:

	Contractual cash flows				
	Carrying amount \$m	Total \$m	Within 1 year \$m	After 1 year but within 5 years \$m	After 5 years \$m
<b>Group</b>					
<b>2022</b>					
<b>Non-derivative financial liabilities</b>					
Borrowings	(1,150.2)	(1,257.4)	(157.6)	(882.4)	(217.4)
Trade and other payables <sup>^</sup>	(742.9)	(746.9)	(728.8)	(14.6)	(3.5)
Amounts due to related parties	(42.3)	(42.3)	(42.3)	–	–
Lease liabilities	(118.7)	(156.0)	(37.9)	(56.0)	(62.1)
	(2,054.1)	(2,202.6)	(966.6)	(953.0)	(283.0)
<b>Derivative financial liabilities</b>					
Forward exchange contracts used for hedging	(4.6)				
– Outflow		(143.8)	(143.8)	–	–
– Inflow		139.2	139.2	–	–
	(4.6)	(4.6)	(4.6)	–	–
<b>2021</b>					
<b>Non-derivative financial liabilities</b>					
Borrowings	(1,364.7)	(1,521.6)	(263.6)	(964.6)	(293.4)
Trade and other payables <sup>^</sup>	(665.2)	(678.2)	(620.1)	(29.9)	(28.2)
Amounts due to related parties	(23.6)	(23.6)	(23.6)	–	–
Lease liabilities	(132.0)	(183.0)	(37.2)	(70.9)	(74.9)
	(2,185.5)	(2,406.4)	(944.5)	(1,065.4)	(396.5)

## 35 FINANCIAL RISK MANAGEMENT (CONTINUED)

### *Liquidity risk (continued)*

	Carrying amount \$m	Total \$m	Contractual cash flows		
			Within 1 year \$m	After 1 year but within 5 years \$m	After 5 years \$m
<b>Company</b>					
<b>2022</b>					
<b>Non-derivative financial liabilities</b>					
Borrowings	(1,054.9)	(1,161.7)	(141.0)	(803.3)	(217.4)
Trade and other payables^	(309.1)	(309.1)	(309.1)	–	–
Amounts due to related parties	(394.5)	(394.5)	(394.5)	–	–
Lease liabilities	(82.0)	(101.9)	(19.9)	(35.6)	(46.4)
	(1,840.5)	(1,967.2)	(864.5)	(838.9)	(263.8)
<b>Derivative financial liabilities</b>					
Forward exchange contracts	(4.4)				
– Outflow		(154.6)	(154.6)	–	–
– Inflow		150.2	150.2	–	–
	(4.4)	(4.4)	(4.4)	–	–
<b>2021</b>					
<b>Non-derivative financial liabilities</b>					
Borrowings	(1,274.4)	(1,417.5)	(254.4)	(870.1)	(293.0)
Trade and other payables ^	(309.4)	(309.4)	(309.4)	–	–
Amounts due to related parties	(202.1)	(202.1)	(202.1)	–	–
Lease liabilities	(91.1)	(117.3)	(18.9)	(44.8)	(53.6)
	(1,877.0)	(2,046.3)	(784.8)	(914.9)	(346.6)

<sup>^</sup> The carrying amount of trade and other payables disclosed in the table excludes deferred income, forward exchange contracts, net GST payable and employee benefits.

The maturity analysis shows the contractual undiscounted cash flows of the Group and the Company's derivative financial instruments on the basis of their earliest possible contractual maturity. The cash inflows/(outflows) disclosed relate to those instruments held for risk management purposes and which are usually not closed out prior to contractual maturity.

It is not expected that the cash flows included in the maturity analysis above could occur significantly earlier, or at significantly different amounts.

### *Market risk*

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

# Notes to the Financial Statements (Continued)

## 35 FINANCIAL RISK MANAGEMENT (CONTINUED)

### *Market risk (continued)*

The Group's exposure to equity price is not significant.

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. Generally, the Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

#### (i) Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations. The Group adopts a policy of ensuring that at least 50 percent of its exposure to changes in interest rates on long-term borrowings is on a fixed rate basis.

##### *Exposure to interest rate risk*

At the reporting date, the interest rate profile of interest-bearing financial instruments, as reported to management, was as follows:

	Group		Company	
	Nominal amount		Nominal amount	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
<b>Fixed rate instruments</b>				
Fixed deposits	325.2	577.8	318.1	568.0
Borrowings	1,137.8	1,357.9	1,054.9	1,274.4
<b>Variable rate instrument</b>				
Borrowings	12.4	6.8	–	–
Amount due to subsidiaries	–	–	183.9	35.5

#### (ii) Foreign currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings, that are denominated in a currency other than the respective functional currencies of the Group entities. The currency giving rise to this risk is primarily the United States Dollar ("USD").

In respect of other monetary liabilities held in foreign currencies, the Group ensures that the net exposure is kept to an acceptable level by buying foreign currencies at spot rates where necessary to address any shortfalls.

The Group's and the Company's exposures to United States Dollar are as follows:

	Group		Company	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
Contract assets	0.1	3.4	0.1	1.9
Trade and other receivables	22.2	20.1	2.8	13.7
Cash and cash equivalents	63.2	45.4	38.2	21.4
Trade and other payables	(58.7)	(122.6)	(56.2)	(101.0)
	26.8	(53.7)	(15.1)	(64.0)

## 35 FINANCIAL RISK MANAGEMENT (CONTINUED)

### (ii) Foreign currency risk (continued)

For operations with significant expenditure denominated in foreign currencies, forward exchange contracts are entered into to hedge the foreign currency risk exposure on committed payment obligations. At 31 December 2022, the Group and the Company have outstanding forward exchange contracts with notional principal amounts of approximately \$157.2 million and \$154.6 million (2021: Group and Company \$20.2 million) respectively. Certain forward exchange contracts are entered into by the Company on behalf of a subsidiary.

*Sensitivity analysis*

The Group and Company had assessed that a reasonable change in the exchange rate would not result in a material impact on the Group's and Company's results.

### (iii) Hedge accounting

*Cash flow hedges*

The Group held the following instruments to hedge exposures to changes in foreign currency.

	Maturity < 1 year
<b>2022</b>	
<b>Forward exchange contracts</b>	
Net exposure (in millions of SGD)	<b>4.6</b>
Average SGD: USD forward contract rate	<b>1.3438 - 1.3860</b>
<b>2021</b>	
<b>Forward exchange contracts</b>	
Net exposure (in millions of SGD)	0.1
Average SGD: USD forward contract rate	1.3494

# Notes to the Financial Statements (Continued)

## 35 FINANCIAL RISK MANAGEMENT (CONTINUED)

### *Market risk (continued)*

#### (iii) Hedge accounting (continued)

##### *Cash flow hedges (continued)*

The amounts at the reporting date relating to items designated as hedged items are as follows:

Group	Change in value used for calculating hedge ineffectiveness \$m	Cash flow hedge reserve \$m	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied \$m
<b>2022</b>			
<b>Foreign currency risk</b>			
Trade and other payables	–	(4.6)	–
<b>2021</b>			
<b>Foreign currency risk</b>			
Other receivables	–	0.1	–

The amounts relating to items designated as hedging instruments are as follows:

Group	Nominal amount \$m	Carrying amount – assets \$m	Carrying amount – liabilities \$m	Line item in the statement of financial position where the hedging instrument is included \$m	During the year - 2022 Changes in the value of the hedging instrument recognised in OCI \$m
<b>Foreign currency risk</b>					
Forward exchange contracts – trade and other payables	157.2	–	(4.6)	<b>Trade and other payables</b>	(4.7)

## 35 FINANCIAL RISK MANAGEMENT (CONTINUED)

### *Market risk (continued)*

#### (iii) Hedge accounting (continued)

##### *Cash flow hedges (continued)*

Group	2021			Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in OCI \$m
	Nominal amount \$m	Carrying amount – assets \$m	Carrying amount – liabilities \$m		
<b>Foreign currency risk</b>					
Forward exchange contracts – other receivables	20.2	0.1	-	Other receivables, deposits and prepayments	2.6

##### *Master netting or similar agreements*

The Group enters into derivative transactions under International Swaps and Derivatives Association ("ISDA") master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances – e.g. when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The Group enters into forward exchange contracts to hedge the foreign currency risk on committed payment obligations.

At the reporting date, there were no financial instruments which meet the criteria for offsetting in the statement of financial position.

# Notes to the Financial Statements (Continued)

## 35 FINANCIAL RISK MANAGEMENT (CONTINUED)

### *Market risk (continued)*

#### (iii) Hedge accounting (continued)

##### *Accounting classification of financial instruments*

The carrying amounts of financial instruments are as follows.

	Group		Company	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
<b>Financial assets at amortised cost</b>				
Cash and cash equivalents	573.6	832.8	405.6	699.4
Trade receivables	242.8	192.2	159.7	139.4
Other receivables <sup>#</sup>	105.6	121.4	4.0	3.8
Amounts due from related parties	17.8	15.0	161.0	114.2
	939.8	1,161.4	730.3	956.8
<b>Financial assets at fair value</b>				
Forward exchange contracts used for hedging (derivative asset)	–	0.1	–	0.1
<b>Financial assets at FVOCI</b>				
Quoted equity security	5.1	5.8	5.1	5.8
<b>Financial liabilities at amortised cost</b>				
Trade and other payables <sup>#</sup>	(683.9)	(588.9)	(309.1)	(309.4)
Amounts due to related parties	(42.3)	(23.6)	(394.5)	(202.1)
Borrowings	(1,150.2)	(1,364.7)	(1,054.9)	(1,274.4)
Lease liabilities	(118.7)	(132.0)	(82.0)	(91.1)
	(1,995.1)	(2,109.2)	(1,840.5)	(1,877.0)
<b>Financial liabilities at fair value</b>				
Forward liability to acquire non-controlling interests	(12.8)	(37.3)	–	–
Contingent consideration	(46.2)	(39.0)	–	–
Forward exchange contracts used for hedging (derivative liability)	(4.6)	–	(4.4)	–
	(63.6)	(76.3)	(4.4)	–

<sup>#</sup> Excludes prepayments, grant receivables and forward exchange contracts.

<sup>^</sup> Excludes deferred income, forward exchange contracts, forward liability to acquire non-controlling interests, contingent consideration, net GST payable and employee benefits.

## 35 FINANCIAL RISK MANAGEMENT (CONTINUED)

### *Measurement of fair values*

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and Company:

#### *Derivatives*

Marked-to-market valuations of the forward exchange contracts are provided by the banks. Those quotes are tested using pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at the reporting date. Where other pricing models are used, inputs are based on market related data at the reporting date.

#### *Borrowings*

The fair values of fixed interest bearing borrowings which reprice within one year of reporting date were assumed to equate the carrying value. All other fixed interest bearing borrowings are calculated using discounted cash flow models based on the present value of future principal and interest cash flows, discounted at the market rate at the reporting date.

#### *Other financial assets and liabilities*

The carrying amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values.

The fair values of non-current other financial assets and financial liabilities are calculated using the discounted cash flow model based on the present value of expected cashflow at the market rates at the reporting date. The carrying amounts approximate their fair values.

#### *Fair value hierarchy*

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

# Notes to the Financial Statements (Continued)

## 35 FINANCIAL RISK MANAGEMENT (CONTINUED)

### *Fair value hierarchy (continued)*

The following table represents the assets and liabilities measured at fair value, using the above valuation methods, at reporting date:

	Fair value level	2022 \$m	2021 \$m
<b>Group</b>			
<b>Financial assets</b>			
Other investment	1	<b>5.1</b>	5.8
Marked-to-market financial instrument			
– Forward exchange contracts	2	–	0.1
<b>Financial liabilities</b>			
Marked-to-market financial instrument			
– Forward exchange contracts	2	<b>4.6</b>	–
Forward liability to acquire non-controlling interests	3	<b>12.8</b>	37.3
Contingent consideration	3	<b>46.2</b>	39.0
<b>Company</b>			
<b>Financial assets</b>			
Other investment	1	<b>5.1</b>	5.8
Marked-to-market financial instrument			
– Forward exchange contracts	2	–	0.1
<b>Financial liabilities</b>			
Marked-to-market financial instrument			
– Forward exchange contracts	2	<b>4.4</b>	–

There were no transfers between levels 1 and 2 in 2022 and 2021.

## 35 FINANCIAL RISK MANAGEMENT (CONTINUED)

### *Fair value hierarchy (continued)*

The following table presents the reconciliation from the opening balances to the ending balances for fair values based on unobservable inputs (Level 3):

	Forward liability to acquire non-controlling interests 2022 \$m	Forward liability to acquire non-controlling interests 2021 \$m	Group	
			Contingent consideration 2022 \$m	Contingent consideration 2021 \$m
At 1 January	<b>37.3</b>	34.5	<b>39.0</b>	34.8
Arising from business combination	–	–	<b>46.2</b>	–
Total fair value changes recognised in income statement	<b>(23.1)</b>	3.4	<b>(9.0)</b>	4.5
Settlements during the year	–	–	<b>(30.9)</b>	–
Translation differences	<b>(1.4)</b>	(0.6)	<b>0.9</b>	(0.3)
At 31 December	<b>12.8</b>	37.3	<b>46.2</b>	39.0

The fair values of the forward liability and contingent consideration are estimated based on the present value of expected payments based on estimates from the associated probabilities of achieving performance targets by the investee and the expected payment amount.

Apart from contingent consideration which arose from MR Broadband acquisition that will change by \$6.5 million from a 5% movement in future results, changes in other significant unobservable inputs used to reasonably estimate possible alternative assumptions would have no significant impact on the fair value of the contingent consideration.

The fair value of the forward liability will increase/(decrease) if the expected average financial performance of Strateq is higher/(lower).

## 36 CAPITAL MANAGEMENT

The Group regularly reviews its financial position, capital structure and use of capital, with the objective of achieving long-term capital efficiency, optimum shareholders' total returns, including the level of dividends, and appropriate strategic positioning.

From time to time, the Group may purchase its own shares on the market; the timing of these purchases depends on market prices. Such share purchases are intended to be used for issuing shares under the StarHub Performance Share Plan and StarHub Restricted Stock Plan programmes. Other than for such specific purposes, the Group does not have a defined share buy-back plan.

The Group manages the use of capital centrally and all borrowings to fund the operations of the subsidiaries are managed by the Company. The capital employed by the Company consists of equity attributable to shareholders, bank borrowings from financial institutions and medium term notes issued. There were no changes in the Group's approach to capital management during the year. The Group is not subject to any externally imposed capital requirement.

# Notes to the Financial Statements (Continued)

## 37 COMMITMENTS

	Group		Company	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m
Contracted and not provided for in the financial statements:				
– Capital expenditures	430.0	423.2	80.8	47.8
– Other operating expenditures	26.8	46.1	–	4.0
	456.8	469.3	80.8	51.8

As at 31 December 2022, the Group has capital expenditure and other financial commitments with related companies amounting to \$9.0 million (2021: \$9.2 million), which has been included above.

## 38 SUBSEQUENT EVENT

The directors have proposed a final dividend of \$0.025 per share, tax exempt (one tier), totalling \$43.2 million in respect of the financial year ended 31 December 2022. This proposed final tax exempt dividend has not been recognised as at year end and will be submitted for shareholders' approval at the forthcoming Annual General Meeting of the Company in 2023.

# Interested Person Transactions and Material Contracts

(PURSUANT TO SGX-ST LISTING MANUAL RULE 907 AND RULE 1207(8))

Nature of relationship	Aggregate value of all interested person transactions conducted under a Shareholders' Mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than \$100,000)	1 January 2022 to 31 December 2022 S\$m	Aggregate value of all interested person transactions (excluding transactions less than \$100,000 and transactions conducted under a Shareholders' Mandate pursuant to Rule 920 of the SGX-ST Listing Manual)
			1 January 2022 to 31 December 2022 S\$m
<b>Transactions for the Sale of Goods &amp; Services</b>			
CapitaLand Limited & its associates	4.3		–
SembCorp Industries Ltd & its associates	0.1		–
Singapore Power Limited & its associates	1.0		–
Singapore Airlines Limited	3.7		–
Singapore Technologies Engineering Ltd & its associates	1.0		–
Singapore Telecommunications Limited & its associates	12.8		–
Temasek Trust Ltd & its associates	0.1		–
Temasek Holdings (Private) Limited & its associates (other than those disclosed above)	34.2		–
	<b>57.2</b>		–
<b>Transactions for the Purchase of Goods &amp; Services</b>			
CapitaLand Limited & its associates	5.2		–
SembCorp Industries Ltd & its associates	32.9		–
Singapore Technologies Engineering Ltd & its associates	1.0		–
Singapore Technologies Telemedia Pte Ltd & its associates	7.6		–
Singapore Telecommunications Limited & its associates	9.1		–
CLA Real Estate Holdings Pte. Ltd. & its associates	0.1		–
Temasek Holdings (Private) Limited & its associates (other than those disclosed above)	8.5		–
	<b>64.4</b>		–
<b>Capital call for capability funding and working capital</b>			
Ensign Technologies Pte. Ltd. (f.k.a. Leone Investments Pte. Ltd.) and Ensign InfoSecurity Pte. Ltd.	Associates of StarHub Ltd's controlling shareholder	–	14.9
		–	<b>14.9</b>

During the financial year ended 31 December 2022, there were no material contracts entered into by StarHub Ltd or any of its subsidiaries involving the interests of the Chief Executive, any Director or controlling shareholder.

# Shareholding Information

As at 1 March 2023

Class of shares	:	Ordinary share
Voting rights	:	One vote per share
Total number of issued shares excluding treasury shares	:	1,728,792,847
Total number of treasury shares held	:	2,858,596
Percentage of treasury shares held against the total number of issued shares excluding treasury shares	:	0.17
Total number of subsidiary holdings (as defined in the SGX-ST Listing Manual)	:	Nil

## DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	% of shareholders	No. of shares	% of issued share capital
1 - 99	276	1.06	12,600	0.00
100 - 1,000	4,150	15.97	3,209,246	0.18
1,001 - 10,000	15,800	60.80	74,557,956	4.31
10,001 - 1,000,000	5,726	22.04	232,783,160	13.44
1,000,001 and above	33	0.13	1,421,088,481	82.07
<b>Total</b>	<b>25,985</b>	<b>100.00</b>	<b>1,731,651,443</b>	<b>100.00</b>

## SUBSTANTIAL SHAREHOLDERS

Name	No. of shares		
	Direct interest	Deemed interest	% of issued share capital <sup>(5)</sup>
Temasek Holdings (Private) Limited	-	965,857,975 <sup>(1)</sup>	55.87
Singapore Technologies Telemedia Pte Ltd	-	965,845,290 <sup>(2)</sup>	55.87
STT Communications Ltd	-	965,845,290 <sup>(2)</sup>	55.87
Asia Mobile Holding Company Pte. Ltd.	-	965,845,290 <sup>(2)</sup>	55.87
Asia Mobile Holdings Pte. Ltd.	965,845,290	-	55.87
Ooredoo Q.P.S.C.	-	965,845,290 <sup>(3)</sup>	55.87
OIH Investment LLC	-	965,845,290 <sup>(3)</sup>	55.87
Nippon Telegraph and Telephone Corporation	-	171,490,520 <sup>(4)</sup>	9.92
NTT Communications Corporation	171,490,520	-	9.92

### Notes:

- <sup>(1)</sup> Temasek Holdings (Private) Limited (Temasek) is deemed to have an interest in 965,857,975 shares of StarHub in which Singapore Technologies Telemedia Pte Ltd (ST Telemedia) and certain other portfolio entities of Temasek hold or have deemed interests.
- <sup>(2)</sup> ST Telemedia is deemed to have an interest in 965,845,290 shares of StarHub held by Asia Mobile Holdings Pte. Ltd. (AMH), a subsidiary of Asia Mobile Holding Company Pte. Ltd. (AMHC), which is in turn a wholly-owned subsidiary of STT Communications Ltd, a wholly-owned subsidiary of ST Telemedia. AMHC holds approximately 75% of the total issued share capital of AMH.
- <sup>(3)</sup> OIH Investment LLC (OIH) and Ooredoo Q.P.S.C. (Ooredoo) are deemed to have an interest in 965,845,290 shares of StarHub held by AMH. OIH holds approximately 25% of the total issued share capital of AMH. OIH is a wholly-owned subsidiary of Ooredoo.
- <sup>(4)</sup> Nippon Telegraph and Telephone Corporation (NTT) is deemed to have an interest in 171,490,520 shares of StarHub held by NTT Communications Corporation, a wholly-owned subsidiary of NTT.
- <sup>(5)</sup> The shareholding percentage is based on the number of issued shares of StarHub excluding treasury shares.

## TWENTY LARGEST SHAREHOLDERS

No.	Name of shareholder	No. of shares held	% of issued share capital <sup>(1)</sup>
1	Asia Mobile Holdings Pte. Ltd.	965,845,290	55.87
2	NTT Communications Corporation	171,490,520	9.92
3	Citibank Nominees Singapore Pte Ltd	71,843,857	4.16
4	DBS Nominees (Private) Limited	53,680,605	3.11
5	Raffles Nominees (Pte) Limited	23,384,992	1.35
6	DBSN Services Pte Ltd	19,158,114	1.11
7	HSBC (Singapore) Nominees Pte Ltd	18,534,133	1.07
8	Phillip Securities Pte Ltd	15,051,098	0.87
9	United Overseas Bank Nominees (Private) Limited	10,502,847	0.61
10	OCBC Nominees Singapore Private Limited	10,054,551	0.58
11	OCBC Securities Private Limited	9,669,937	0.56
12	Choo Piang Wong	9,300,000	0.54
13	Chen Chun Nan	3,850,000	0.22
14	Ifast Financial Pte Ltd	3,662,822	0.21
15	Yeo Kok Pin @ Yeo Kok Peng	3,544,000	0.21
16	Maybank Securities Pte. Ltd.	2,867,345	0.17
17	DBS Vickers Securities (Singapore) Pte Ltd	2,647,120	0.15
18	Wong Lian Soo	2,450,000	0.14
19	Heng Siew Eng	2,330,000	0.13
20	Tan Hui Liang or Tan Hwee Kheng	1,947,000	0.11
<b>Total</b>		<b>1,401,814,231</b>	<b>81.09</b>

<sup>(1)</sup> The shareholding percentage is based on the number of issued shares of StarHub excluding treasury shares.

## SHAREHOLDING HELD IN HANDS OF THE PUBLIC

Based on the information available to StarHub as at 1 March 2023, approximately 33.92% of the total number of issued shares (excluding treasury shares) of StarHub is held by the public. Accordingly, Rule 723 of the SGX-ST Listing Manual is complied with.

# Notice of Twenty-Fifth Annual General Meeting

## STARHUB LTD

(Incorporated in the Republic of Singapore)

Co. Reg. No. 199802208C

## NO SERVICE OF FOOD

Please be informed that StarHub Ltd will not be serving food at the Annual General Meeting.

NOTICE IS HEREBY GIVEN that the Twenty-Fifth Annual General Meeting of StarHub Ltd. (the "Company") will be held at StarHub Auditorium, 67 Ubi Avenue 1, #03-01 (South Wing) StarHub Green, Singapore 408942 on 21 April 2023 at 10.00 a.m. for the following purposes:

### Ordinary Business

- |   |   |                              |
|---|---|------------------------------|
| 1 | To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2022 and the Auditors' Report therein.  | Resolution 1                 |
| 2 | To re-elect the following Directors who will retire and who, being eligible, will offer themselves for re-election:<br>(a) Mr Teo Ek Tor (non-independent Member of the Audit Committee); and<br>(b) Mr Stephen Geoffrey Miller.  | Resolution 2<br>Resolution 3 |
| 3 | The profiles of Mr Teo and Mr Miller can be found in the Board of Directors section of the StarHub Ltd Annual Report 2022 and the Additional Information on Directors Seeking Re-election attached hereto.  |                              |
| 3 | To approve the sum of S\$1,694,360 (FY2021: S\$1,802,540) as Directors' Remuneration incurred in the financial year ended 31 December 2022 comprising:<br>(a) S\$1,207,052 to be paid in cash (FY2021: S\$1,280,678); and<br>(b) S\$487,308 to be paid in the form of restricted share awards (FY2021: S\$521,862). | Resolution 4                 |
| 4 | To declare a final dividend of 2.5 cents per ordinary share for the financial year ended 31 December 2022.  | Resolution 5                 |
| 5 | To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.   | Resolution 6                 |

### Special Business

To consider and if thought fit, to pass the following resolutions which will be proposed as Ordinary Resolutions:

- |   |   |              |
|---|---|--------------|
| 6 | That authority be and is hereby given to the Directors to:<br>(a) (i) issue shares of the Company ("shares") whether by way of rights, bonus or otherwise; and/or<br>(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,<br>at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and<br>(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,<br>provided that:<br>(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with subparagraph (2) below), of which the aggregate number of shares to be issued other than on a <i>pro rata</i> basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with subparagraph (2) below); | Resolution 7 |
|---|---|--------------|

- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under subparagraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings), at the time this Resolution is passed, after adjusting for:
- (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and
  - (ii) any subsequent bonus issue, consolidation or subdivision of shares,
- and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

7 That authority be and is hereby given to the Directors to:

Resolution 8

- (a) offer and grant awards in accordance with the provisions of the StarHub Performance Share Plan 2014 (the "PSP 2014") and/or the StarHub Restricted Stock Plan 2014 (the "RSP 2014") (the PSP 2014 and the RSP 2014, together the "Share Plans"); and
- (b) allot and issue from time to time such number of ordinary shares as may be required to be allotted and issued pursuant to the vesting of awards granted under the Share Plans,

provided that the aggregate number of ordinary shares allotted and issued under the Share Plans shall not exceed the limits specified in the rules of the Share Plans.

8 To transact such other business as may be transacted at an Annual General Meeting of the Company.

By Order of the Board

**Veronica Lai**  
Company Secretary

Singapore, 30 March 2023

**Notes:**

1. The Annual General Meeting will be held, in a wholly physical format, at StarHub Auditorium, 67 Ubi Avenue 1, #03-01 (South Wing) StarHub Green, Singapore 408942 on 21 April 2023 at 10.00 a.m., pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **There will be no option for shareholders to participate virtually.** Printed copies of this Notice and the accompanying Proxy Form will not be sent to members. Instead, this Notice and the accompanying Proxy Form will be sent to members by electronic means via publication on SGXNet and the Company's Investor Relations ("IR") website at the URL <https://ir.starhub.com/AGM-EGM>.

# Notice of Twenty-Fifth Annual General Meeting (Continued)

2. Arrangements relating to:
  - (a) attendance at the Annual General Meeting by shareholders, including CPF and SRS investors;
  - (b) submission of questions to the Chairman of the Meeting by shareholders, including CPF and SRS investors, in advance of, or at, the Annual General Meeting, and addressing of substantial and relevant questions in advance of, or at, the Annual General Meeting; and
  - (c) voting at the Annual General Meeting by shareholders, including CPF and SRS investors, or (where applicable) their duly appointed proxy/proxies,
- are set out in the accompanying announcement by the Company dated 30 March 2023. This announcement may be accessed at the Company's IR website at the URL <https://ir.starhub.com/AGM-EGM>, and will also be made available on SGXNet.
3. CPF or SRS investors may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 11 April 2023.
4. A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.
5. A proxy need not be a member of the Company. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.
6. The instrument appointing a proxy/proxies must be submitted to the Company in the following manner:
  - (a) if submitted by post, be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902; or
  - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at [gpd@mncsingapore.com](mailto:gpd@mncsingapore.com),in either case not less than **72 hours** before the time appointed for the Annual General Meeting.

A member who wishes to submit an instrument appointing a proxy/proxies by post or via email must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
7. The Annual Report 2022 may be accessed at the Company's IR website at the URL <https://ir.starhub.com/AGM-EGM> and thereafter by clicking on the link for 'Annual Report 2022' and will be made available on SGXNet.
8. In the case of an equality of votes under any one of the Resolutions set out above, the Chairman of the Meeting will not exercise his entitlement to a casting vote at the Annual General Meeting of the Company notwithstanding Article 68 of the Constitution of the Company.

## Explanatory Notes:

### Resolution 4

Resolution 4 is to approve the payment of an aggregate sum of S\$1,694,360, as Directors' remuneration for the non-executive Directors of the Company for the financial year ended 31 December 2022. The FY2021 aggregate sum of S\$1,802,540 included the amount of S\$70,950 being the fees paid in arrears for the services rendered by the Board Executive Committee ("Board ExCo") for the period from 27 July 2020 to 31 December 2020. The total Directors' remuneration for the non-executive Directors of the Company for the financial year ended 31 December 2022 includes the sum of S\$241,000, being the Directors' Remuneration for Mr Steven Terrell Clontz who retired as non-executive Director of the Company on 1 January 2023. If approved, each of the non-executive Directors will receive 70% of his/her Directors' remuneration in cash and (with the exception

of Mr Naoki Wakai) 30% of his/her Directors' remuneration in the form of a restricted share award. Mr Naoki Wakai has declined the restricted share award grant and will only receive the cash component of his remuneration. See the section on "3. Remuneration Matters" in the Corporate Governance section of the Annual Report 2022 for the rationale in relation to the share component of the non-executive Directors' remuneration. The number of shares to be awarded will be based on the volume weighted average price of a share in the Company listed on the SGX-ST over the 14 trading days commencing on the ex-dividend date that immediately follows the Annual General Meeting. The number of shares to be awarded will be rounded down to the nearest hundred, with cash to be paid in lieu of the remaining shares arising. The restricted share awards will consist of the grant of fully paid shares, without any performance or vesting conditions attached. However, in order to encourage alignment of the interests of the Directors with the interests of shareholders, non-executive Directors who received the aforesaid restricted share award are required to hold shares worth at least (a) the prevailing annual retainer fee, or (b) the aggregate of (i) the total number of shares awarded as part of their remuneration for the financial year ended 31 December 2011 and each subsequent financial year thereafter and (ii) 50% of the total number of shares awarded from the financial year ended 31 December 2007 to the financial year ended 31 December 2010, whichever is lower. Non-executive Directors can dispose of all their shares one year after ceasing to be a Director.

#### **Resolution 7**

Resolution 7 is to empower the Directors to issue shares and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding in total 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings), with a sub-limit of 15% (instead of 20% as permitted under the Listing Manual of the SGX-ST) for issues other than on a *pro rata* basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time that Resolution 7 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time that Resolution 7 is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares.

#### **Resolution 8**

Resolution 8 is to empower the Directors to offer and grant awards and to allot and issue ordinary shares pursuant to the Share Plans provided that the aggregate number of ordinary shares allotted and issued under the Share Plans shall not exceed the limits specified in the rules of the Share Plans. The rules of the Share Plans limit the aggregate number of ordinary shares that may be allotted and issued under the Share Plans to 8% (instead of 15% as permitted under the Listing Manual of the SGX-ST) of the total number of issued shares (excluding treasury shares and subsidiary holdings). Approval for the adoption of the Share Plans was given by shareholders at an Extraordinary General Meeting of the Company held on 14 April 2014. The grant of awards under the respective Share Plans will be made in accordance with their respective provisions.

#### **NOTICE OF RECORD DATE AND FINAL DIVIDEND PAYMENT DATE**

Notice is hereby given that, subject to the approval of the shareholders to the final dividend at the Twenty-Fifth Annual General Meeting, the Register of Members and the Transfer Books of the Company will be closed on 27 April 2023.

Duly completed registrable transfers received by the Company's share registrar, M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902 up to the close of business at 5.00 p.m. on 26 April 2023 will be registered to determine members' entitlements to the final dividend. Subject as aforesaid, persons whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares as at 5.00 p.m. on 26 April 2023 will be entitled to the final dividend.

The final dividend, if so approved by shareholders, will be paid on 12 May 2023.

#### **Personal data privacy:**

By submitting an instrument appointing a proxy/proxies and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy/proxies and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy/proxies and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy/proxies and/or representative(s) for the Purposes, and (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request.

# Additional Information for Directors Seeking Re-Election

Name of Director	Teo Ek Tor	Stephen Geoffrey Miller
Date of Appointment	16 August 2004	1 January 2017
Date of last re-appointment	22 May 2020	22 May 2020
Age (in 2023)	70	60
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Board of Directors has accepted the recommendation of the Nominating and Governance Committee of StarHub Ltd ("StarHub") which has reviewed Mr Teo's qualifications and experience and approved the re-appointment of Mr Teo as a Non-Executive Director and a Member of the Audit Committee ("AC") of StarHub.</p> <p>Mr Teo abstained from voting on the Board resolution relating to his re-appointment.</p>	<p>The Board of Directors has accepted the recommendation of the Nominating and Governance Committee ("NGC") of StarHub Ltd ("StarHub") which has reviewed Mr Miller's qualifications and experience and approved the re-appointment of Mr Miller as a Non-Executive Director and a Member of the NGC and Executive Resource and Compensation Committee ("ERCC") of StarHub.</p> <p>Mr Miller abstained from voting on the NGC and Board resolutions relating to his re-appointment.</p>
Whether appointment is executive, and if so, area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Director and Member of the AC	Non-Executive Director and Member of the NGC and the ERCC
Professional qualifications	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries	<p>No except for his role held in the following substantial shareholders of StarHub, and subsidiary of substantial shareholders of StarHub:</p> <ul style="list-style-type: none"> <li>▪ Singapore Technologies Telemedia Pte Ltd (Chairman)</li> <li>▪ STT Communications Ltd (Chairman)</li> <li>▪ Asia Mobile Holdings Pte. Ltd. (Chairman)</li> <li>▪ Asia Mobile Holding Company Pte. Ltd. (Director)</li> <li>▪ STT GDC Pte. Ltd. (Director)</li> </ul>	<p>No except for his role held in the following substantial shareholders of StarHub and subsidiaries of substantial shareholders of StarHub:</p> <ul style="list-style-type: none"> <li>▪ Singapore Technologies Telemedia Pte Ltd (President &amp; Group CEO and Director)</li> <li>▪ TeleChoice International Limited (Director)</li> <li>▪ Asia Mobile Holdings Pte. Ltd. (Director)</li> <li>▪ STT GDC Pte. Ltd. (Director)</li> <li>▪ Armor Defense Inc. (Director)</li> <li>▪ Armor Defense Asia Pte. Ltd. (Director)</li> <li>▪ 2<sup>nd</sup> Watch, Inc. (Director)</li> </ul>
Conflict of interests (including any competing business)	Nil	No except for his roles held in STT GDC Pte. Ltd, Telechoice International Limited and U Mobile Sdn. Bhd., which have business collaborations with StarHub in data centre services, prepaid card distribution and supply of equipment and international mobile roaming arrangements respectively.

Name of Director	Teo Ek Tor	Stephen Geoffrey Miller
Working experience and occupation(s) during the past 10 years	<p>Chairman, PrimePartners Corporate Finance Pte Ltd January 2019 to present</p> <p>Chairman, Aris PrimePartners Asset Management Pte Ltd January 2014 to present</p> <p>Chairman, PrimePartners Group Pte Ltd 2010 to present</p> <p>Director, PrimePartners Corporate Finance Pte Ltd 2010 to December 2018</p> <p>Managing Partner, PrimePartners Asset Management Pte Ltd 2010 to December 2013</p>	<p>President &amp; Group CEO, ST Telemedia Group January 2017 to present</p> <p>President &amp; CEO (Designate), ST Telemedia September 2016 to December 2016</p> <p>Consultant, ST Telemedia's investee companies, including StarHub Ltd, U Mobile Sdn. Bhd. and Sky Cable Corporation July 2014 to August 2016</p> <p>President &amp; COO, ST Telemedia June 2013 to June 2014</p> <p>President and CFO, ST Telemedia April 2012 to May 2013</p>
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7))	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	Yes	Yes
Shareholding Details	307,838 StarHub Shares	168,100 StarHub Shares
<b>Other Principal Commitments* Including Directorships</b>		
Past (for the last five years)	Nil	Sky Cable Corporation (Advisory Committee Member)
Present * Listed Companies	<p>PrimeFounders Pte Ltd (Director)</p> <p>PrimePartners Group Pte Ltd (Chairman)</p> <p>PrimePartners Corporate Finance Pte Ltd (Chairman)</p> <p>Aris PrimePartners Asset Management Pte Ltd (Chairman)</p> <p>Singapore Technologies Telemedia Pte Ltd (Chairman)</p> <p>STT Communications Ltd (Chairman)</p> <p>Asia Mobile Holdings Pte. Ltd. (Chairman)</p> <p>Asia Mobile Holding Company Pte. Ltd. (Director)</p> <p>STT GDC Pte. Ltd. (Director)</p> <p>WhiteRock Medical Company Pte Ltd (Chairman)</p> <p>Prime Agri Limited (Chairman)</p> <p>Ensign InfoSecurity Pte. Ltd. (Director)</p> <p>Food Ventures Pte. Ltd. (Director)</p>	
	<p>ST Telemedia (President &amp; Group CEO and Director)</p> <p>TeleChoice International Limited* (Director)</p> <p>Asia Mobile Holdings Pte. Ltd. (Director)</p> <p>STT GDC Pte. Ltd. (Director)</p> <p>Armor Defense Inc (Director)</p> <p>Armor Defense Asia Pte. Ltd. (Director)</p> <p>2<sup>nd</sup> Watch, Inc. (Director)</p> <p>Australian Chamber of Commerce, Singapore (Board Member)</p> <p>Climate Governance Singapore Limited (Steering Committee Member)</p>	

# Additional Information for Directors Seeking Re-Election

(Continued)

Name of Director	Teo Ek Tor	Stephen Geoffrey Miller
<b>Other Information</b>		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy laws of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgement against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

Name of Director	Teo Ek Tor	Stephen Geoffrey Miller
(f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

# Additional Information for Directors Seeking Re-Election (Continued)

Name of Director	Teo Ek Tor	Stephen Geoffrey Miller
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Yes  Please refer to Note 1 below for details.	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or		No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or		No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

**Note 1:**

Our Non-Executive Director, Mr Teo Ek Tor, has been the non-executive chairman of PrimePartners Corporate Finance Pte Ltd ("PPCF") since 1 January 2019 and has been a non-executive director of PPCF since 5 September 2002. PPCF provides corporate finance advisory and capital raising services and is a full sponsor for Catalist listed companies. The material incidents where PPCF had been investigated for a breach of law or regulatory requirement during the period when Mr Teo has been a director of PPCF are as follows:

- (a) in 2012, PPCF was reminded by the Singapore Exchange Securities Trading Limited of the importance of being thorough and circumspect in assessing the suitability of board appointees of its sponsored Catalist listed companies; and
- (b) in September 2018, Best Grace Holdings Limited ("Best Grace") had announced a voluntary conditional cash offer for shares in the capital of Delong Holdings Limited (the "Offer") and PPCF was the financial adviser to Best Grace in relation to such Offer which was subsequently withdrawn. In April 2019, the Securities Industry Council ("SIC") conducted a hearing to inquire if PPCF had failed in its responsibility to ensure that Best Grace complied with rule 17.1 of the Singapore Code on Take-overs and Mergers (the "Code") which relates to the offer price for cash offers. Following the hearing, the SIC ruled that rule 17.1 of the Code had been breached and PPCF was censured by the SIC in its public statement issued on 29 July 2019.

# STARHUB LTD

(Incorporated in the Republic of Singapore)  
Co. Reg. No. 199802208C

## PROXY FORM

### TWENTY-FIFTH ANNUAL GENERAL MEETING

#### IMPORTANT

1. The Annual General Meeting will be held, in a wholly physical format, at StarHub Auditorium, 67 Ubi Avenue 1, #03-01 (South Wing) StarHub Green, Singapore 408942 on 21 April 2023 at 10.00 a.m. pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **There will be no option for shareholders to participate virtually.** Printed copies of the Notice of the Twenty-Fifth Annual General Meeting and this proxy form will not be sent to members. Instead, the Notice of the Twenty-Fifth Annual General Meeting and this proxy form will be sent to members by electronic means via publication on SGXNet and the Company's Investor Relations ("IR") website at the URL <https://ir.starhub.com/AGM-EGM>.
2. Arrangements relating to:
  - (a) attendance at the Annual General Meeting by shareholders (including CPF and SRS investors);
  - (b) submission of questions to the Chairman of the Meeting by shareholders (including CPF and SRS investors) in advance of, or at, the Annual General Meeting, and addressing of substantial and relevant questions in advance of, or at, the Annual General Meeting; and
  - (c) voting at the Annual General Meeting by shareholders (including CPF and SRS investors) or (where applicable) their duly appointed proxy/proxies, are set out in the accompanying announcement by the Company dated 30 March 2023. This announcement may be accessed at the Company's IR website at the URL <https://ir.starhub.com/AGM-EGM>, and will also be made available on SGXNet.
3. For CPF/SRS investors who have used their CPF/SRS moneys to buy StarHub shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 11 April 2023.
4. By submitting an instrument appointing a proxy/proxies, the member accepts and agrees to the personal data privacy terms set out in the Notice of the Twenty-Fifth Annual General Meeting dated 30 March 2023.
5. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy/proxies.
6. Please be informed that StarHub will not be serving food at the Annual General Meeting.

I/We, \_\_\_\_\_ NRIC/Passport/Co. Reg. No. \_\_\_\_\_

of \_\_\_\_\_ (Address)

being a member/members of StarHub Ltd (the "Company") hereby appoint:

Name	Address	Email Address*	NRIC/ Passport Number	Proportion of Shareholdings	
				No. of Shares	%

and/or (delete as appropriate)

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as my/our proxy/proxies to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting ("AGM") of the Company to be held at StarHub Auditorium, 67 Ubi Avenue 1, #03-01 (South Wing) StarHub Green, Singapore 408942 on 21 April 2023 at 10.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against, or to abstain from voting on, the Resolutions to be proposed at the AGM as indicated hereunder.

No.	Resolutions	For*	Against*	Abstain*
	<b>Ordinary Business</b>			
1	To receive and adopt the Directors' Statement and the Audited Financial Statements and the Auditors' Report therein			
2	To re-elect Mr Teo Ek Tor as a Director			
3	To re-elect Mr Stephen Geoffrey Miller as a Director			
4	To approve the Directors' Remuneration			
5	To declare the Final Dividend			
6	To re-appoint KPMG LLP as Auditors and to authorise the Directors to fix their remuneration			
	<b>Special Business</b>			
7	To authorise Directors to allot and issue shares			
8	To authorise Directors to offer and grant awards and to allot and issue shares pursuant to, and subject to the limits specified in, the StarHub Performance Share Plan 2014 and/or the StarHub Restricted Stock Plan 2014			

\* If you wish for a proxy/proxies to cast all your votes 'For' or 'Against' a Resolution, please tick (✓) in the 'For' or 'Against' box provided in respect of that Resolution. Alternatively, please indicate the number of votes 'For' or 'Against' in the 'For' or 'Against' box in respect of that Resolution. If you wish for your proxy/proxies to 'Abstain' from voting on a Resolution, please tick (✓) in the 'Abstain' box provided in respect of that Resolution. Alternatively, please indicate the number of Shares that your proxy/proxies is directed to abstain from voting in the 'Abstain' box in respect of that Resolution. In the absence of specific directions in respect of a Resolution, the proxy/proxies will vote or abstain from voting at his/their discretion.

\* Voting will be conducted by poll.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

\_\_\_\_\_  
Signature(s) or Common Seal of Member(s)

Total Number of Shares Held

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

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**Notes:**

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you only have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy/proxies shall be deemed to relate to all the shares held by you.
2. A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

3. A proxy need not be a member of the Company. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

4. The instrument appointing a proxy/proxies must be submitted to the Company in the following manner:

- (a) if submitted by post, be deposited at the office of the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902; or
- (b) if submitted electronically, be submitted via email to the Company's Share Registrar at [gpd@mncsingapore.com](mailto:gpd@mncsingapore.com).

in either case, not less than **72 hours** before the time appointed for the Annual General Meeting.

A member who wishes to submit an instrument appointing a proxy/proxies by post or via email must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

5. The instrument appointing a proxy/proxies must, if submitted by post or electronically via email, be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy/proxies is executed by a corporation, it must, if submitted by post or electronically via email, be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy/proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must, failing previous registration with the Company (if the instrument appointing a proxy/proxies is submitted by post), be lodged with the instrument appointing a proxy/proxies or (if the instrument appointing a proxy/proxies is submitted electronically via email) be emailed with the instrument appointing a proxy/proxies, failing which the instrument may be treated as invalid.
6. Completion and return of the instrument appointing a proxy/proxies does not preclude a member from attending, speaking and voting at the Annual General Meeting. In such event, the relevant instrument appointing a proxy/proxies will be deemed to be revoked.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act 1967.
8. The Company shall be entitled to reject the instrument appointing a proxy/proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment) appointing a proxy/proxies. In addition, in the case of a member whose shares are entered against his name in the Depository Register, the Company may reject any instrument appointing a proxy/proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

2<sup>nd</sup> fold here

Affix  
Postage  
Stamp

**STARHUB LTD**  
112 Robinson Road #05-01  
Singapore 068902  
Attn: The Share Registrar

# Corporate Information

## BOARD OF DIRECTORS

Olivier Lim (Chairman)  
Nikhil Eapen  
Paul Ma  
Nihal Kaviratne  
Nayantara Bali  
Michelle Guthrie  
Ng Shin Ein  
Lionel Yeo  
Teo Ek Tor  
Stephen Miller  
Naoki Wakai  
Ahmad Al-Neama

## AUDIT COMMITTEE

Paul Ma (Chairman)  
Nihal Kaviratne  
Ng Shin Ein  
Teo Ek Tor

## NOMINATING AND GOVERNANCE COMMITTEE

Nihal Kaviratne (Chairman)  
Olivier Lim  
Lionel Yeo  
Stephen Miller

## RISK AND SUSTAINABILITY COMMITTEE

Nayantara Bali (Chairman)  
Nikhil Eapen  
Paul Ma  
Peter Kaliaropoulos (Co-opted Member)

## EXECUTIVE RESOURCE AND COMPENSATION COMMITTEE

Michelle Guthrie (Chairman)  
Lionel Yeo  
Stephen Miller

## COMPANY SECRETARIES

Veronica Lai  
Audra Balasingam

## INVESTOR RELATIONS

For enquiries on the Group's business performance, contact the Investor Relations team at email: [ir@starhub.com](mailto:ir@starhub.com)

## REGISTRATION NUMBER

199802208C

## REGISTERED ADDRESS

67 Ubi Avenue 1  
#05-01 StarHub Green  
Singapore 408942  
Tel : (65) 6825 5000  
Fax : (65) 6721 5000

## SHARE REGISTRAR

M & C Services Private Limited  
112 Robinson Road #05-01  
Singapore 068902

## AUDITORS

KPMG LLP  
Public Accountants and Chartered Accountants  
12 Marina View, #15-01  
Asia Square Tower 2  
Singapore 018961

Partner-in-charge:  
Siew Yilin (appointed w.e.f. 1 January 2021)

## SUBSIDIARIES

StarHub Mobile Pte Ltd  
StarHub Cable Vision Ltd.  
StarHub Online Pte Ltd and its subsidiary  
StarHub Shop Pte Ltd  
StarHub, Inc.  
StarHub (Hong Kong) Limited  
Nucleus Connect Pte. Ltd.  
Ensign InfoSecurity Pte. Ltd. and its subsidiaries  
Malaren International Sdn. Bhd. and its subsidiaries  
JOS (SG) Pte. Ltd. and its subsidiary

## ASSOCIATED COMPANIES

Shine Systems Assets Pte. Ltd.  
Antina Pte. Ltd.  
Vectra Corporation Limited

## SUSTAINABILITY

For enquiries on the Group's sustainability journey, contact the Sustainability team at email: [sustainability@starhub.com](mailto:sustainability@starhub.com)



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