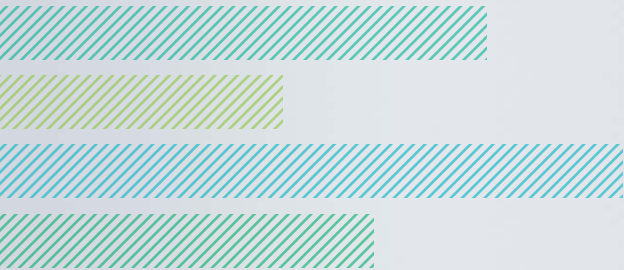




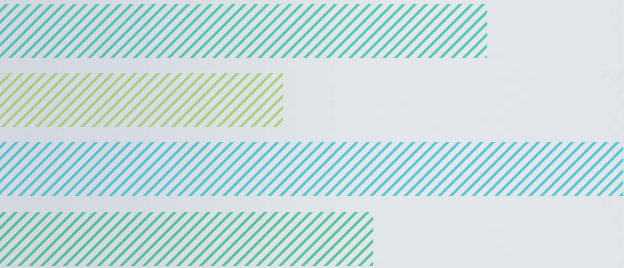
Many Lives of Hub bing

StarHub Ltd Annual Report 2014



Hubbing lives as our customers do. We understand that our customers' lives are more complex than ever before. The many roles they play require them to blend different activities throughout their day.

Hubbing empowers lives.



StarHub is a business guided by the diverse needs of more than 742,000 households. As these needs evolve and the lines between home and office and between work and leisure continue to shift, StarHub's role in the lives of our customers remains more relevant than ever.

OUR VISION

To be Singapore's first choice for information, communications and entertainment services.

OUR MISSION

To provide every person, home and business in Singapore with world-class multimedia services and content.

OUR CORE VALUES

ExCITe: Excellence, Creativity, Integrity, Teamwork.



ONLINE ANNUAL REPORT
www.starhub.com

- Presentation of the year's key content
- PDF of annual report from the year
- Senior Management team review of 2014

CORPORATE PROFILE

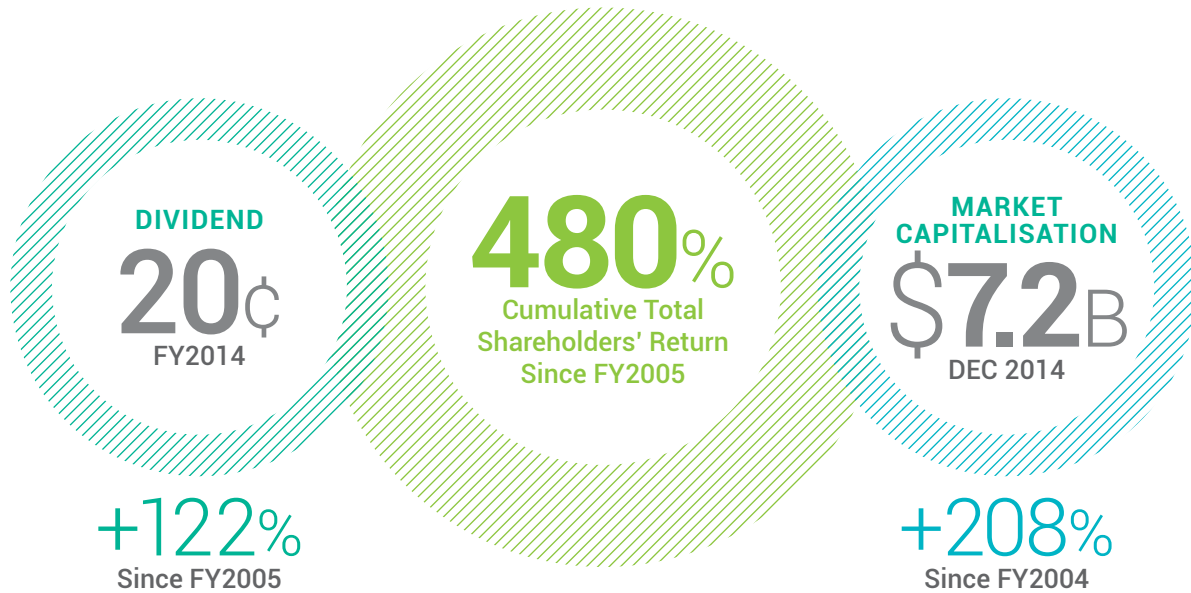
StarHub is Singapore's fully-integrated info-communications company, offering a full range of information, communications and entertainment services for both consumer and corporate markets. StarHub operates a mobile network that provides 4G, 3G and 2G services. It also manages an islandwide HFC network that delivers multi-channel pay TV services (including HDTV, Internet TV and on-demand services) as well as ultra-high speed residential broadband services. StarHub operates an extensive fixed business network that provides a wide range of data, voice and wholesale services. Over Singapore's fibre-based Next Generation Nationwide Broadband Network (Next Gen NBN), StarHub offers a broad range of home and business broadband plans along with a host of advanced media-rich value-added services, such as IPTV for commercial entities.

Launched in 2000, StarHub has become one of Singapore's most innovative info-communications providers, and the pioneer in 'hubbing' – the ability to deliver unique integrated and converged services to all its customers. StarHub, listed on the main board of the Singapore Exchange since October 2004, is a component stock of the Straits Times Index (STI) and the MSCI Singapore Free Index.

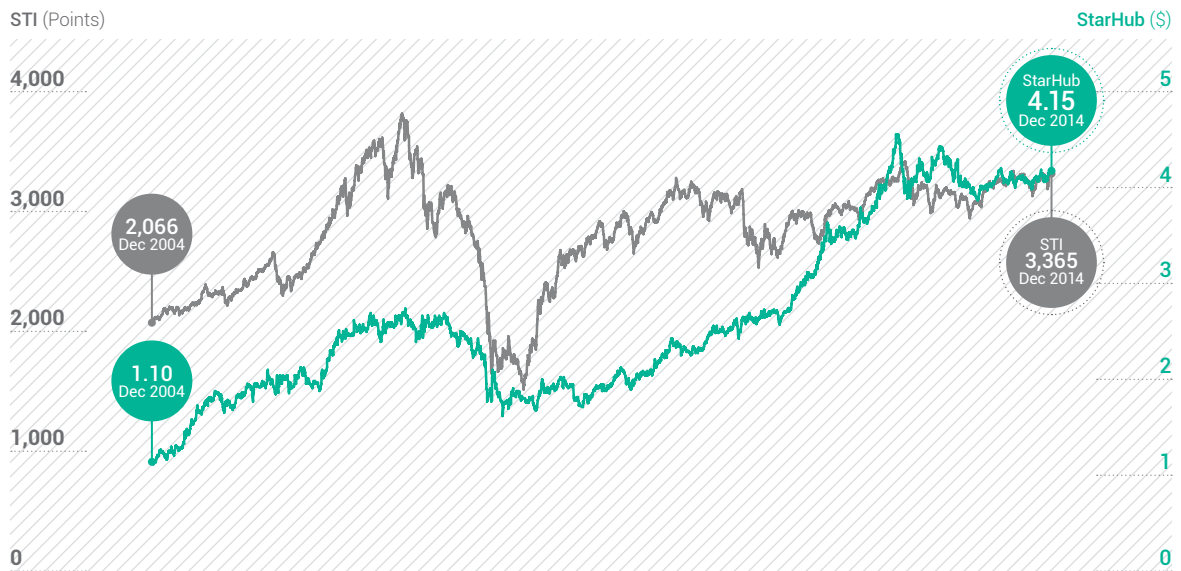
Contents

An introduction to our report with a snapshot of the Group's business and key highlights.	OVERVIEW		Overview
	Key Figures	02	
	The Group Today	03	
	Our Financial Highlights	04	
Insight into our Group's leadership and our management's approach on how we create value.	STRATEGY		Strategy
	Chairman's Message	14	
	Board of Directors	18	
	In Discussion with StarHub's Management	24	
	Senior Management	32	
The Nucleus Connect Conversation	36		
Our key achievements and how our strategy is delivered through our Group's operations.	PERFORMANCE		Performance
	Hubbing in Review	40	
	Group Financial Review	54	
	Sustainability Report 2014	58	
	Investor Relations	96	
Awards and Industry Honours	99		
Our framework for corporate governance and the role and contribution of our board.	GOVERNANCE		Governance
	Corporate Governance	100	
	Directors' Particulars	114	
	Interested Person Transactions and Material Contracts	175	
Statutory financial statements with the associated audit report and supporting notes.	FINANCIALS		Financials
	Financial Statements	117	
	Directors' Report	118	
	Independent Auditors' Report	129	
	Notes to the Financial Statements	136	
Corporate Information and Notices	Shareholding Information	176	
	Notice of Annual General Meeting	178	
	Proxy Form		
	Corporate Information		

KEY FIGURES

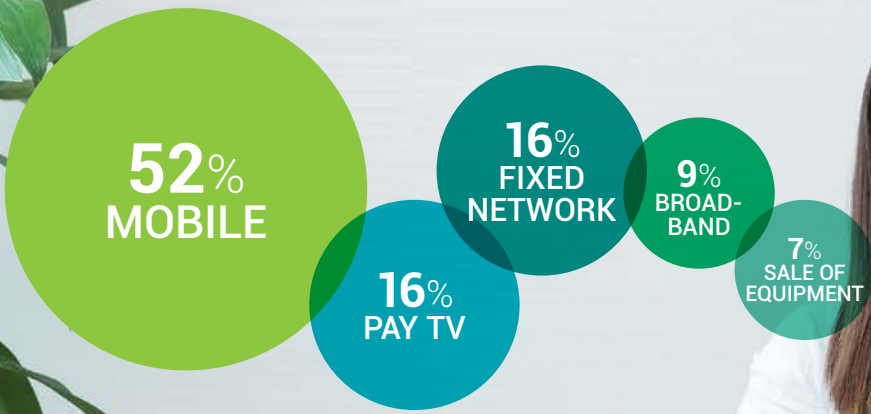


StarHub Share Price Performance Against STI Index
(from 2004 – 2014)



THE GROUP TODAY

The Group's total revenue was at \$2.39 billion due to higher equipment sales. Service revenue ended 1.0% lower as a result of the lower Broadband revenue. Fixed Network Services recorded the highest revenue increase YoY at 2.7%, followed by Pay TV revenue which gained 1.0%.



Mobile

From 2011's \$1.23B

+1.7%

\$1.25B



61% Tiered 39% Non-Tiered

Mobile Revenue

2011[^] \$1,227M
 2012[^] \$1,234M
 2013[^] \$1,243M
 2014 \$1,248M

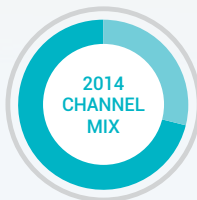
3-year CAGR
0.6%

Pay TV

From 2011's \$377M

+3.2%

\$390M



71% Standard-Definition 29% High-Definition

Pay TV Revenue

2011[^] \$377M
 2012[^] \$396M
 2013[^] \$386M
 2014 \$390M

3-year CAGR
1.1%

Broadband

From 2011's \$243M

-16.8%

\$202M



76% High-Speed 24% Non-High Speed

Broadband Revenue

2011[^] \$243M
 2012[^] \$251M
 2013[^] \$242M
 2014 \$202M

3-year CAGR
-5.9%

Fixed Network

From 2011's \$337M

+12.4%

\$378M



85% Data & Internet 15% Voice

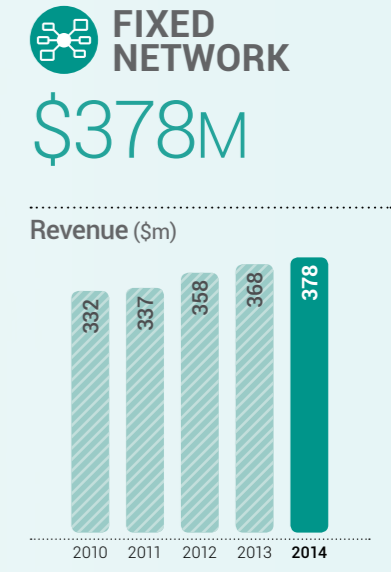
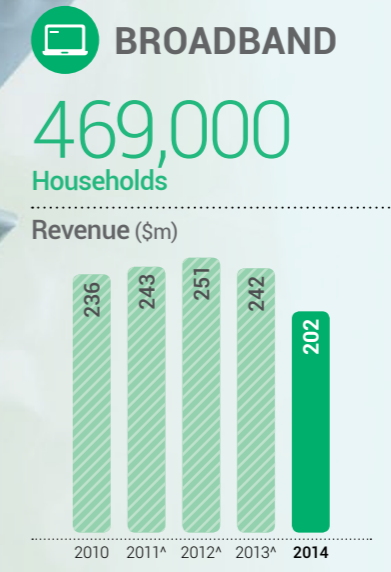
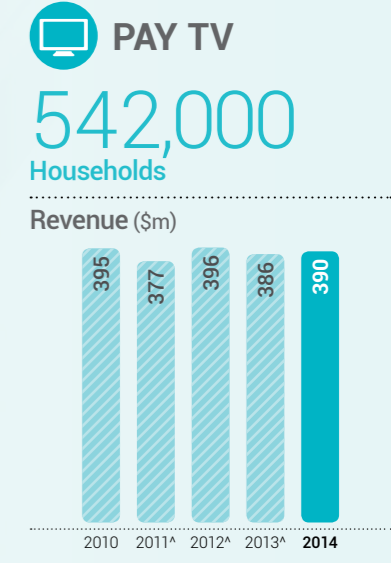
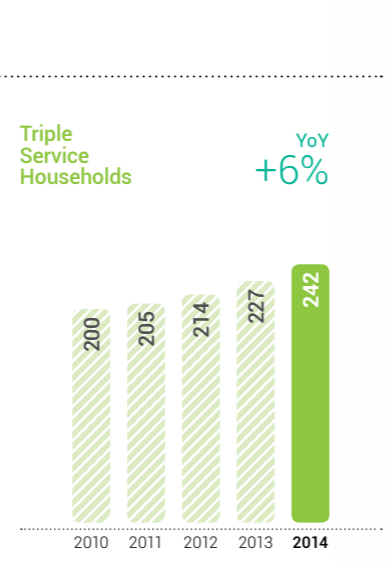
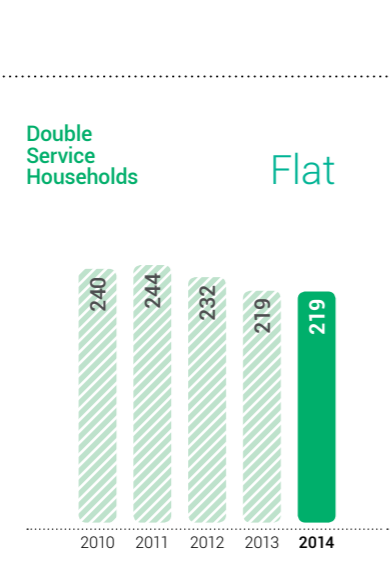
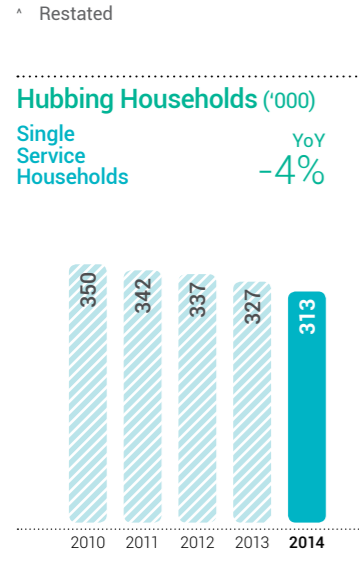
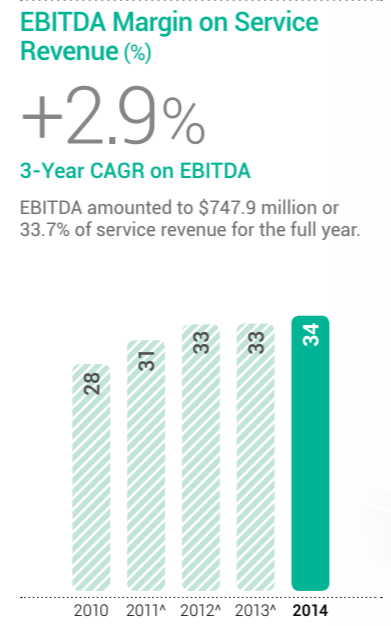
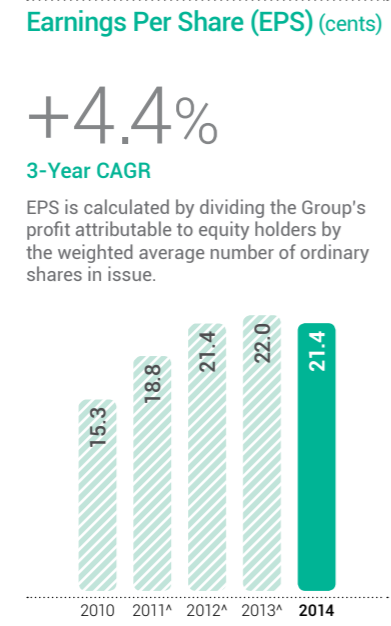
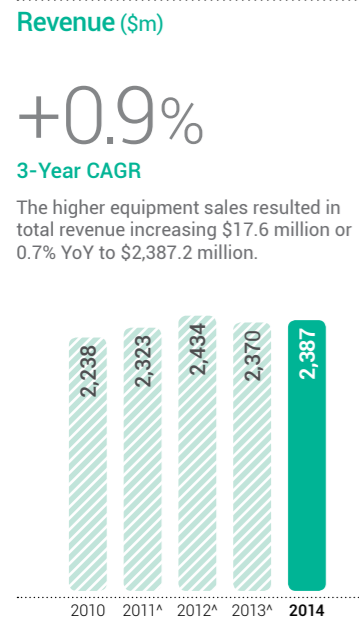
Data & Internet Revenue

2011 \$281M
 2012 \$295M
 2013 \$303M
 2014 \$321M

3-year CAGR
4.5%

[^] Restated

5-YEAR FINANCIAL HIGHLIGHTS



MOBILE

Pace Setter



0.9%

Lowest Post-paid Churn

61%

Post-paid Base on Tiered Plans

\$1.25B

Total Mobile Revenue

MANY LIVES OF HUBBING



Trend Setter

HUBBING KEEPS YOU AHEAD

With the choice to connect around the block and around the clock, StarHub's innovative mobile services keep our customers up to date with the latest technology and content.



= PAY TV =

Road Warrior

29%
HD Channels

>225
Pay TV Channels

\$52
Stable ARPU YOY

MANY LIVES OF HUBBING



Weekend Warrior

HUBBING BRINGS YOU TOGETHER

As our Pay TV content continues to reach more homes and more businesses than ever before, switching between work time and downtime has never been as seamless.



— BROADBAND —

Home Maker

0.8%
Lowest
Quarterly
Churn

76%
High-Speed
Base

469k
Households

MANY LIVES OF HUBBING



Deal Maker

HUBBING KEEPS YOU ON THE GO

With our cable and fibre broadband plans offering speeds of up to 100Mbps and 1Gbps respectively, only StarHub customers enjoy the choice to live, work and play at their own pace in their own space.



—FIXED NETWORK—

Team Player

11

Undersea Cable Systems

69

Links with Vodafone's Partner Networks

20,000

Commercial Locations Accessible Via Next Gen NBN



Game Player

HUBBING HELPS YOU PERFORM

While our customers continue to value the performance of StarHub's robust network, our creative enterprise solutions help them share success in whatever field they are in.



Tan Guong Ching
Chairman

SUMMARY OF KEY PERFORMANCE

OUR STRATEGY

Deliver bundled services in a seamless manner to meet our customers' work and personal needs.

OUR TEAM

We have strength and depth in the management team and a Board comprising business leaders with a wide range of expertise.

OUR VALUE

We build shareholder value by pursuing sensible growth, operating efficiently, investing wisely and improving customer service.

CHAIRMAN'S STATEMENT

The industry, as a whole, faces external changes. We need to and will adapt our business models accordingly.

DEAR SHAREHOLDERS

It has been a decade since StarHub was listed on the SGX-ST. The local info-communications landscape has transformed over the years. The industry, as a whole, faces external changes. Consumers' info-communications usage habits have changed with new technologies, while businesses demand more from their IT and communication service providers. We need to and will adapt our business models accordingly.

It is always a challenge to grow our revenue and margins, and yet make investments necessary for future growth in a saturated market. We believe we are up to this challenge, and I am pleased to report that we plan to keep our quarterly dividend of 5 cents per share in FY2015.

Shareholders can be assured that we are not maintaining the status quo as far as business operations are concerned. 2013 was the year when we made changes in the way we manage and organise the company, so that sharper strategies can be better executed in 2014 – and we did.

For the full year, we posted operating revenue of \$2.39 billion, up 1% from FY2013's \$2.37 billion. EBITDA was also 1% higher year-on-year (YoY) at \$747.9 million, while EBITDA margin as a percentage of service revenue was at 33.7%. Net profit for the year was 2% lower YoY at \$370.5 million.

While 'Hubbing' remains the cornerstone of our overall strategy, we have made further refinements in the way we execute this multi-pronged, synergistic approach to deliver value to our consumer and business customers.

Notably, we see growing convergence between these two groups of customers shaping up into what is called a 'duality' concept. This concept is also reflected in this year's annual report. For instance, a small and medium business (SMB) owner can use our Fixed Network services to tap into our SmartBusiness cloud marketplace for the company's computing needs.

Whilst on the road, the SMB owner can still keep close tabs on the company's projects and deadlines with smart devices and applications offered as part of our Mobility solutions. At home, the SMB owner can unwind with family members to enjoy our wide-ranging pay TV programmes offered as part of our Entertainment & SmartLife solutions.

We want to grow the consumer market, but we also see equally exciting opportunities in the enterprise and SMB markets. The concept of Hubbing has served our consumer business well. We see no reason why business customers cannot benefit from the same approach. The business market will hear more from us.

RECAP 2014

Our biggest revenue generator is still in Mobile. We further upgraded our mobile network to 4G LTE-Advanced, offering speeds of up to 300Mbps, so as to meet growing mobile data usage. New 4G plans were introduced in September. As more subscribers travel overseas for work or leisure, we have also expanded our 4G data roaming agreements with over 30 network partners in over 25 countries.

Our pre-paid business is facing a slowdown in its core user base – the foreign workers. The government's restriction on prepaid SIM cards registered per user may also dampen this business. Meanwhile, over-the-top (OTT) applications may siphon potential revenue opportunities from the industry as a whole. We are countering these challenges, for instance, by partnering OTT players like LINE and WeChat to introduce unlimited data plans to access their services for the pre-paid segment.

Our TV business remains strong. Our content team has brought in a wider spread of appealing programmes and channels of popular genres like lifestyle and drama not just in English but also Mandarin, Malay, Tamil and Hindi.

CHAIRMAN'S STATEMENT

We have expanded our collaborations with other content partners to produce programming to educate the young and entertain the seniors. We have also introduced more *StarHub TV Anywhere* channels, which gives our subscribers the convenience of watching what they want, where they want, when they want.

We are pleased that our subscribers are receptive to what we are offering. The 2013 Media Consumer Experience Study done by the Media Development Authority of Singapore (MDA) puts StarHub TV as tops for satisfaction in variety of content, as well as for quality of content.

After the Next Gen NBN industry framework was implemented, barrier of entry was lowered significantly. New competition waded in. The smaller players have tried to gain share quickly by competing on price. We are countering this by offering our subscribers better value, with innovative new products like the *Dual Broadband* plans giving them both fibre and cable access.

2015 will be the year Singapore launches into this year-long SG50 celebration of the nation's independence since 1965. With funding granted by the MDA, we have started the production of nine Public Sector programmes, which will start showing from early 2015. Be it dramas, reality shows or documentaries, these programmes have the common theme of promoting social values with a Singaporean identity.

Our new division, i³, set up in February 2013, has progressed beyond the first gear in 2014. This

team, which stands for Innovation, Investment and Incubation, is charged with finding new trends, new partners, new markets and new platforms from which we can build a meaningful business for the future. In April 2014, i³ launched the world's first crowd-funding platform to help entrepreneurs and their start-ups get things going in a faster way.

SUSTAINABILITY

In 2014, we further strengthened our sustainability performance. Talent management and engagement, mobile accessibility, empowerment of the less privileged, employee education and engagement for environmental activities, emissions and waste reduction, and stakeholder engagement were important sustainability focus areas.

StarHub continued to champion mobile accessibility with '4G4Good', an initiative to encourage StarHub Mobile post-paid customers to pledge their unused talk time, mobile data and SMS in support of selected charities. We began a year-long contribution to ISCOS' Gift of Hope, providing mobile access to ex-offenders. We extended *SmartBuddy*—a special mobile plan initially offered to the visually and hearing impaired—to Persons With Disabilities. 2014 also saw greater stakeholder involvement in our social outreach activities.

We are pleased to have further improved our ranking in the Corporate Knights' Global 100 list of the world's most sustainable companies, by climbing to the 29th position in 2014, from 66th in 2013. This result, which

OUR STARHUB 2015 STRATEGY



MOBILE

We expanded the post-paid base by 65,200, partly contributed by our ability to serve our customers well, especially enterprise ones. We will continue to do so in 2015.

65k
Post-paid
Net Adds



PAY TV

We will continue to enhance our rich breadth and depth of content. In 2014, we offered over 225 channels, including 67 HD ones.

67
HD Channels

bears testament to our sustainability efforts, also spurs us to strive for even greater sustainability in our culture and operations.

LOOKING AHEAD

On the Mobility front, we will continue to look at ways to monetise mobile data as well as offer new and innovative services. We have been testing a next generation messaging app called Rich Communication Services (RCS). This is an all-in-one app that let users make voice calls, share files, send instant messages and SMS.

We know that TV viewing is no longer confined to the living room. Content is now viewed anytime, anywhere. In this light, high-speed broadband connectivity will be the foundation to which we bring smarter way of living into households. This we will do as we look at improving our offerings of smart home solutions like our *Dual Broadband* plans, *HomeHub* multi-service plans and the upcoming IPTV services for consumers.

We will continue to engage with enterprise customers via events like our Synnovation Day held in March 2014. The event, which saw over 600 business delegates in one venue, will help to heighten our profile amongst the business community and strengthen our position as an 'enterprise-grade' provider. Our existing as well as new solutions and services in cloud computing, mobility, data analytics and the Internet of Things will help their businesses grow further.

Technology is ever evolving. Since 2012, we have been exploring TV White Space (TVWS). In November 2014, the regulator IDA allocated 180 MHz of spectrum for unlicensed TVWS operation. This means we can now start to plan and deploy TVWS networks to create various wireless connectivity channels for broadband access and backhaul uses. TVWS will give a boost to machine-to-machine (M2M) communications, bringing us a step closer to Singapore's Smart Nation vision.

We would like to take this opportunity to extend our appreciation to you, our shareholders, for your continued support and confidence in StarHub. We believe our fundamental strategy of building shareholder value by pursuing sensible growth, operating efficiently, investing wisely, and continually improving customer service, will see us through the years to come.

We look forward to meeting you at the upcoming Annual General Meeting.



Tan Guong Ching
Chairman

We will continue to engage with enterprise customers via events like our Synnovation Day held in March 2014.

BROADBAND

Despite competition, Broadband households grew by 4.8% YoY.

4.8%
YoY Growth in Households

FIXED NETWORK

We are confident that our brand, technology and assets, and more importantly, our ability to build close partnerships, will help us grow this business.

2.7%
2014 Revenue Growth

BOARD OF DIRECTORS

The Board oversees the management of the Company's business, monitors and reviews the financial and operating performance of the Group.



01
TAN Guong Ching



02
TAN Tong Hai



03
KUA Hong Pak



04
Peter SEAH Lim Huat



05
Nihal Vijaya Devadas
KAVIRATNE CBE



06
SIO Tat Hiang



07
Steven Terrell CLONTZ



08
LIM Ming Seong



09
TEO Ek Tor



10
LIU Chee Ming



11
Robert J. SACHS



12
Nasser MARAFIH



13
Takeshi KAZAMI

BOARD OF DIRECTORS

01. TAN GUONG CHING

Chairman

Date of Appointment: Director on 8 August 1998 and Chairman on 1 April 2001

Last Re-elected: 14 April 2014

Chairman, Board of Directors

Chairman, Risk Committee

Member, Strategy Committee

Mr Tan Guong Ching is the Chairman of Singapore Technologies Telemedia Pte Ltd, STT Communications Ltd, Asia Mobile Holdings Pte. Ltd. and Singapore Technologies Aerospace Ltd. He was formerly the CEO of the Housing & Development Board, the Principal Private Secretary to the Prime Minister and the Permanent Secretary of the Ministry of Home Affairs, the Ministry of the Environment and the then Ministry of Communications & Information. Mr Tan initiated several major projects during his career, such as neighbourhood policing, civil defence, commissioning of the mass rapid transit system, the corporatisation of Singapore Telecommunications Ltd and the re-organisation of the then Telecommunication Authority of Singapore. Mr Tan served in the Administrative Service for 33 years. In recognition of Mr Tan's contributions to the Civil Service, he was awarded a Public Administration Medal (Gold) in 1991, a Long Service Medal in 1997 and an NTUC Commendation Medal in 1999. Mr Tan holds a Bachelor and a Master of Engineering (Chemical) from McMaster University, Canada.

02. TAN TONG HAI

Executive Director and Chief Executive Officer

Date of Appointment: 1 March 2013

Last Re-elected: 15 April 2013

Member, Risk Committee

Mr Tan Tong Hai joined StarHub in 2009 as its Chief Operating Officer, overseeing the day-to-day operations of StarHub. He has over 20 years of experience in the regional information technology (IT), Internet and e-commerce industries and has had broad experience at top management levels. Mr Tan was previously the President and the CEO of Singapore Computer Systems from August 2005 to December 2008, and the President and the CEO of Pacific Internet (PacNet) from March 2001 to August 2005. He was instrumental in turning both companies around when he was at their helms. In addition, Mr Tan is currently the Chairman of Nanyang Polytechnic's Board of Governors. He holds a Bachelor of Electrical Engineering (Honours) from the National University of Singapore.

03. KUA HONG PAK

Independent Director

Date of Appointment: 19 November 2001

Last Re-elected: 14 April 2014

Chairman, Audit Committee

Mr Kua Hong Pak is the Managing Director and Group CEO of ComfortDelGro Corporation Limited. Mr Kua brings wide-ranging experience of financial accounting, management and investment to the Board. Mr Kua is also the Deputy Chairman of SBS Transit Ltd and VICOM Ltd. Prior to joining ComfortDelGro Corporation Limited, Mr Kua served as the President and CEO of Times Publishing Limited and Executive Director of SBS Transit Ltd. Mr Kua was conferred the Public Service Star in 1996 and re-appointed a Justice of the Peace by the President of Singapore in 2010. He holds a Bachelor of Accountancy from the former University of Singapore. Mr Kua participated in the Advanced Management Program conducted by the Harvard Business School, USA.

04. PETER SEAH LIM HUAT

Non-Executive Director

Date of Appointment: 22 July 2002

Last Re-elected: 14 April 2014

Chairman, Executive Resource and Compensation Committee
Chairman, Nominating Committee

Mr Peter Seah Lim Huat is the Chairman of DBS Bank Ltd, DBS Group Holdings Ltd, Singapore Health Services Pte Ltd and Lasalle College of the Arts Limited. Mr Seah also serves on the boards of CapitaLand Limited and STATS ChipPAC Ltd. He has extensive experience in the financial industry. He served as the President and CEO and a Director of Singapore Technologies Pte Ltd from December 2001 to December 2004. Prior to that, he held several senior level positions in the former Overseas Union Bank Limited before retiring as Vice Chairman and CEO in September 2001. Mr Seah holds a Bachelor of Business Administration (Honours) from the former University of Singapore.

05. NIHAL VIJAYA DEVADAS KAVIRATNE CBE

Independent Director

Date of Appointment: 16 August 2004

Last Re-elected: 14 April 2014

Chairman, Strategy Committee

Member, Audit Committee

Mr Nihal Vijaya Devadas Kaviratne CBE serves on the boards of DBS Bank Ltd and DBS Group Holdings Ltd in Singapore and GlaxoSmithKline Pharmaceuticals Limited in India. He is the Chairman of Caraway Pte. Ltd., a subsidiary of Olam International Limited. Mr Kaviratne has a stellar track record of success gained during a wide-ranging career at Unilever spanning over 40 years. He held various senior level management positions in the Unilever group across Asia, Europe and Latin America. He retired from the Unilever group in March 2005. Mr Kaviratne 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". His management and leadership skills in multinational business strengthen the Board. Mr Kaviratne 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.

06. SIO TAT HIANG

Non-Executive Director

Date of Appointment: 2 July 2012

Last Re-elected: 15 April 2013

Member, Executive Resource and Compensation Committee

Member, Nominating Committee

Member, Risk Committee

Mr Sio Tat Hiang is the Executive Director of Singapore Technologies Telemedia Pte Ltd (ST Telemedia). Mr Sio has more than 20 years of financial and management experience. He was a core member involved in the formation of ST Telemedia as a new business area for the former ST group, and served as Senior Executive Vice-President of ST Telemedia from September 2010 to March 2012. Prior to that, Mr Sio was Vice-President of Corporate Finance, Director of Strategic Investment and Group Treasurer for the ST group, overseeing the treasury and investment management functions of the ST group. Before joining the ST group, Mr Sio worked in the banking and financial services industries. He holds a Bachelor of Business Administration (Honours) from the former University of Singapore and attended the Senior Management Programme at the London Business School, UK.

07. STEVEN TERRELL CLONTZ

Non-Executive Director

Date of Appointment: 8 December 1999

Last Re-elected: 14 April 2014

Member, Strategy Committee

Mr Steven Terrell Clontz is Senior Executive Vice-President of North America and Europe Operations at Singapore Technologies Telemedia Pte Ltd. He has been the Chairman of InterDigital, Inc. since February 2010 and will retire in June 2015. He is also a Director of Jasper Wireless, Inc and PSA International Pte Ltd. He served as the CEO of StarHub for 11 years before retiring on 1 January 2010. Mr Clontz is a well-regarded veteran in the telecommunications and media industry with more than 30 years of extensive experience. He brings with him invaluable knowledge of the telecoms and media industry and extensive management expertise. He began his career in the USA. From 1995 to 1998, he served as the President and CEO of IPC Information Systems Inc., based in New York. Prior to that, Mr Clontz has held senior executive positions at BellSouth International, Inc. He was the President of BellSouth International (Asia-Pacific), Inc. between 1991 and 1994. Mr Clontz holds a Bachelor of Science (Physics Major) from the University of North Carolina, USA.

08. LIM MING SEONG

Non-Executive Director

Date of Appointment: 14 December 2000

Last Re-elected: 15 April 2013

Member, Audit Committee

Member, Executive Resource and Compensation Committee

Member, Strategy Committee

Mr Lim Ming Seong is the Chairman of CSE Global Limited and First Resources Ltd and serves on the boards of U Mobile Sdn Bhd and Singapore Technologies Kinetics Ltd. Mr Lim was with the Singapore Technologies (ST) group from 1986 to 2002, where he left as Group Director. Prior to joining the ST group, Mr Lim served as the Deputy Secretary with the Ministry of Defence of Singapore. Mr Lim brings with him extensive accounting, management and technical expertise. He holds a Bachelor of Applied Science (Honours) with a major in Mechanical Engineering from the University of Toronto and a Diploma in Business Administration from the former University of Singapore. Mr Lim also participated in the Advanced Management Programs conducted by INSEAD and the Harvard Business School, USA.

BOARD OF DIRECTORS

09. TEO EK TOR

Independent Director

Date of Appointment: 16 August 2004

Last Re-elected: 15 April 2013

Member, Audit Committee

Member, Executive Resource and Compensation Committee

Member, Nominating Committee

Mr Teo Ek Tor is the Chairman of PrimePartners Group Pte Ltd and Aris PrimePartners Asset Management Pte Ltd, a joint venture asset management company based in Singapore. Mr Teo has vast experience in investment banking, asset management and financial services 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). Mr Teo 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), with a major in Business Administration, from the University of Western Ontario, Canada.

10. LIU CHEE MING

Independent Director

Date of Appointment: 16 August 2004

Last Re-elected: 15 April 2013

Member, Strategy Committee

Mr Liu Chee Ming is and has been the Managing Director of Platinum Holdings Company Limited since 1996. Mr Liu also serves on the boards of Japfa Ltd., OUE Hospitality Trust Management Pte. Ltd., OUE Hospitality REIT Management Pte. Ltd., Kader Holdings Company Limited and Founder BEA Trust Co., Ltd. He has over 30 years of experience within the financial services sector and has an invaluable network of contacts in the media industry. Mr Liu's financial and strategic expertise and experience of dealing with major corporations and businesses in many parts of the world is an asset to the Board. He worked for various Jardine Fleming entities for over 17 years in senior level positions. Mr Liu was a Director of Media Asia Entertainment Group Limited of Hong Kong from 2005 to 2007. He is a member of the Takeovers Appeal Committee and Deputy Chairman of the Takeovers and Mergers Panel of the Securities and Futures Commission in Hong Kong. Mr Liu holds a Bachelor of Business Administration from the former University of Singapore.

11. ROBERT J. SACHS

Independent Director

Date of Appointment: 29 April 2005

Last Re-elected: 12 April 2012

Member, Strategy Committee

A lawyer by training, Mr Robert J. Sachs is a Principal of Continental Consulting Group, LLC. Mr Sachs has 35 years of extensive experience in the cable television and media industry. He was the President and CEO of the National Cable & Telecommunications Association from August 1999 to March 2005. From 1979 to 1998, he held various senior level positions in Continental Cablevision, Inc. and its successor, MediaOne Group, Inc., overseeing the company's legal and regulatory affairs and corporate development. He began his professional career as the legislative staff of US Senator Charles Goodell and thereafter as a consultant to the White House Office of Telecommunications Policy. He was legislative counsel to the National Telecommunications and Information Administration in the United States. Mr Sachs holds a Bachelor of Political Science from the University of Rochester, a Master of Journalism from the Columbia University Graduate School of Journalism, and a Doctorate of Law from the Georgetown University, USA. He has also completed the Program for Management Development at Harvard Business School and is a member of the bar in the District of Columbia and the Commonwealth of Massachusetts.

12. NASSER MARAFIH

Non-Executive Director

Date of Appointment: 9 July 2007

Last Re-elected: 14 April 2014

Dr Nasser Marafih is the CEO of Ooredoo Group since 2006. He also served as CEO of Ooredoo Qatar (formerly known as Qatar Telecom) from 2002 to 2011, a subsidiary of Ooredoo Q.S.C. (formerly known as Qatar Telecom (Qtel) Q.S.C). Dr Nasser began his professional career at Ooredoo Qatar in 1992 as an expert advisor from the University of Qatar, and later joined Ooredoo Qatar as the Director of Strategic Planning and Development. He was instrumental in many strategic initiatives and landmarks in Ooredoo Qatar's history, including the introduction of the first GSM service in the Middle East in 1994 and thereafter, the Internet service in Qatar in 1996, and the privatisation of Ooredoo Qatar in 1998. Under Dr Nasser's leadership, Ooredoo Qatar has evolved from being a local telecom provider to an international player, with strategic investments in the Asia Pacific region. Dr Nasser holds a Bachelor of Science in Electrical Engineering, a Master of Science and a PhD in Communication Engineering from the George Washington University, USA.

13. TAKESHI KAZAMI

Non-Executive Director

Date of Appointment: 13 April 2012

Last Re-elected: 15 April 2013

Mr Takeshi Kazami is the President and CEO of NTT Singapore Pte. Ltd., the regional headquarters of NTT Communications Ltd for the Asia Pacific region. He also serves as a director of Emerio GlobeSoft Pte Ltd. He started his career with NTT in 1986 and held various positions, including Area Manager – NTT America. He was seconded to StarHub, as Head of Japanese Sales Sector in 2000. He went on to become the Head of Arcstar, the flagship brand of NTT Communications Ltd's range of global communication services. Upon his return to NTT Communications Ltd in 2005 and after serving as Director, Corporate Sales, he was appointed to his current position in July 2010. He holds a Bachelor of Arts, International Relation Course (Chinese and Sociology), from the Tokyo University of Foreign Studies, Japan. He was a visiting scholar at the Asia Pacific Research Center of Stanford University, USA.

IN DISCUSSION WITH STARHUB'S MANAGEMENT

Our *HomeHub* multi-service plans are well received by our customers.

Tong Hai

Q →

How has 2014 been for StarHub and what can we expect looking ahead?

A →

Our business has stood up to the test despite the challenges in the Singapore market with new competition appearing in the broadband and OTT spaces, as well as new regulatory changes.

Our over-arching strategy has, and will be, Hubbing. This strategy has served us well, offering customers convenience and value. The number of triple-service households in 2014 was up 6% from 2013 to 242,000. In 2010, the corresponding number was only 200,000.

We want to bring Hubbing to the next level as we look at the integration of the two customer segments – consumers and business users, coined 'bizsumers'. A business customer who uses our Fixed Network services for his company is also a mobile subscriber, a pay TV and home broadband user. We see the hubbing of work and lifestyle and how StarHub can enhance both areas, and the opportunities to generate 'pull-through' revenues from this intersection.

Mobile remains our biggest division by far in terms of contribution to our overall revenue and profitability. The year saw us doing carrier aggregation and enhancing the mobile network to LTE-Advanced; offering data speeds of up to 300Mbps and VoLTE. In September, we introduced our new generation of post-paid 4G plans, which saw some upward price adjustments. This should help improve the revenue in 2015. The same month, we also became the first local operator and in South East Asia to offer 4G voice calls on the new iPhones.

For the year, we expanded the post-paid base by 65,200 customers to 1.28 million and kept the churn rate low at 0.9%. This, we believe, is partly the result of being able to serve our customers well, especially the enterprise subscribers. And we will continue to do so in 2015.

In 2014, we witnessed our pre-paid business slowing down, partially contributed by the new regulatory policy; each person can only hold three pre-paid SIM cards

across all service providers, and the shift in the users' consumption pattern – more data, less voice. In view of the change, we will offer more data in our pre-paid packages.

Upcoming in 2015, you may be aware of the possibility of a spectrum auction. StarHub has sufficient spectrum to run its operations. But spectrum is an important asset, and we will look to participate in whatever spectrum auctions are held.

Seven years after the competitor started competing with its TV offering, we are pleased to note that StarHub TV is still the leader. MDA's Media Consumer Experience study even puts us tops in terms of variety and quality of programming, ahead of other media platforms.

We continued to enhance our rich depth and breadth of content; offering over 225 channels, including 67 HD ones. We have also extended over 100 channels to our *StarHub TV Anywhere* platform, allowing our subscribers to view their favourite content anytime, anywhere on their favourite mobile device.

Our two-way interactive set-top boxes are in about 90% of our pay TV customer base. With this, we are able to have an accurate picture of the consumption patterns and popularity of the content, and use the data to help manage our content costs.

The Next Gen NBN framework has made it easier for new entrants to come and compete in the residential fibre broadband space, albeit largely on price. Despite competition, our churn rate has been kept low at 1.0% for the year. We have also managed to increase our customer base to 469,000 households.

This is contributed by our Hubbing strategy. Our *HomeHub* multi-service plans, which include broadband access, TV channels, mobile broadband and even home phone lines, are well received by our customers.

We are also capitalising on our exclusive cable network assets. To this end, we introduced the *Dual Broadband* plans, combining both cable and fibre broadband access into a single package. No longer will multi-room Wi-Fi access be an issue, nor will there be angst in the unlikely event one network goes down.



RANKED
29th

in the list of the world's most sustainable company

With Hubbing, we bring value; with superior customer service, we bring satisfaction. Superior customer service is a strong belief we hold close to our hearts.

On the corporate front, we see the potential to grow this segment. We have solutions like Content Delivery, Clean Pipe, Managed Security Service and Enterprise Mobility Management to meet our customers' network and mobility security needs. We have also introduced the SmartBusiness cloud 'market place', which let SMBs have easy access to various applications and computing resources and thus be more competitive.

We are confident that our brand, technology and assets, and more importantly, our ability to build close partnerships, will help us drive and capture this emerging business. Right now, our revenue mix is mainly contributed from the consumer segment. We believe this ratio will change over time to reflect a higher contribution from the business sector.

With Hubbing, we bring value; with superior customer service, we bring satisfaction. Superior customer service is a strong belief we hold close to our hearts. We will leverage big data to understand our customers' trends and preferences, and anticipate their needs better. This will translate into loyalty and sustainable growth in value for all.

Besides continuing to build the exciting StarHub brand to surprise and delight our customers, we also want to be a responsible corporate citizen in this wider community too. To achieve this, StarHub's operations, brand value and ethos are constantly guided by Ethics, Corporate Governance, Human Rights, Environmental Responsibility and Civic Mindedness.

We are committed to conducting business in a sustainable manner and are working with industry partners in e-waste recycling. We have also introduced electronic billing and our new carrier bags can be reused many times. We will continue to drive more of such sustainable practices and are pleased that our on-going efforts in these areas have been recognised.

In January 2014, we were named 29th in the Corporate Knights' Global 100, a highly-regarded global benchmark of the top 100 sustainable corporations. It is a huge improvement from our 66th place in 2013. While we are honoured to be among the four Singaporean companies and only local telecoms operator to make the list, we want to be even better.



IN DISCUSSION WITH STARHUB'S MANAGEMENT

Nicholas

Q →

The quarterly dividend has been maintained at five cents per quarter for a few years now. Is it time for some adjustment?

A →

When we consider our dividend payout amount, we have to balance carefully with the financial resources we need for investment, without which longer term growth cannot happen. We strongly believe in sustainable dividend payments, so if we do increase the amount, we will make sure the amount is sustainable going forward.

Some analysts have pointed out that with our gearing, we can stretch a bit and make one-off special payments, but, we very much prefer to be a reliable investment and give sustainable returns for our shareholders.

Q →

What are some of the significant CAPEX going these few years?

A →

In 2H2014, we had to pay for the 2600MHz spectrum, another tranche is expected to be paid in 2H2016 for the 1800MHz spectrum. We also need to pay for the construction of our new MediaHub, which broke ground back in November 2013. This 21,400 sqm gross floor area property will house our TV transmission centre. We are also rolling out our own fibre selectively to commercial buildings nationwide. This move has three advantages; it provides high bandwidth backhaul to and from our mobile base stations, replaces existing leased fibre, and allows us to offer our own fibre to commercial customers.

All these CAPEX are included in our guidance, which also comprises maintenance and upgrades in the various networks that we have. We trust shareholders will appreciate the necessary investments we need to make to ensure future growth.

We strongly believe in sustainable dividend payments, so if we do increase the amount, we will make sure the amount is sustainable going forward.

Kevin

Q →

StarHub has identified enterprise as a growth segment. What are you doing to achieve that?

A →

Our strategy to win a bigger piece of the enterprise market is to be focused on the customer and earn the reputation of being a trusted business solutions provider that helps our customers build capabilities and differentiate their offering, so that they can better serve their own customers.

Infrastructure is the foundation of our business and we continue to build our core capabilities. Today, we have our own fibre backbone wired up to major commercial buildings to enable high-speed connectivity; we have also further developed our cloud infrastructure and data centre facilities to offer customers the scalability and agility they require; and we are upgrading our nationwide LTE-Advanced mobile network to deliver data speeds of up to 300Mbps. With our core infrastructure coming together, we can offer 'enterprise grade' high-speed, high availability connectivity to support the business needs of our business customers.

We recognise that companies need more than just connectivity, and we have been working with best-in-class technology partners to strengthen our solution offering to large corporations, SMBs and public sector organisations. In 2014, we teamed up with IO, a global leader in software-defined data centre technology to provide customers with a secure IT infrastructure that is reliable, more cost-efficient to scale, and that operates in an energy efficient facility. To-date, several companies in the financial, media and IT sectors are using the 'StarHub Data Centre powered by IO' to manage their IT resources. To help SMBs lower upfront IT set-up cost, we offer Software-as-a-Service via our cloud platform and Unified Communications solutions that they can buy on demand and scale according to dynamic business needs.

We constantly innovate to deliver enhanced values in our services to our customers. Our Internet-of-Things (IoT) solutions not only bring connection between objects and systems but also provide meaningful data to facilitate informed and timely business decisions; while our data analytics solutions provide deep insights on consumer trends, behaviour and preferences, facilitating the use of intelligence to develop more innovative and effective applications to enhance operations and planning. For example, our new advertising solution – Smart Targeting – leverages different sources of StarHub big data to offer



UPGRADING
NATIONWIDE

300Mbps

LTA-Advanced
mobile network to
deliver data faster

precise targeting capabilities to support advertisers' campaigns cross platforms. For this we were recognised at the Singapore Media Awards 2014, winning the 'Most Innovative Contribution to a Campaign by Media Owner' accolade with our involvement in the advertising campaign of a top FMCG brand.

In March, we organised the StarHub Synnovation 2014 event to allow customers and partners to experience in one setting the capabilities we had to offer to the business community. This business conference and exhibition, has helped to heighten our profile in the business-to-business segment and strengthen our position as an 'enterprise-grade' provider. We showcased existing as well as new solutions and services in cloud computing, mobility, data analytics and the IoT with a focus on how our solutions can help enterprises, big and small, grow by leveraging all technology has to offer.

Mock

Q →

Singapore aims to be a Smart Nation. Is StarHub involved in any way?

A →

We have four key pieces whose tight integration will help support Singapore's Smart Nation push. As an integrated info-communications company, we already have our fixed and mobile networks in place, coupled with our SmartHub and I³ divisions, completes the picture.

In Fixed Network, we are the only true alternative to the incumbent, in terms of fibre coverage across the country as well as being the owner of one of two submarine cable landing stations in Singapore. The ownership of these invaluable assets gives us better control over the management of the enterprise services we provide.

In Mobile networks, we have built an advantage by investing sensibly so that we can offer the optimal technology. We are the first local operator and in South East Asia to offer VoLTE on the new iPhones on our LTE-Advanced network. We are also the only mobile operator to have secured TD-LTE spectrum and we have been running tests of this technology in certain areas already. In fact, some overseas visitors who are using the spectrum in their home countries are already able to enjoy the same kind of coverage in the test areas.

The widest network is not sufficient to make a nation smart. They form the base layer to move the huge volumes of data that has to be collected and analysed.

To this end, we have SmartHub, our big data analytics division where together with our research and industry partners, we undertake specific projects, slice and dice the datasets, and drive better outcome.

Last but not least, we have I³, a dedicated unit set up to suss out new ideas, disruptive technologies, as well as potential partners, and come up with applications or services that can help drive StarHub's business.

We have been a pioneering and active member of the Singapore White Spaces Pilot Group, to prove that the current problem of limited spectrum can be overcome by tapping into the TV White Space (TVWS) spectrum, even as demand for this wireless real estate grows.

We are happy to note that in November, the regulator IDA has allocated 180 MHz of spectrum for unlicensed TVWS operation. The various pilot TVWS projects have helped us prove our case. This means that the industry can now start to plan and deploy TVWS networks to create various wireless connectivity channels for broadband access and backhaul uses.

What is also exciting is the boost TVWS will give to M2M communications. So, we are now one big step closer to hooking up smart metres, security surveillance equipment, and all manners of connected devices in homes and factories, which will all go a long way to making the Smart Nation vision go beyond policy papers, computer animation, and presentation slides.

Q →

The technology world is changing so quickly. Different industry standards are emerging all the time. How is StarHub taking in all these changes?

A →

We monitor the technology roadmaps of our different business closely, so that we can have a better idea of what and when to invest.

For mobile, we have rolled out carrier aggregation, allowing us to offer speeds of up to 300Mbps, and VoLTE with much success. We are testing several other new technologies. They include RCS, the all-in-one communication app backed by GSM Association, and a new technology from Nokia Networks – Liquid Applications, which promises to deliver richer, personalised and location-based mobile usage experience by changing the way mobile data is stored and transmitted. Such new technologies have the potential to transform how large enterprises run their businesses via mobile applications.

IN DISCUSSION WITH STARHUB'S MANAGEMENT

And of course, the mobile industry has been pushing for the standardisation of 5G. Various equipment makers have been making their case actively. Clearly, we need to be careful and not be hurried into making any hasty decisions, so we will keep close tabs on the on-going development of 5G before making any concrete plans. For now, 4G still has a long runway ahead.

Meanwhile, software-defined networks (SDN) have been touted by some IT vendors as a technology that will come of age this year. Of course, they have their reasons to be enthusiastic about SDN, as they stand a chance to help transform the traditional network architecture and so far, we do recognise some of the possible benefits of having a more flexible and easily managed network. Our team has started some trials in SDN and network function virtualisation, so that we will be ready when changes do happen down the road.

For years, our pay TV subscribers are used to catching their favourite programmes from TV sets in the living room. Advances in technology have changed all that. We are now looking closely at delivering an over-flowing plate of programming across multiple platforms in a seamless manner. As subscribers mull over which device to use – their TVs, their computers or their tablets, we turn our focus on the end-to-end delivery chain which makes this rich, multi-platform TV viewing experience possible; from our submarine cable to fixed network and finally, device control.

Jeannie

Q →

The investment community has a lot of choices since there are many listed companies. What makes StarHub stand out?

A →

Since Day One, we have always believed in the twin engines of communications & relationship building. Our steadfast commitment to regular communications has helped establish long-term relationships with the investment community. We are also constantly spurred on to do things better; improve on the processes or look at new ways to communicate.

If investors need a reason to invest in us, they just need to know that we are ranked 29th in the list of the world's most sustainable company. Ever since our listing in October 2004, we have won quite a few IR awards. In the 2014 SIAS Investors' Choice Award, we were named winner of the 'Most Transparent Company

in the Services' category. I was honoured to be named 'Best IR Professional' for IR Magazine's South East Asia Awards for the third consecutive year.

We are especially happy to be included in the 'Global Top 50 IR' category in an awards organised by London-based IR Magazine. There are other giant global companies similarly conferred and their market values are all at least twice of ours. We are thrilled to be recognised in the same major league as these big boys. I was also named as runner-up in the 'Global Top IRO' (for below US\$7.5 billion market cap category). This is an award I accept on behalf of my team and we will strive to be even better.

Q →

This is your first full year as CMO – where marketing was added to your communications and IR portfolio. What's on your report card?

A →

The integrated nature of our business, cutting across various media, means that we have plenty of opportunities to market the StarHub brand across many different platforms.

The Singapore Sports Hub is one such platform to make ourselves even more visible, with our appointment as its Founding Partner and the Official Telecommunications Partner. To reach out to a growing number of tennis fans, we are also the Official Broadcast Partner for the Women's Tennis Association (WTA) Tour and Official Telecommunications Partner of the BNP Paribas WTA Finals Singapore. By showing the matches on our various platforms, we are making this sport more accessible to more people.

At the Singapore Hall of Fame Awards organised by The Institute of Advertising Singapore in November, StarHub was conferred top honours 'Brand of the Year', for campaigns such as 4G4Good, LionsXII's 12th Man Tribute, Project Beautiful and SG4SG, and I was named 'Client of the Year (Brand Steward)'. We also secured Gold for 'Marketing Campaign of the Year' at the International Business Awards and 'Best Partnership in a Loyalty Programme' at the Loyalty & Engagement Awards.

We continued to do well for our Hubbing strategy as we grew our triple service households by 6% to 242,000. We launched our online store in April for mobile services and increased prices for new 4G plans in September. Pay TV and Broadband churn rates were kept low in 2014.



BROADBAND ACCESS IS

24/7

Our Dual Broadband plans offer 'always on' connectivity

Shu Fen

Q →

Can you elaborate on Entertainment & SmartLife's proposition?

A →

Technology is changing our customer's lifestyle and expectations. It is more important than ever we focus on adapting technology to enable our consumers to get more out of life which is the essence of SmartLife. With our robust home and mobile broadband networks in place, entertainment can now be enjoyed literally anytime, anywhere, and there are more services and applications our consumers are using over our networks. Entertainment & SmartLife is a charter and focus on delivering smart living and immersive experiences to our customers.

High-speed broadband connectivity is the foundation to which we bring smarter way of living into households, where multi-screens and two-way interactivity will be the norm. With the tight integration of content across platforms and between services, we are redefining 'hubbing' constantly. The *StarHub TV Anywhere* service had grown to be an integral part of the TV proposition where entertainment is enjoyed on our customers' choice screen wherever they want. In 2015, beyond providing reliable access, we aim to deliver SmartLife services that will drive more service differentiation and customer loyalty. Reliability of service is hygiene, the mantra is seamlessness and ease of use. We will make it better and easier.

Q →

Are we facing this trend of 'cord cutters' that is hitting pay TV companies elsewhere like in the USA?

A →

There is alternative programming via other platforms, which is the result of how technology has evolved. As the leading Pay TV operator in Singapore, we grew our subscriber households by 2% to 542,000 YoY – and that is seven years after the competitor started its own TV offering. We have kept our churn rate low too at 0.9% for the year.

Beneath the cord-cutting phenomenon, it is more important to look at what drives consumption changes and how we can be more relevant in the customer's lives. We have been able to grow by focusing on better experience and compelling content curation. We have been able to leverage on our understanding of viewing needs through

the viewership data and kept our content offering fresh and comprehensive for the key segments we serve.

We upgraded our platform in April to one that delivers a stellar user experience that is more responsive and seamless. We are humbled that customers have found StarHub TV to be the preferred service provider. In MDA's 2013 Media Consumer Experience Study, we were named the media with the highest consumer satisfaction level of 80.6% for variety of content. Similarly, in another measure of quality of content, we again topped the list with a score of 81.3%.

We have also deepened our collaboration with content creators in various ways to ensure our content is current and compelling. In the first arrangement of its kind in Singapore, we will be showing movies from Malaysian director Ahmad Idham on our StarHub On Demand Channel, Blockbuster Hangat and *StarHub TV Anywhere*, concurrent with their release in Malaysian cinemas.

We have new content to help educate and entertain our young viewers too. We have teamed up with media and education veteran Ms Chang Mei Hsiang to introduce Rediffusion TV, the first dedicated channel offering Chinese enrichment content. We also brought in BabyFirst to help parents cope with children up to three years old. We introduced wildlife channel ZooMoo, produced with the co-operation of Wildlife Reserves Singapore. There is also Disney Movies on Demand and Boomerang channels for all the classical animation favourites.

We also did not neglect our older viewers. We recognise that they are leading a more active lifestyle than before. In September, we launched the *StarHub Silver App*, which let them catch Hokkien dramas anytime, anywhere, via their Android devices. The *StarHub Silver App* is jointly created by our own Golden Gurus and voluntary welfare organisation Lions Befrienders Service Association.

Q →

The residential broadband market is very competitive. What are you doing to address the competition?

A →

The emerging competitors in the residential broadband market have been aggressive in their pricing as they attempt to gain market share. We choose to lead by creating differentiators valued by our customers.

IN DISCUSSION WITH STARHUB'S MANAGEMENT

Since October 2013, we have been offering our integrated home services, *HomeHub* that offers high-speed broadband connectivity, TV entertainment, unlimited local voice calls and mobile broadband access in a single plan to subscribers. This product has helped us grown healthy share in new homes for StarHub. Customers enjoy the value and convenience in this integrated proposition.

We understand wireless service is most important to our customers. StarHub was the first local operator to introduce the wireless dual-band router with AC SmartBeam technology in our bundled plans. In May, we introduced a new broadband service, the *Dual Broadband 500*, that is supported by both cable and fibre broadband to enhance the wireless coverage of Singaporean homes. This solution also allows customers to use their coaxial points to extend the wireless service. More importantly, in today's world where broadband access is a 24/7 necessity, this subscription plan provides a back-up – in the unlikely event that either network fails. In November, we upped the stakes with the *Dual Broadband 1000*.

As a service provider, we have also focused our efforts to work with upstream partners to improve the provisioning process for fibre services, for example, we are now able to install fibre within five working days for most of our customers.

(Ms LIN Shu Fen, Head of Entertainment & SmartLife, is responsible for product management and development of our pay TV, new media and home broadband businesses.)

Soo Hui

Q →

How are the PSB productions coming along? What can we look forward to in 2015?

A →

Out of the 182 proposals received, we have selected nine for the initial batch to be produced with funding we have secured from the MDA. Production has started and we will be showing the programmes from early 2015 on our StarHub TV channels such as E City and SuperSports Arena.

We have picked a selection of programmes that are strong on the Singaporean identity and drives across key messages of racial and religious harmony. We believe the creative and entertaining content will be something Singaporeans will be proud of. They include travelogue 'Mission S-Change', the imaginative drama series 'My Secret App', the documentary 'Saturday Night Lights' and a feature on local athletes 'The Pursuit of Champions'.

To widen the reach of these programmes, we will also be showing them via *StarHub TV Anywhere*. Within six months of the initial run, we will then make the programmes available to the public for free.

Besides the PSB programming, we have also produced our first game show 'Silence!'. And to give our local content a stronger branding, we have launched the GO LOCAL campaign.

Elsewhere, we have also brought back the local version of the popular beauty and lifestyle magazine show, 'Lady First' for its second season. When 'Lady First – Singapore' was shown for the first time in 2013, it helped to also lift viewership of the original Taiwanese version by two times.

(Ms LEE Soo Hui, Head of Media Business Unit, is responsible for content management, content acquisition and local production.)

To widen the reach of these PSB programmes, we will be showing them via StarHub TV Anywhere. Within six months of the initial run, we will then make the programmes available to the public for free.

Diana

Q →

Some customers have no qualms stating their questions on public social media platforms like Facebook. How is StarHub addressing this added complexity in improving customer service?

A →

In January, we launched a social media listening hub, called Social Hub. Located within our call centre, Social Hub is a customised platform for us to monitor and extract real-time conversations on StarHub as they happen on Facebook, Twitter and other social media platforms.

Even before the Social Hub was introduced, we have already been recognised for our savviness in social media. Socialbakers, an international social media statistics company used by more than 250,000 brands and marketers each month, named us the top 'Socially Devoted Facebook' brand in Singapore for three consecutive quarters in 2013.

According to Socialbakers, we scored 86.29% for social response rates, which is over 9% above the global industry average for telcos. It took our customer service team an average of 6.5 hours to respond to customer's questions over Facebook – a whopping 32.1 hours faster than the industry benchmark.

In 2012, we launched 'StarHub Community'; an online community platform where customers can engage with each other and with our staff on StarHub products or service-related matters. Here, they are able to access a wealth of user-generated trouble-shooting tips, solutions, general information and more. The Community has grown from strength to strength; we saw our millionth unique visitor in January 2014. It has won industry recognitions including Gold, for best use of Brand Advocacy in the Loyalty & Engagement Awards 2013 and Silver in Loyalty Marketing in the Marketing Excellence Award 2013.

However, even with social media getting more popular, we are careful not to neglect the traditional channels like telephone calls. This omni-channel approach requires our team to work together at the back end and deliver a seamless experience. We are ready to engage our customers in whichever channel they choose.

Q →

How else has StarHub improved its customer service?

A →

What drives our team's strategy is to 'surprise and delight our customers' by creating and delivering value. One way we measure ourselves is to cut down needless calls. We do this by providing clear and easily understandable information. By doing so, it is also easier for us to encourage a 'customer helping customers' culture where they can turn to friends and families for clarification or additional information, failing which, they can then contact us. We are happy to clinch the Bronze Stevie Award at the '2014 International Business Awards event in Paris', for 'Customer Service Department of the Year – Telecommunications'.

Since 2013, we have been using the Net Promoter Score (NPS) framework, which focuses on improving customer loyalty. Through a series of weekly feedback sessions with some customers, our team of colleagues running NPS would then collect and analyse the data and then share with the rest of the StarHub team. Such direct contact put us at Customer Service in a more credible position to be our customers' advocates.

Since the *My StarHub* mobile app was introduced, it has proven to be a convenient self-service channel for our customers; it is also a good platform for us to cross-sell additional services. As more customers interact with us via multiple channels, we will be improving the *My StarHub* mobile app in 2015 for a better, integrated experience.

We realise that with all different promotions and changes in service offerings, it can be quite a challenge for our customer service colleagues to deliver the most updated information to our customers quickly. We need to give them better tools to do their job. To this end, we have implemented a new Knowledge Based Management System, which includes the Agent Work Flow System, that guides our frontline colleagues in delivering the best customer interaction experience.

SENIOR MANAGEMENT

The key roles of the Senior Management include running the day-to-day operations and providing the vision and strategy to move the Company forward.

Go Getters

From left
Chan Hoi San, John Tan, Kevin Lim, Tim Goodchild,
Tan Tong Hai, Jeannie Ong, Nicholas Tan, Mock Pak Lum,
Diana Lee & Veronica Lai

The 'duality' concept reflects a growing convergence between the work and lifestyle needs of our customers.

Play Makers



SENIOR MANAGEMENT

TAN TONG HAI

CEO

(Tong Hai's profile can be found on page 20 of this report.)

NICHOLAS TAN

CFO

Nicholas joined as CFO on 1 July 2013. Before StarHub, he was the Senior Vice President of Corporate Planning at ST Telemedia, responsible for the business oversight of subsidiaries; harnessing the collective strengths of the ST Telemedia Group of companies for synergistic gains; and spearheading group knowledge management – including financial, operational risk management, processes and systems. Nicholas also oversees the overall enterprise risk management function at ST Telemedia.

He was also seconded to ST Telemedia's former Indonesian subsidiary, PT Indosat Tbk, where he served as its CFO for two years. There, he was instrumental in the successful conclusion of a complex refinancing exercise that raised almost US\$1 billion from three instruments.

Nicholas holds a Bachelor of Accountancy from the National University of Singapore.

KEVIN LIM

Chief Commercial Officer

Kevin has responsibility for all customer touch points, from direct sales and retail outlets, to customer service. With the integration of all customer touch points, the Commercial Group sells to, delivers to and supports all customers, including international and domestic carriers, MNCs, SMBs, and residential and individual customers.

The Commercial Group includes Enterprise Business which services SMBs to MNCs; the International Business team which is responsible for international product management, carrier sales, inter-carrier agreements and international network strategy; the Consumer and Channel Sales team which is responsible for StarHub's and partner retail outlets and direct sales; the Customer Service division which provides all post-sales service and support and carries out telesales; and lastly, the Operations and Process team that oversees the smooth flow from order to billing.

Kevin's experience spans close to 30 years in various industries and across the globe. Prior to joining StarHub, he was from Intel where he worked with telecom operators, vendors and regulators on the ecosystem for the proliferation of broadband through wireless broadband access technology. Prior to Intel, he was managing director of Pacific Internet Singapore and Malaysia. At a global level, he was worldwide division general manager of Lernout & Hauspie.

Kevin received a Bachelor of Science Degree in Business Administration from Pepperdine University in California and a Master Degree in International Management from the American Graduate School of International Management (Thunderbird).

JEANNIE ONG

Chief Marketing Officer

Jeannie is responsible for building StarHub's brand and corporate reputation, in the areas of marketing, corporate communications, investor relations (IR) and corporate sustainability. She is instrumental in charting StarHub's marketing strategy across all marketing functions and ensuring an overall marketing synergy and brand consistency at every touch point. Customer value management, community relations and environmental responsibility also fall under her purview.

In marketing and branding, Jeannie received the Silver award for Woman of the Year (All Other Nations) at the Asia-Pacific Stevie Awards 2014. She and her team secured Gold for Marketing Campaign of the Year – Internet/Telecom at the International Business Awards 2014 and Best Partnership in Loyalty Programme at the Loyalty & Engagement Awards 2014. They also won The Green Award at the Asia Communications Awards 2014 in recognition of StarHub's significant progress in environmental policies and programmes.

In IR, Jeannie was recognised as the Best IR Officer in Singapore by IR Magazine Awards – South East Asia thrice consecutively in 2014, 2013 and 2012. She and her team received the Best IR in Singapore by Asiamoney magazine in its annual Asiamoney Corporate Governance Poll in 2013. She and her team clinched

the Best IR award (Gold) at the Singapore Corporate Awards twice (2013 and 2010).

Jeannie has over 20 years of experience in corporate, financial, marketing and community communications across different industries. She first commenced her communications career with the Civil Aviation Authority of Singapore in 1992. She also held senior IR and regional corporate and marketing communications positions at IPACS and Singapore Computer Systems.

Jeannie joined StarHub in April 2001 and helped to bring the company public in October 2004. Jeannie holds an honours degree from the University of London, where she majored in Economics and Marketing.

MOCK PAK LUM

Chief Technology Officer

Pak Lum oversees the Network Engineering, SmartHub and i³ divisions. He is responsible for establishing the company's technical vision and leading all aspects of technology development. He also looks into the strategy for technology platforms and external partnerships, as well as initiatives for innovations.

Pak Lum started his career in Hewlett Packard in 1984. In 1989, he joined Pico Art International. With the advent of multimedia technology, he set up a joint venture company with Pico – GT Communications, to offer computer animation and interactive kiosks services.

After that, Pak Lum moved on to head 1-Net Singapore in 1997. One of his key achievements was the winning of a \$92 million contract to host the Singapore Government Data Centre for 15 years. He was also appointed the CEO of the technology arm of MediaCorp in 2002. In 2010, he left the company to set up an IT software company that developed middleware for cloud computing.

Pak Lum holds a Bachelor of Electrical/ Electronic Engineering from the National University of Singapore and a Master in Business Administration from the University of California, Los Angeles.

JOHN TAN

Chief Information Officer

John is responsible for charting the strategic directions and providing leadership in the development and deployment of information systems (IS), supported by IT systems and processes. He leads the IS Division and oversees the day-to-day operations in planning and management, system architecture design and governance, development and implementation, support and maintenance of IT infrastructure, applications and services, to deliver efficient business support for StarHub.

A veteran with over 25 years in the IT industry and education, John was recognised for his excellent contributions and was awarded The Public Administration Medal (Silver) in 2007 National Day Awards. In 2012, John became a Fellow Member of the Singapore Computer Society, an esteemed title bestowed in recognition of his contributions to IT and the Society.

John holds a Master Degree in Computing Science from the National University of Singapore, a Master Degree in Business Administration and a Bachelor Degree of Engineering (Honours) from the University of Newcastle Upon Tyne.

VERONICA LAI

General Counsel & Company Secretary

As the General Counsel and Company Secretary for the StarHub Group, Veronica advises the Group on all legal aspects of operations, strategy and compliance matters. During her career with StarHub she oversaw the legal aspects of the merger of StarHub and Singapore Cable Vision in 2002, StarHub's successful IPO in 2004 and the establishment of StarHub's \$1 billion MTN Programme.

Under her leadership, the StarHub Legal team was recognised with various awards, including the Best Deal for Singapore for their role in the StarHub IPO by Asia Legal Business. Veronica received the 2007 AsiaLaw Singapore In-house Counsel Award by Asia Law and Practice, and was named by ALB as one of the Top 25 in-house counsels in Asia in 2010. In 2013, the StarHub team won the International Law Office's prestigious Global Counsel Award 2013 and Asia Pacific Counsel Award 2013, for their work in regulatory

support. For her corporate secretariat portfolio, Veronica was recognised with the Asian Company Secretary 2013 Award for Singapore by Corporate Governance Asia. In 2014, the Legal team won the International Legal Alliance Gold Award for the Best Asian & South Pacific Legal Department. Veronica is listed as one of the Legal 500's Corporate Counsel 100.

Veronica graduated with an honours degree from the National University of Singapore. Prior to joining StarHub, she spent six years in practice with Rajah and Tann LLP.

DIANA LEE

Senior Vice President, Customer Service

Diana heads the Customer Service team and is responsible for all customer support activities including the 24-hour call centre, customer service centres and online self-help service. Under her leadership, StarHub's customer service practices and standards have won wide recognition at the Annual Call Centre Awards by the Call Centre Council of Singapore.

Diana was instrumental in integrating the two customer service teams and systems into one following the merger of StarHub and SCV in 2002. Today, the single virtual call centre provides enhanced customer experience and convenience through a single hotline number and common technology. To ensure a high level of service to customers, she also initiated several key projects in the area of process efficiencies, staff motivation and customer experience in StarHub.

Prior to her role in heading the Customer Service team, Diana was the Senior Manager of Human Resource in SCV.

Diana has a Graduate Diploma in Financial Management from Singapore Institute of Management and is a Customer Operations Performance Centre (COPC) Certified Six Sigma High Performance Management Techniques Specialist.

CHAN HOI SAN

Senior Vice President, Human Resource

Hoi San is responsible for the overall direction of all human resource services in the company. She is also responsible for formulating, developing and ensuring the consistent implementation of the

company's strategic human resource policies and procedures.

Hoi San has been credited for building a strong groundwork in StarHub's human resource division prior to the company's official launch in April 2000. She had reviewed and put in place the necessary manpower, compensation and benefits, as well as internal communication strategies, policies and procedures to support the company's rapid expansion. She also played an integral part in the merger of StarHub and SCV by aligning and integrating the various business functions and resources, human resource policies and procedures.

Hoi San holds a Master of Human Resource Management from Rutgers University, USA and a Bachelor of Arts degree from Scripps College, The Claremont Group for Colleges in the USA. She has a graduate diploma in Personnel Management and is also an Accredited Myers-Briggs Type Indicator Assessor as well as a Certified Evaluator of the Thomas (DISC) Personal Profile System.

TIM GOODCHILD

Senior Vice President, Government & Strategic Affairs

Tim and his team are responsible for managing relationship with the regulators, and for providing regulatory support to StarHub's lines of business.

Tim joined StarHub in 2004, and has more than 20 years experience in telecommunications regulatory issues. His working career has included time with Telecom New Zealand, the Telecommunications Authority of Singapore (now the Infocommunication Authority Development of Singapore), Millicom International Cellular; and Equant Singapore. His career has given him exposure to regulatory regimes throughout the Asia-Pacific region.

Tim holds an honours degree in Economics from Victoria University.

THE NUCLEUS CONNECT CONVERSATION

Nucleus Connect is the Operating Company for the active infrastructure of the Next Gen NBN, a pervasive and sophisticated all-fibre optic network to every home and business in Singapore.

The company plays a key role in spearheading the development of a vibrant service creation eco-system for Retail Service Providers (RSPs). It is also responsible for providing an IDA-approved competitive wholesale interconnection offer (ICO) pricing to them.

David Storrie has been its CEO since inception, leading the greenfield deployments of the world's first all-fibre and open access next generation network. Nucleus Connect is a wholly-owned subsidiary of StarHub.



David Storrie
Nucleus Connect CEO

99.99%

OUR NETWORK AVAILABILITY CONTINUES TO EXCEED OUR ICO REQUIREMENT, WITH A BETTER THAN 99.95% NETWORK

Q. DO YOU EXPECT ANY CHANGES TO THE COMPANY'S STRATEGIC DIRECTION UNDER THE NEW CHAIRMAN?

DAVE: Mr Ernest Wong stepped down in April 2014 as the Chairman of Nucleus Connect after 5 years. Mr Paul Ma is the current Chairman.

In 2010, under Mr Wong's leadership and guidance, we commenced operations; marking a new chapter in Singapore's info-communications industry. The following year, we announced the readiness of our OSS/BSS (operations support system/business support system) and we were also the proud joint recipient of the 'Most Innovative Telecom Project' award at the 2011 Telecom Asia Awards. In 2012, the first large-scale government Next Gen NBN project was deployed.

With Mr Paul Ma as the new Chairman, the company's overall direction remains on track to align ourselves with the needs of RSPs and support them in these times of rapid market growth. We will continue to regularly update and improve our offerings in line with the projected growth in take-up rates, and work closely with RSPs to ensure a high level of performance and reliability. We will also interact more actively with other stakeholders as we try to improve to an even higher service delivery standard.

Besides Internet access, the network is integral in providing other forms of network connectivity like IPTV, mobile monitoring and camera surveillance services for end-users. On that end, we make regular improvements and upgrades to our backend core networks and those are key reasons why we are able to constantly maintain network availability at 99.99%, which exceeds our ICO agreement.

Q. SINCE OCTOBER, OPENNET, THE NETWORK COMPANY (NETCO), HAS BECOME PART OF NETLINK TRUST. HAVE THERE BEEN ANY ISSUES FROM THIS CHANGE IN OWNERSHIP?

DAVE: What we have experienced is that there is still a lapse in non-residential service activation period. While acknowledging that NetLink Trust needs time to work through this transition process, going forward, we hope to see higher installation success rate of Next Gen NBN commercial customers. On our side, we will work closely with the NetCo to identify the issues and rectify them, so that end-users can enjoy fibre broadband access quickly.

Q. HOW DID THE COMPANY'S PERFORMANCE FARE IN 2014?

DAVE: The competitive landscape did not deter new entrants and in 2014, we signed our 27th RSP.

Singapore's key service provider has used us to deploy its IPTV platform. This new platform promises pay TV viewers an improved navigation interface and two-way interaction. This technology boost, slated to go commercial in 2015, should create a more attractive bundle proposition by bundling IPTV and Internet services.

In 2014, we supported a RSP in the tender for the IDA contract, which comprises the provision of bandwidth services to the Government. Thus far, we have provided connections to government data centres, and come 2016, we expect to deliver networking capabilities to hundreds more government agency sites. In 2015, one of our key focuses is to play an integral role in the various Smart Nation projects.

The competitive landscape did not deter new entrants and in 2014, we signed our 27th RSP.

Q. IS THE SINGAPORE FIBRE BROADBAND MARKET MATURING?

DAVE: For 2015, we expect the RSPs to continue harnessing the consumer market's growth as well as be more active in going after the commercial market and government tenders. We have achieved a 10% increase in customer satisfaction level over 2013 and of course, we want to improve that score with higher reliability and operational efficiency. To help RSPs grow, we will be offering competitive service bundles. As Singapore moves towards the Smart Nation vision, we are ready to provide connectivity for all the various public and private sector projects.

Singapore's total optical fibre market has seen steady shift in access speeds. From 100 Mbps initially, users have migrated to 200 to 500 Mbps speed plans. Now, 1Gbps plans are getting more common. Besides speed, the total user base has surged too. As at end 2014, there were 708,100 subscriptions – up from 508,200 a year ago. We expect this number to grow and we will be kept busy for quite some time.

VALUE CREATION

We generate returns for our shareholders, but we also create value for our customers, suppliers, employees and the wider community. We believe the sum of parts is the bigger value.

We are a fully-integrated info-communications company, and our integration also applies to how we create value. We assemble our assets: experienced people, extensive networks, reliable suppliers – all bind together by a valuable brand. Then, we apply our proven strategy to serve our customers well. We invest in new capabilities as we anticipate their future needs.



ASSETS

Below are some of StarHub's assets; tangible and intangible. They have contributed in some way or another to the success that the Company, our shareholders and various other stakeholders have enjoyed thus far.

Our Brand:

StarHub's vision is to be Singapore's first choice for information, communication and entertainment services. We believe we can realise our vision only by pursuing policies and practices that nurture StarHub as a brand that everyone trusts.

Our People:

Our people play a key role in driving business growth. Our approach therefore is to invest in people to drive excellence across StarHub. Our goal is to be an employer of choice by offering a vibrant workplace driven by teamwork, creativity, excellence, diversity, and work-life balance.

Our Suppliers:

Our support to local suppliers indirectly contributes to the local economic development through supporting jobs and tax opportunities for the government.

Our Networks:

Our information and telecommunications services provide critical infrastructure for the larger economy that boosts competitiveness and productivity of businesses, empowers the community and enriches the lives of individuals. We have consistently invested in upgrading the telecommunications, broadband and TV networks to adopt the latest technologies and enhance energy efficiency.

CUSTOMERS

Our marketplace behaviour is guided by our core value of integrity - social, environmental and financial. Our top priorities include doing everything we can to maintain uninterrupted and reliable delivery of mobile, broadband and TV services to millions of customers. Customer service excellence is at the core of our marketing strategy to attract, retain and grow our customer base.

PROVEN STRATEGY

The Hubbing strategy has been successfully executed since July 2002 across multiple service platforms. It has consistently delivered increased revenues and total dividend payouts.

INVESTMENT

Sustainable business growth and healthy return on investment for shareholders and investors are our main economic objectives. Our approach is to pursue growth in a manner that generates value for both shareholders and stakeholders. As a result, our business generates significant indirect economic value for a variety of stakeholders and the local community.

CAPITAL MANAGEMENT

We regularly review our 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 proper strategic positioning.

SHAREHOLDER VALUE

StarHub has consistently delivered shareholder value over the years. We started paying out quarterly dividends since 2005 and it has increased steadily from nine cents per share to the present 20 cents per share for 2014. The Company is also committed to upholding high standards of corporate governance and applying consistent and effective risk management to enhance shareholder value.

StarHub's vision is to be Singapore's first choice for information, communication and entertainment services.

Read in detail →
PERFORMANCE: P36 CSR: P58 FINANCIAL REVIEW: P117

Mobility

HUBBING IN REVIEW

Mobility

In 2014, we brought in new partners, and strengthened relationship with existing ones.

The competitive dynamics of the mobile market changes constantly and we are staying ahead. As a service provider, we play a central role in building close relationships with mobile users on the one hand, and technology partners on the other. We are quick to recognise new preferences of mobile users and update our offerings accordingly, in terms of both devices and services. We are also receptive to new possibilities offered by our network technology partners. And, if other third party applications or service partners have a good idea benefitting our subscribers, we are in it too.

LARGEST 4G ROAMING FOOTPRINT

Having gotten used to blazing 4G data speeds in Singapore, customers would presumably want the same experience when they travel. To this end, we have increased the number of 4G data roaming destinations to over 30 partner networks in over 25 countries. They include popular destinations like Australia, China, Hong Kong, South Korea, Taiwan, Thailand, UK and USA.

While we expand our roaming footprint, we have certainly not neglected our network quality within Singapore. We performed well in IDA's quarterly 3G Quality of Service audits. We rate especially well for nationwide outdoor and in-building coverage, as well as call success rates.

NEW 4G PLANS

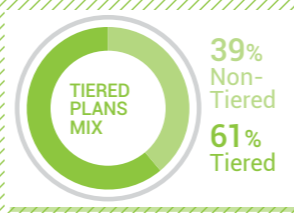
In September, we introduced new 4G plans. These new plans are designed for customers who want to enjoy 4G data connectivity of up to 300Mbps and high-quality 4G voice calls on a new breed of faster, more advanced 4G smartphones. We have been investing in network upgrades to continually ensure that we offer customers excellent service experience in urban Singapore. In 2014, we upped our total number of 4G base stations by a whopping 70%!

LIQUID APPLICATIONS

As our technology partners try to bring better solutions to the market, we are ready to work hand-in-hand with them to bring ever richer experience to our subscribers. Liquid Applications, by Nokia Networks, is an industry-first mobile network technology that promises to deliver richer personalised, location-based experience, among others.

Instead of having the base stations reaching into the backend infrastructure to access data, Liquid

MOBILE



Total Revenue
2011 [^] \$1,227M
2012 [^] \$1,234M
2013 [^] \$1,243M
2014 [^] \$1,248M

1.28M
+5.4%
More Post-paid Customers YoY

\$1.25B
+0.3%
Mobile Revenue YoY

65,200 post-paid customers were added with 61% of the post-paid base on tiered data mobile plans.

[^] Restated

HUBBING IN REVIEW

Consumers' preferences for different smartphone handsets shift rapidly, and we are ready to meet their latest needs.

Significant Achievements FY2014

02/February
Introduced exclusive LINE plan for mobile pre-paid users

Started selling handsets from Xiaomi – arguably the fastest growing smartphone maker in the world

06/June
Stepped up preparations to introduce RCS – a next generation messaging service

09/September
Established largest 4G roaming footprint, now with over 30 partner networks in over 25 countries

Introduced new 4G plans

Started selling the much-awaited iPhone 6 and iPhone 6 Plus and became the first local operator to offer 4G voice on these devices

10/October
Introduced '2-in-1 LINE' app to give post-paid subscribers an additional mobile number on a single smartphone

Conducted Liquid Application trials with Nokia Networks for richer mobile data user experience



Applications brings applications, content, popular Internet sites or enterprise solutions right to the base stations. And from there, stored, processed and delivered directly and rapidly onto the users' smartphones for a better quality mobile experience.

When the BNP Baribas WTA Finals Singapore was held in October, we conducted a trial of Liquid Applications within the Indoor Stadium. Under the 'Video Orchestration' application – part of what is possible on Liquid Applications – four 'live' video feeds of the Rising Stars Finals were delivered concurrently to spectators on mobile devices, giving them different perspectives of the action played out in the court. Spectators were able to zoom in on the action by selecting any preferred camera angle at any time. We are carrying out further tests of the full suite of functions possible under Liquid Applications.

RICH COMMUNICATION SERVICES (RCS)

We have also been conducting extensive trials of RCS. The RCS is a next generation messaging service backed by global industry body GSM Association (GSMA), which uses a common IP communication standard for interoperability.

The all-in-one app will give mobile users the ability to text, make calls and share digital files, without the need to download different instant messaging apps or to create multiple accounts. This will give our subscribers an additional, hassle-free mode of communication.

As part of our ongoing test of RCS, we have successfully interconnected with China Mobile, the world's largest mobile operator by subscriber number.

According to GSMA, by end of 2015, 87 operators across 26 countries will launch RCS.

2-IN-1

In October, we became the first mobile operator in Southeast Asia to offer our post-paid subscribers the ability to have an additional mobile number via the '2-in-1 LINE' app instead of adding another SIM card.

By downloading this app, our mobile subscribers can make calls or send SMS using their secondary mobile number, which will be displayed on the recipient's caller ID. The primary line, meanwhile, remains active in the background with data access, incoming calls and SMS working as per normal.

STAY ON LINE

LINE, a global mobile messaging and social platform, has been gaining rapid popularity. Since its launch in March 2011, there are now more than 340 million users using this platform. Instead of merely messaging one another, LINE users can receive updates from their idols, favourite brands or play LINE games. They are also merrily sending stickers and emoticons, choosing from a rich database of more than 10,000 different designs.

Our pre-paid subscribers using LINE might be worried about using up too much data with all these activities. To address this concern, we introduced an exclusive plan featuring unlimited use of LINE for a fixed monthly fee.

This exclusive deal with LINE gives us cross engagement opportunities too. For example, our subscribers were able to enjoy free access to LINE's



original Chinese New Year stickers before they were officially released. We have also set up our own official StarHub LINE account, which gives us another social media platform to keep our users updated on the latest products, services and promotions.

RED HOT LOW-COST SMARTPHONES

Consumers' preferences for different smartphone handsets shift rapidly, and we are ready to meet their latest preferences. Since February, we have been offering the popular Redmi smartphone from Xiaomi, a company barely four years old but already jostling for the top three in market share, worldwide.

We see Xiaomi's offerings especially useful to attract mobile subscribers who are still not using smartphones, to come on board the exciting world of mobile internet.

LATEST APPLE DEVICES

Even as we partner with up and coming equipment makers, we do maintain tight working relationship with existing partners. In October, we began to sell Apple's newest tablets – iPad Air 2 with Wi-Fi + Cellular and iPad mini 3 with Wi-Fi + Cellular.

However, the Apple highlight of the year happened in September, as we began selling the highly-anticipated iPhone 6 and iPhone 6 Plus. Besides bigger screen sizes and running on the new iOS 8, the new iPhones can make full use of our 4G LTE-Advanced network.

We are the first mobile operator in Southeast Asia to provide VoLTE services on these new iPhones. This means our customers were among the first in the world

and the first in Singapore to enjoy the full benefits of an unmatched HD 4G voice and data experience.

BOOKMATE

We know reading remains an essential activity for many people. In December, we announced an exclusive partnership with Bookmate to introduce a subscription-based ebook streaming service. Many consumers are already used to subscription-based models when it comes to listening to music or watching videos. We believe the ebook streaming service appeals to them too.

Our subscribers now have access to a library of up to half a million books from 600 different publishers, including major names like HarperCollins, Head of Zeus, Profile Books and Serpent's Tail. Various subscription plans are available.

Bookmate incorporates not only a subscription platform. It also introduces a social element into reading – adding a new dimension into what has very much been a solo activity. The app can let users see what are their friends reading, and which titles are gaining in popularity.

Bookmate currently has over 1.5 million monthly active users worldwide. The partnership with StarHub marks Bookmate's foray into Asia-Pacific.

Entertainment & SmartLife

HUBBING IN REVIEW

Entertainment & SmartLife

Technology has advanced, lifestyles have changed, and along with it, customers' expectations. The viewing of TV is no longer restricted to that big screen in the living room. With our home and mobile broadband networks, entertainment can be enjoyed literally anywhere. Entertainment & SmartLife conveys the focus on enabling smart living and delivering immersive experiences.

OUR INTEGRATED PROPOSITION

First introduced in October 2013, *HomeHub* is a range of integrated plans offering smartly-packaged bundle of services, including high-speed broadband connectivity, up to 67 TV channels, unlimited local telephone calls and mobile broadband access. In 2014, we reinforced the message that our *HomeHub* plans offer the best in value, convenience, programming and entertainment to our customers. To sweeten the deal further, we also added Video-On-Demand content as part of the packages. We are pleased to have chalked up good growth rates and bring 'hubbing' to more households than before.

YOUR USER EXPERIENCE

As we offer better bundled services, we have taken steps to ensure our customers get to enjoy a better user experience too. We recognise that the TV viewing experience is no longer confined to the living room with eyes glued to that big flat screen hanging off the wall. Notebooks, tablets and phablets are increasingly popular ways in which consumers catch-up on their favourite shows. *StarHub TV Anywhere* offers this mobility and is continually being enhanced to provide the customers a seamless and simple viewing experience on their choice screen.

Not only are we constantly introducing a growing number of channels, technology has allowed us to extend *StarHub TV Anywhere* to other platforms too like on Windows and Xbox, the popular gaming platform whose voice navigation and gyro-features can be used for a more interactive experience. As we steadily add more on-demand content to the library, the number of unique users of this platform has increased healthily too. The word 'viewers', with its passive content consumption connotation, is no longer an accurate term to describe our customers.

If there are better products and technologies that can offer our subscribers a better experience, we will try to introduce them. We have revamped the user interface across our set-top box and OTT platforms. This is

Entertainment & SmartLife



^ Restated

HUBBING IN REVIEW

All along, consumers have enjoyed the ability to record their own shows, and our set-top boxes with recording functions have been well received.

Significant Achievements FY2014

01/January
Anytime TV rebranded as StarHub TV Lite

03/March
Announced joint production of the second season of 'Lady First – Singapore'

04/April
Announced a new middleware platform and next-generation set-top boxes to deliver more seamless and engaging experience

05/May
Introduced Dual Broadband 500 that integrated cable and fibre broadband in a single plan

06/June
Announced commencement of production for pioneer batch of MDA-funded PSB content

07/July
Integrated self-packaged sports channels in single 'SuperSports' brand that houses key sports properties

08/August
Additional HD channels introduced on StarHub TV

Partnered Microsoft to deliver StarHub TV Anywhere on Windows and the new Xbox One platform

11/November
Announced Dual Broadband 1000 plan



no mere cosmetic change, as we have upgraded the middleware too. Users can now enjoy a more seamless, faster and more responsive navigation experience across our richer trove of content.

The improvements are on-going, so that we can stay ahead of the competition. The upgraded middleware and new generation of set-top boxes can deliver better functionalities like enhanced recording, personalised and social features. It is also a new platform that can help our subscribers transit easily to the upcoming IP-based TV offering. As this is an open-source platform,

it will be our welcome mat to innovators to come and develop applications, content and services that will deliver a higher level of enjoyment and engagement to our customers.

All along, consumers have enjoyed the ability to record their own shows, and our set-top boxes with recording functions have been well received. Now, with our Smart TV service, our customers can plug in selected hard disk drives to store the recorded content. This means customers can not only build their own video library, but also bring their curated content wherever they go.

Additionally, we are glad to have received encouraging feedback for TV Buddy, our second screen application, used by customers to remind themselves of their favourite content, which can then be shared within their social networks.

EVERYBODY'S CONTENT

To stay as the leading pay TV operator in Singapore, we listen to our customers and we act. We get on top of the latest trends and refresh our line-up constantly for our different customer segments. We bring special and intimate experiences to our customers by enabling our customers to engage with their favourite sporting, entertainment stars or celebrity chefs through events or meet & greets. We are also keeping pace with changes in technology and consumption habits. More than 80% of our customers are using HD set-top boxes, which allows them to enjoy HD quality content.

ASIAN CHANNELS

2014 was chockfull of new additions. For example, we brought in Zee Tamizh, the first Tamil channel from Zee Entertainment offering a good mix of games shows, cookery shows, dramas and movies. We also added SAB TV, a Hindi comedy channel. Two new Indonesian channels were added: MNC Infotainment, which casts the spotlights on celebrity and showbiz, and The Indonesian Channel, the country's first and only English-language entertainment channels with news and features and documentaries.

We brought more cheer to Korean fans with the launch of Oh!K channel, which brings top-rated Korean

programmes as quickly as a day after their initial telecast in Korea. New Mandarin channels were also brought in - Dragon TV and now HaiRun, offering popular variety shows and dramas.

To show our support for regional talent, we have arranged to show movies from Malaysian director Ahmad Idham on StarHub's On Demand Channel, Blockbuster Hangat and StarHub TV Anywhere, concurrent with their release in Malaysian cinemas. This is the first such arrangement of its kind.

EDUCATING THE YOUNG, ENTERTAINING THE ELDERLY

StarHub TV is not only about entertainment. We have been helping to educate our young viewers too. We introduced Rediffusion TV in January, Singapore's first dedicated TV channel offering Chinese enrichment programmes for primary school students. We have also brought in the award-winning BabyFirst, a channel with interactive programming that can help parents with nurturing their little ones.

ZooMoo, on the other hand, is a wildlife learning channel, that comes with its dedicated mobile app that becomes the second screen, or an extension of the channel. To give the channel's content a more familiar and local favour, the Singapore ZooMoo team has been given access to the Jurong Bird Park, Night Safari, River Safari and Singapore Zoo to produce more than 100 hours of exclusive footage.

For entertainment, we have introduced all-time Disney favourites on Disney Movies on Demand as well as on StarHub TV Anywhere. A whole stable of animation classics was also made available with the reintroduction of the Boomerang channel.

We want grandparents to enjoy StarHub TV too. In September, we launched StarHub Silver App, an Android tablet app that was specially created for our senior citizens. With the app, they can catch up to 120 hours of top-rated Hokkien drama series on Ruyi Hokkien Channel On Demand anytime, anywhere. The StarHub Silver App is jointly created by StarHub's Golden Gurus, an IT empowerment and education programme by seniors for seniors, and voluntary welfare organisation Lions Befrienders Service Association.

NICHE INTERESTS AND POPULAR ENTERTAINMENT

Since July, anime fans are able to catch their Japanese animation programming on ANIPLUS HD, as well as StarHub TV Anywhere and later on, On Demand. Fashion One, similarly shown on both StarHub TV and



HUBBING IN REVIEW

StarHub TV Anywhere, helps keep fashionistas up to date with the latest and hottest style and A-list news. HGTV, billed as the first-ever regional channel dedicated to the growing home and lifestyle category, brings viewers into the most extraordinary homes in Asia.

The Singapore version of the popular Taiwanese beauty and lifestyle magazine show, 'Lady First', returned for a second season in June. The show entitled 'Lady First – Singapore' helped to draw twice as many viewers than the previous programme in the same time-belt. The popularity of our local version also had a positive knock-on effect, boosting viewership of the original Taiwanese programme.

For the fifth year, StarHub has brought the glitz of Hong Kong entertainment to fans here. At the star-studded StarHub TVB Awards 2014 held in October, a total of 17 awards were presented – including 13 which were opened for public voting. The awards presentation was also broadcasted 'live' to home viewers on StarHub TV's self-packaged channel, E City.

Our partnership with TVB continues long after the red carpet has been rolled up for the evening. The line-up of TVB channels carried on StarHub TV include TVBS Asia, TVB8, TVBJ and TVB First. TVB First which was launched in May, is Singapore's first Subscription Video-On-Demand Channel. It screens premiering TVB dramas concurrently with Hong Kong.

BY SINGAPORE, FOR SINGAPORE

In November 2013, we were the first pay TV operator to be awarded funding from the MDA under the Public Service Broadcast Contestable Funds Scheme (PCFS), to produce Public Service Broadcast (PSB) programming. Out of a total of 182 proposals sent in by the various production houses, nine were selected to be produced. Production started in 2014 and we expect the first PSB programme to hit our self-packaged channels

E City and SuperSports Arena in early-2015. With a rich portfolio of international content already available, the aim of this scheme is to create programming that promotes social values and the Singaporean identity, celebrate Singapore's culture and heritage, and enhances racial and religious harmony.

We have also produced our first game show 'Silence!'. Each episode sees two opposing teams try to beat each other in tasks which can be as simple as cracking eggs to more challenging ones like pushing supermarket trolleys that are piled high with rattling utensils, quietly.

As we move more into local productions, we wanted to give our local content a more distinct branding. As such, we launched the GO LOCAL campaign in June, which will see all StarHub local programmes including the nine PSB programmes housed under it.

REPACKAGING SPORTING ACTION

Sports fans need their regular adrenaline fix and we are helping to keep the action going. Since August, we have repackaged our sports channel offerings, which give sports fans more choices across different sports instead of limiting them to narrowly-defined genres. The Football Channel, Racquet Channel, Golf Channel, SuperSports, SuperSports Plus and Sports HD have been repackaged into four different SuperSports channels.

SuperSports 1 focus on energetic sports such as tennis, badminton and extreme sports. Key events carried on this channel include Association of Tennis Professional Tour, Badminton World Federation SuperSeries, French Open and US Open. SuperSports 2 features a line-up of contact sports such as that from World Wrestling Entertainment and National Basketball Association.

SuperSports 3 steers clear from the rough and tumble of SuperSports 2. This channel features 'more



SMARTER TECHNOLOGY
Offering broadband high-speeds of up to **1000Mbps**



MORE VALUE
Enjoy **Always ON** connectivity with our dual offer on one price – fibre & cable



1ST
Local operator to offer high-speed dual-band routers

aesthetically pleasing' matches and games from Women's Tennis Association, Ladies Professional Golf Association and Fédération Internationale de Natation World Championships.

SuperSports 4 is catered to the upscale and cultured sports fan, showcasing sports such as golf, sailing and cue sports. Viewers can catch golf of the highest standard on the Professional Golfers' Association (PGA) Tour, the European PGA Tour, the Asian Tour and the Champions Tour; yacht races like The Volvo Ocean Race; and cue sports such as the World Cup of Pool and World Pool Masters.

OUR DUAL BROADBAND ADVANTAGE

The Next Gen NBN has made it easier for new entrants to mount challenges to existing players. Dangling lower prices may draw some subscribers but we believe reliability and consistency are factors that are more critical when choosing a service provider.

With our existing cable broadband infrastructure, we are able to deploy it to support our customers in enhancing and extending their wireless experience in the home. No other service provider is able to leverage on both networks like we can. In May, we introduced the

Dual Broadband solution which integrates the support of both our cable and fibre broadband networks. We started with the Dual Broadband 500 and in November, we upped the stakes with Dual Broadband 1000. Both plans come bundled with 100Mbps cable broadband and either 500Mbps or 1Gbps fibre access.

We believe consumers want a hassle-free, easy installation and usage experience. Our existing cable points are already in most rooms within a typical household, which means, we can offer instant plug and play access. The numerous cable access points also allow our users to extend their home WiFi easily. This is good news for households with multiple concurrent users and large homes. The dual networks give customers the advantage of ensuring uninterrupted Internet access in the unlikely event one network goes down.

To help our customers to 'supersize' their home WiFi and endeavouring to deliver the best experience for them, we are the first local operator to offer high-speed dual-band routers; which provides superior coverage as well as support for the market's highest access speeds. We have also launched 'Wi-Finder', a useful app for our customers to 'sniff' around to determine where the optimal wireless access spot is.

Dual-band router provides superior coverage and helps customers 'supersize' their home WiFi easily.



Fixed Network



HUBBING IN REVIEW

Fixed Network

The majority of our overall revenue comes from consumers, but we see plenty of growth potential from business users too and we are paying more attention to enterprise customers than before. Our Fixed Network is our core asset, from which we serve this group of customers. We are also actively tying up with service providers and partners so that we can offer info-communications services and applications in a fully integrated manner.

SYNNOVATION

In March, we organised the StarHub Synnovation event, attended by more than 600 delegates. This is the second time we organised such an event to showcase the new kinds of solutions and services that can help address their business needs amid changes. Technological changes in cloud computing, mobility, data analytics and the Internet of Things are either already here, or are poised to disrupt the business environment.

We are able and in a unique position to help enterprises meet these changes and gain a business advantage. We have cloud platforms and services for an enterprise workforce to be mobile. We are working on big data

analytics to make better sense of how consumers behave and their preferences. We also offer M2M solution to bring connectivity between objects and sensors instead of just individual users and their mobile devices.

At the event, we showcased a few key services. The StarHub SmartHub Solution gives businesses access to our extensive pool of data and analytic expertise. As they gain deeper insights into customer behaviour, they will be able to develop more innovative and effective applications to enhance their operations or planning.

The StarHub Argonar Cloud Service is a high performance, reliable, scalable and secure cloud platform that meets their dynamic computing and storage needs. The self-service provisioning platform makes the use of cloud computing a breeze. We have addressed concerns over security by earning the internationally-recognised ISO/IEC 27001:2005 security certification.

The StarHub M2M Solution is a platform for enterprise customers to tap on to our island-wide mobile network. From which, they can efficiently manage connected devices or machine sited or installed across Singapore.

STRATEGIC PARTNERSHIP WITH IO

To make our next-generation network solutions more attractive and relevant, we announced a strategic partnership in September with IO, a worldwide leader in software-defined data centre technology and solutions,

Fixed Network



15%
Voice

85%
Data & Internet

Total Revenue
2011 \$337M
2012 \$358M
2013 \$368M
2014 \$378M

\$321M
+5.7%
Data & Internet
Revenue YoY

\$57M
-11.2%
Voice Services
Revenue YoY

Service revenue increased 2.7% to \$378.3 million, contributed mainly from a higher take-up of enterprise solutions and fixed data & Internet services.

HUBBING IN REVIEW

The telecommunications industry is one that thrives on partnerships and alliances as we tap on one another's assets so that customers get to enjoy better service.

Significant Achievements FY2014

03/ March

Organised second StarHub Synnovation event to market solutions to enterprises and SMBs

04/ April

Introduced online social launchpad Crowdtivate to help start-ups and artists gain wider reach and support

08/ August

Launched SmartBusiness cloud marketplace for SMBs to subscribe to cloud-based software applications and services

to offer enterprise customers 'StarHub Data Centre Powered by IO' solution.

Under this partnership, IO enables StarHub to offer a more sophisticated data centre environment to meet the most stringent needs of our customers in terms of security and availability. Customers get to enjoy both the benefits of the new technology that IO brings as well as the reliability and resiliency of StarHub's Fixed Network as a total solution.

IO's data centre modules are integrated with its own comprehensive data centre infrastructure management called IO.OS. This allows companies to proactively monitor their data centre environment and to better measure and analyse performance metrics across the IT support infrastructure.

SMARTBUSINESS

Enterprise customers should not be the only business customers to take advantage of changes in technology. We have introduced products and services to give SMBs the leg-up in the use of IT too. In August, we launched the 'SmartBusiness' cloud marketplace. We use this platform to bring together a range of cloud applications like Microsoft Office 365 and McAfee Endpoint Protection to enable office automation.

We have also made it easy for SMBs to subscribe to these various applications via a software-as-a-service model, paying only for what they use, on a monthly basis. With a dedicated online portal, IT managers will also find it easy and convenient to manage usage across the company.

There are SMB users of IT, but there are also SMBs and other start-ups providing specific IT solutions. This is a group that can make do with a leg up from bigger partners. Under the iPACT programme run by IDA, they can get access to partner with larger setups that have the wider reach into the market. We see our SmartBusiness cloud marketplace as a good platform for our SMB partners to get started. We have joined iPACT and one such SMB partner is Deskera, which offers an enterprise collaboration suite that helps businesses to more easily organise their data, reports and documents.

DCNET

The telecommunications industry is one that thrives on partnerships and alliances as we tap on one another's assets so that customers get to enjoy better service. In November, we teamed up with Japanese infrastructure and data centre provider KVH to offer its KVH DCNet in Singapore.

The DCNet is a private network that connects leading data centres in Hong Kong, Japan, Singapore and the USA. By connecting to our network, DCNet is available in ten data centres here, which play host to major application and cloud providers, carrier hubs and content distributors.

The DCNet is meant for enterprise connectivity requirements in areas like business continuity and diversification of data centre sites. KVH's partnership with local service providers like us means that the DCNet is also useful for cloud service providers that need one-stop management of connectivity to various data centre sites across broad geographies.



SMARTER TECHNOLOGY

SmartBusiness platform brings together a range of cloud applications like Microsoft Office 365 and McAfee Endpoint Protection to enable office automation



VALUE

SMBs subscribe to these applications via a software-as-a-service model, paying only for what they use, on a monthly basis



FASTER

We are doing our part to help Singapore become a Smart Nation. In June, we became one of the four collaborators in a project that aims to bring public transport management to a new level with a new system called FASTER (Fusion AnalyticS for public Transport Emergency Response).

For this project, we are providing anonymised location data of commuters. With a mobile market share of around one-third, we are able to offer a meaningful sample size for the study. The location data will then be used for further pattern analysis, to help transport operators make better decisions on how to react to certain traffic conditions.

CROWDTIVATE

Our StarHub i3 development team has teamed up with crowd-related consultancy Crowdonomic, to co-manage Crowdtivate, which is the world's only telco-backed, rewards-based crowdfunding platform. Since launch in July, hundreds of proposals have been floated by entrepreneurs seeking support to get their ideas off the ground. Out of which, we have put forward 15 projects to seek funding and support from this platform.

These 15 projects are not merely recycled ideas. Five of the proposals are world-first and two are Asia-first. They include the world's first and only mechanical smartwatch hybrid; there is also the world's first compact electricity-free bamboo speaker for any mobile phone.

Crowdtivate provides mentorship and advice for the entrepreneurs on how to create appealing campaigns. We might also offer additional support like business incubation and helping them reach out to a wider regional audience. Other forms of support include free software, start-up funding, and infrastructure.

We are excited that Indosat in Indonesia has launched the Indonesian version of Crowdtivate in December, opening up crowdfunding opportunities to the Indonesian start-up community.

GROUP FINANCIAL REVIEW

1.1 REVENUE

	Year ended 31 December					
	2014 \$m	2014 %	2013 [^] \$m	2013 [^] %	Incr/(Decr) \$m %	
Mobile revenue	1,247.6	52.3	1,243.4	52.5	4.2	0.3
Pay TV revenue	389.7	16.3	386.0	16.3	3.7	1.0
Broadband revenue	201.9	8.5	241.8	10.2	(39.9)	(16.5)
Fixed Network Services revenue	378.3	15.8	368.3	15.5	10.0	2.7
Total service revenue	2,217.5	92.9	2,239.5	94.5	(22.0)	(1.0)
Sale of equipment	169.7	7.1	130.1	5.5	39.6	30.5
Total	2,387.2	100.0	2,369.6	100.0	17.6	0.7

[^] Restated

The Group's total revenue for the year ended 31 December 2014 ("FY14") increased 0.7% to \$2,387.2 million when compared to last year ended 31 December 2013 ("FY13"), with increase attributable to higher revenue from equipment sales.

Compared to FY13, revenue from equipment sales in FY14 was \$39.6 million or 30.5% higher at \$169.7 million, driven by increased handset sales after the launch of new iPhone models in late September 2014.

The Group's service revenue at \$2,217.5 million was 1.0% lower than FY13, due mainly to lower revenue from Broadband services which decreased 16.5% or \$39.9 million, impacted by price competition in the NGNBN services. This was mitigated by higher services revenue from Fixed Network, Mobile and Pay TV businesses, totaling \$17.9 million.

1.2 OPERATING EXPENSES

	Year ended 31 December			
	2014 \$m	2013 \$m	Incr/(Decr) \$m %	
Cost of sales	949.0	941.5	7.5	0.8
Other operating expenses	1,008.1	1,004.5	3.6	0.4
Total	1,957.1	1,946.0	11.1	0.6

Compared to FY13, total operating expenses was 0.6% higher at \$1,957.1 million in FY14, primarily driven by higher cost of sales.

As a percentage of revenue, total operating expenses was 82.0% in FY14 compared to 82.1% in FY13.

Details of total operating expenses are as follows:

(i) COST OF SALES

	Year ended 31 December			
	2014 \$m	2013 \$m	Incr/(Decr) \$m %	
Cost of equipment sold	411.4	376.7	34.7	9.2
Cost of services	382.9	364.3	18.6	5.1
Traffic expenses	154.7	200.5	(45.8)	(22.9)
Total	949.0	941.5	7.5	0.8

The increased cost of equipment sold and higher cost of services were partially mitigated by the lower traffic expenses which resulted in total cost of sales in FY14 to be \$7.5 million or 0.8% higher at \$949.0 million when compared to FY13.

The strong demand for the new iPhones in FY14 drove handsets sales higher, which resulted in cost of equipment sold to increase \$34.7 million or 9.2% to \$411.4 million.

Compared to FY13, cost of services in FY14 increased 5.1% to \$382.9 million, driven mainly by higher take-up of NGNBN broadband services.

Traffic expenses decreased \$45.8 million or 22.9% to \$154.7 million in FY14, due to lower international traffic volume and improved interconnection rates.

(ii) OTHER OPERATING EXPENSES

	Year ended 31 December			
	2014 \$m	2013 \$m	Incr/(Decr) \$m %	
Staff costs	275.0	276.6	(1.6)	(0.6)
Operating leases	128.4	129.1	(0.7)	(0.5)
Marketing and promotions	156.2	153.6	2.6	1.7
Allowance for doubtful receivables	15.9	15.5	0.4	2.5
Repair and maintenance	69.2	74.1	(4.9)	(6.7)
Other expenses	92.2	86.1	6.1	7.3
Subtotal	736.9	735.0	1.9	0.3
Depreciation and amortisation (net of asset grants)	271.2	269.5	1.7	0.6
Total	1,008.1	1,004.5	3.6	0.4

Other operating expenses in FY14 increased 0.4% to \$1,008.1 million when compared to FY13.

Analysis of major variances in other operating expenses is provided below:

Staff costs

Staff costs in FY14 was 0.6% lower at \$275.0 million as the Group was able to manage costs increases through various initiatives such as outsourcing, process re-engineering and job enlargements for its more experienced staff.

Repair and maintenance

Repair and maintenance decreased 6.7% to \$69.2 million in FY14 as the outstanding provisions in the balance sheet were deemed to be adequate as at 31 December 2014.

Other expenses

Other expenses were \$6.1 million or 7.3% higher at \$92.2 million in FY14. The increase was attributed to higher net loss on exchange differences arising from the strengthening USD, stock obsolescence, license fees, outsourcing fees, but partially mitigated by higher miscellaneous cost recoveries.

1.3 PROFITABILITY

	Year ended 31 December			
	2014 \$m	2013 [^] \$m	Incr/(Decr) \$m %	
Total revenue	2,387.2	2,369.6	17.6	0.7
Operating expenses	(1,957.1)	(1,946.0)	11.1	0.6
Other income	46.6	49.9	(3.3)	(6.7)
Profit from operations	476.7	473.5	3.2	0.7
Finance income	2.0	2.8	(0.8)	(29.0)
Finance expenses	(22.6)	(18.8)	3.9	20.6
Profit before taxation	456.1	457.5	(1.5)	(0.3)
Taxation	(85.6)	(78.0)	7.6	9.8
Profit for the year	370.5	379.5	(9.1)	(2.4)
EBITDA	747.9	743.0	4.9	0.6
Service revenue	2,217.5	2,239.5	(22.0)	(1.0)
EBITDA as a % of service revenue	33.7%	33.2%	0.5% pts	

[^] Restated

GROUP FINANCIAL REVIEW

Profit from operations in FY14 increased by 0.7% to \$476.7 million when compared to FY13, due to higher revenue, partially offset by increase in operating expenses.

EBITDA was \$747.9 million or 33.7% of service revenue in FY14, an increase of 0.6% compared to FY13.

Finance income was \$0.8 million lower at \$2.0 million in FY14, primarily due to lower deposits.

Finance expenses increased \$3.9 million or 20.6% to \$22.6 million in FY14, due to financing costs for new bank loan facilities secured in FY14.

Profit before taxation was \$1.5 million or 0.3% lower at \$456.1 million when compared to FY13.

Taxation amounted to \$85.6 million in FY14. Excluding the adjustment for under-provision of prior years' tax, the effective tax rate was approximately 18.0% in FY14, due mainly to certain non-deductible expenses for tax purposes.

Profit after taxation decreased 2.4% to \$370.5 million in FY14, mainly due to higher net finance charges and adjustment of prior years' tax under-provided.

1.4 LIQUIDITY AND RESOURCES

	Year ended 31 December	
	2014 \$m	2013 [^] \$m
Profit before taxation	456.1	457.5
Non-cash items & net finance expenses adjustments	256.0	243.7
Net change in working capital	8.1	(17.5)
Income tax paid	(65.3)	(89.0)
Net cash from operating activities	654.9	594.7
Net cash used in investing activities	(318.8)	(299.4)
Net cash used in financing activities	(339.0)	(340.9)
Net change in cash and cash equivalents	(2.9)	(45.6)
Exchange difference on cash and cash equivalents	0.2	0.5
Cash and cash equivalents at beginning of the year	266.9	312.0
Cash and cash equivalents at end of the year	264.2	266.9
Free Cash Flow ⁽¹⁾	333.3	291.9

[^] Restated

(1) Free Cash Flow refers to net cash from operating activities less purchase of fixed assets in the cash flow statement.

Net cash from operating activities in FY14 was \$60.2 million higher at \$654.9 million, primarily contributed by higher cash flows from operations, coupled with lower income tax paid and reduced working capital needs. Positive working capital changes of \$8.1 million in FY14 was made up of higher net balance due to related parties, and trade and other payables, offset by higher trade receivables, other receivables, deposits and prepayments.

Net cash outflow from investing activities increased by \$19.4 million to \$318.8 million in FY14, arising mainly from CAPEX payments and included \$40.0 million for the 4G spectrum. Total CAPEX payments in FY14 were \$18.8 million higher at \$321.6 million, compared to \$302.8 million in FY13. As a percentage of revenue, CAPEX payments were 13.5% in FY14, as compared to 12.8% in FY13.

As of 31 December 2014, the Group's total outstanding capital expenditure commitments amounted to \$438.9 million. The outstanding commitments include those for the 4G spectrum rights, construction of MediaHub building, support systems, expansion and enhancement of our infrastructure and network systems for all our lines of businesses.

Free cash flow was up \$41.4 million to \$333.3 million in FY14, due to the higher cash flow from operations.

Net cash outflow from financing activities was \$1.9 million lower at \$339.0 million in FY14, primarily from higher grants receipts, offset by higher payment of finance expenses and dividends.

As at 31 December 2014, the Group's cash and cash equivalents amounted to \$264.2 million, slightly lower than \$266.9 million a year ago.

1.5 FINANCIAL POSITION

	As at 31 December	
	2014 \$m	2013 [^] \$m
Non-current assets	1,315.6	1,238.0
Current assets	671.6	644.7
Less: Current liabilities	1,192.9	906.0
Less: Non-current liabilities	645.3	866.1
Net assets	149.0	110.6
Shareholders' equity	149.0	110.6

[^] Restated

The Group's non-current assets increased \$77.6 million from \$1,238.0 million as at 31 December 2013 to \$1,315.6 million as at 31 December 2014. The increase was attributed to higher net book values in property, plant and equipment, as well as intangible assets including the \$40 million of 4G spectrum license paid.

As at 31 December 2014, total current assets amounted to \$671.6 million, up from \$644.7 million a year ago. The increase of \$26.9 million was mainly due to higher other receivables, deposits and prepayments, partially offset by lower balance due from related parties.

Total current liabilities increased \$286.9 million to \$1,192.9 million as at 31 December 2014, due mainly to the reclassification of borrowings from non-current to current liabilities, coupled with higher trade and other payables, balance due to related parties and provision for taxation.

Total non-current liabilities decreased \$220.8 million to \$645.3 million as at 31 December 2014, with the reclassification of borrowings to current liabilities, and lower deferred income balances.

The Group's shareholders' equity rose \$38.4 million to \$149.0 million as at 31 December 2014 from higher share capital, and current year's retained profits after the distribution of dividends.

Gearing

As at 31 December 2014, the Group's total borrowings remained unchanged at \$687.5 million when compared to a year ago.

Net debt at \$423.3 million as at 31 December 2014 was \$2.7 million higher when compared to 31 December 2013, due to lower cash balances. As a percentage of 2013 EBITDA, the Group's net debt was at 0.57 times as at 31 December 2014, comparable to a year ago.

SUSTAINABILITY REPORT 2014

StarHub's fourth annual sustainability report presents our economic, social and environmental performance for the calendar year 2014.

ABOUT THIS REPORT

This is StarHub's fourth annual sustainability report which presents our economic, social and environmental performance for the calendar year 2014. The report has been prepared in accordance with the criteria, principles and contents of the Global Reporting Initiative (GRI) G4 guidelines. At GRI G4 core level, the report also includes relevant indicators from GRI's Telecommunications Sector Supplement and Media Sector Supplement.

Sustainability performance of all business divisions and subsidiaries which are under the financial and operational control of StarHub has been included in the report. [G4-17](#)

Data presented in the report has been extracted from the primary internal records and documents to ensure accuracy. We have used internationally accepted measurement units for data and the basis for data calculations has been explained in the relevant sections for the report.



Sustainability Contents

Sustainability Performance	60
Our Stakeholders	62
Our Materiality Analysis	66
Our Marketplace	68
Our Workplace	72
Our Environment	78
Our Community	84
Economic Performance	90
GRI Index	92

REPORTING PROCESS

StarHub follows the GRI G4 principles for defining the sustainability report content and quality. Our sustainability report is prepared under the direction of StarHub's Sustainability Reporting Committee, which includes senior executives from key functions. The Committee reviews, assesses and determines the sustainability context, material issues, scope, boundary, and prioritisation of topics to be included in the report. The Committee also considers input from a range of stakeholders received throughout the year to determine the most material issues to be addressed in the report. Performance data is gathered and verified by a project team with representatives from all stakeholder departments. [G4-18](#)

We continue to use the GRI Supplements for the Telecom Sector and the Media Sector to include the topics that are most material to the industries we operate in.

DEFINING THE REPORT CONTENT

Our reporting process begins with reviewing the sustainability report published for the preceding year to re-assess the relevant aspects and their boundaries. This is followed by prioritising the topics that are the most important to our business as well as to the key stakeholders. The list of the most material aspects is validated using the stakeholder input, sustainability trends and other feedback that we have received on the prior year's report.

RESTATEMENTS

The restatements made are for our revenue and net profit, proportion of local suppliers and local procurement spending where the figures have been modified in the Performance Scorecard. [G4-22](#)

Sustainability Report

SUSTAINABILITY REPORT 2014

ASSURANCE

While the financial statements in the report are audited by independent auditors, we rely on our internal processes to verify the accuracy of social and environmental performance data and information presented in the report.

AVAILABILITY

A PDF version of the report is available for download on our website www.starhub.com. Smart device users can also download the StarHub Annual Report app to browse and experience the StarHub Annual Reports on their smart devices.

A small number of copies of this report have been printed on the Forest Stewardship Council (FSC) certified sustainable paper to reduce the environmental impact.

FEEDBACK

We welcome feedback from all stakeholders. Please send questions, comments, suggestions or feedback relating to this report or our sustainability performance to StarHubCSR@StarHub.com

STARHUB SUSTAINABILITY PERFORMANCE SCORECARD

PERFORMANCE AREA	FY 2014	FY 2013	FY 2012
OUR PEOPLE			
Permanent employees*	88%	80%	79%
Local employees (Singapore citizens)*	76%	81%	81%
New hires	346	464	587
Female employees*	43%	42%	43%
Female managers (Senior level)	35%	37%	42%
Female managers (Middle level)	38%	38%	37%
Female Heads of Department	33%	34%	36%
Average training hours per employee	17	25	22
Training expenditure per employee	\$873	\$884	\$531
HR Satisfaction Survey (Employee satisfaction level)	92%	97%	95%
Employee turnover rate	14.0%	15.5%	18.0%
* % of StarHub workforce			
OUR ENVIRONMENT			
CO ₂ e emissions (tonnes)	54,624	58,383	60,839
Carbon emission intensity per \$million revenue (tonnes CO ₂ e)	22.9	24.8	25.1
Energy intensity per \$million revenue (Gigajoules)	183	181	178
Water consumption (cubic metres)	27,832	29,348	26,143
Waste (tonnes)	33	49	125
E-waste recycled (tonnes)	385	259	320
Paper recycled (kilogrammes)	12,210	10,260	9,910
Copier paper consumption (kilogrammes)	53,230	59,635	95,999
Electricity used (million kWh)	118.8	115.2	116.7
OUR COMMUNITY			
Employee volunteerism (number of days)	213.5	211.5	133.0
Community investment and donations to charities (\$million)	\$1.4	\$1.2	\$0.7
OUR ECONOMIC PERFORMANCE			
Revenue (\$million)	\$2,387	\$2,370	\$2,434
Net profit (\$million)	\$371	\$380	\$370
Share of local suppliers as % of total supplier purchases	91.0%	87.0%	81.0%
Proportion of local suppliers	86.4%	87.0%	81.8%

SUSTAINABILITY ORGANISATIONAL STRUCTURE

StarHub's top management develops and drives the organisation's sustainability strategy. StarHub's Sustainability Committee is headed by the CEO and includes senior management executives. The Sustainability Committee is responsible for the broader sustainability strategy, reviewing StarHub's material impacts, considering stakeholder expectations and setting priorities. CSR programmes and initiatives are managed by StarHub's Senior Manager, Corporate Sustainability & Responsibility. A cross-functional project team has the responsibility to collect, verify, monitor and report performance data for sustainability reporting.

STARHUB CORE VALUES

StarHub's management approach to a sustainable business is defined by the four pillars of our Core Values:

Excellence

Creativity

Integrity—social, environmental and financial

Teamwork

Our Core Values aim to continuously maximise value for our shareholders and stakeholders.

Guided by our Core Values, we pursue responsible business policies and practices that have made StarHub one of the most trusted brands in Singapore.

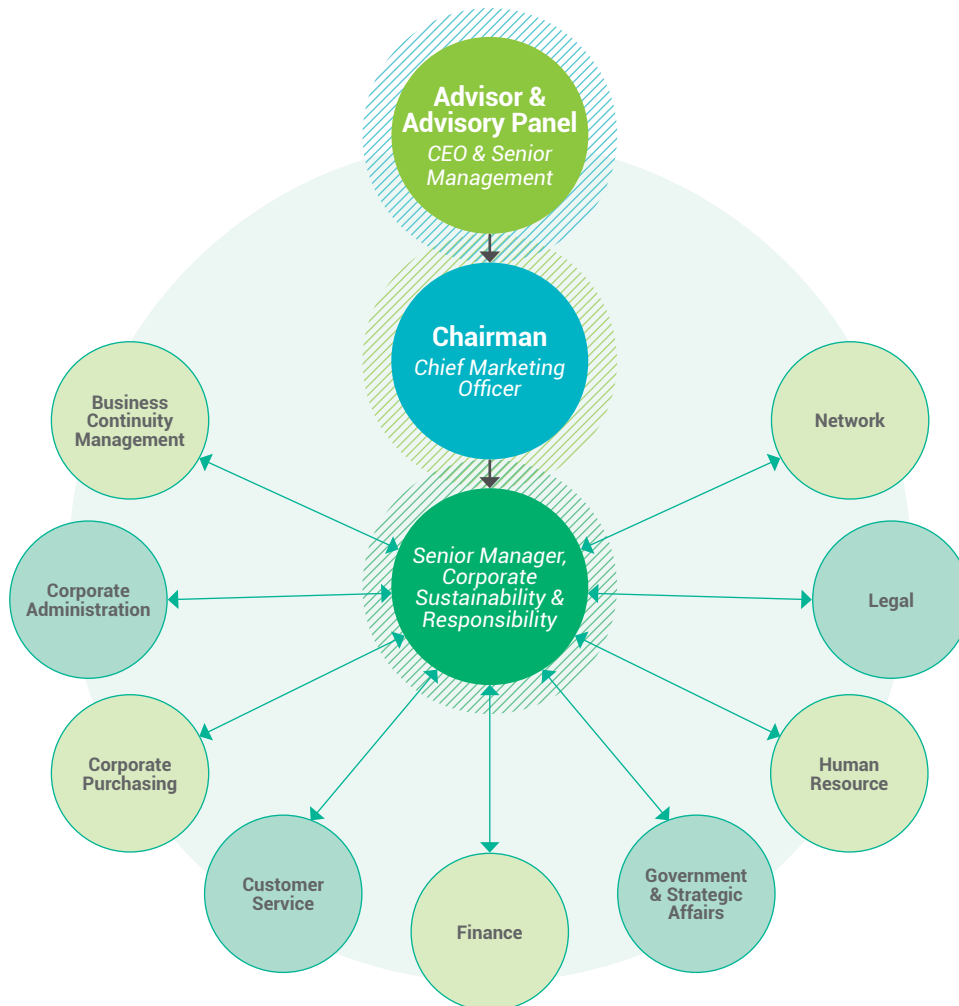
Case Study

STARHUB IMPROVES IN THE GLOBAL 100 List Ranking

StarHub ranks in the 100 Most Sustainable Companies in the world. In 2014, StarHub moved up in the Global 100 ranking to the 29th place from the previous 66th place.

The Global 100 List, an annual project initiated by Corporate Knights Inc., is the most extensive data-driven corporate sustainability assessment in existence, and inclusion is limited to a select group of the most sustainable large-cap companies in the world.

STARHUB SUSTAINABILITY REPORTING COMMITTEE



SUSTAINABILITY REPORT 2014

OUR STAKEHOLDERS

Ongoing engagement with the main stakeholders is an important aspect of our sustainability approach. We use stakeholder feedback to assess, identify and prioritise the most significant economic, social and environmental impacts of our business. Stakeholder feedback also helps us to determine the sustainability issues to be covered in our sustainability report. Our stakeholder engagement is summarised below.

CUSTOMERS



HOW WE ENGAGE:

Customer surveys, Twitter, Facebook® pages, StarHub Community online portal, advertisements, retail stores, online store, Customer Service outlets.

STAKEHOLDERS' EXPECTATIONS:

Customer surveys, Twitter, Facebook® pages, StarHub Community online portal, advertisements, retail stores, online store, Customer Service outlets.

HOW WE RESPOND:

By having seamless, high-quality coverage, rich content, affordability, data security, prompt level of service.

PROGRESS DURING 2014:

Commenced production on its pioneer batch of nine Public Service Broadcast (PSB) proposals under Media Development Authority's (MDA) PSB Contestable Funds Scheme; implemented the Net Promoter System (NPS) to better monitor customer satisfaction and loyalty; enhanced store design and introduced a streamlined sales and service delivery integration within the retail environment; greater involvement of customers in social outreach and sustainability efforts; achieved Singapore Quality Class Certification as part of the Business Excellence initiative to continuously improve the organisation for superior and sustainable performance.

PLANS FOR 2015:

To roll out IPTV to residential customers. This will allow customers who do not have access to cable TV to soon be able to enjoy the rich offerings on StarHub TV; to automate and provide more self-help options so that customers can transact online and also speed up transactions at the shop front.

EMPLOYEES



HOW WE ENGAGE:

Intranet, emails, internal newsletter publications, workshops, frequent company-sponsored sporting and social activities like games organised for staff, small group discussions, twice-yearly Staff Communication Sessions, twice-yearly video addresses by CEO, encouragement of staff to interact more personally in and out of the office, free fruits and early release on certain Fridays to spend time with the family. Also through social media platforms like dedicated pages on StarHub Community.

STAKEHOLDERS' EXPECTATIONS:

Caring, conducive environment where productivity and self-development can take place, ease of employees' applications for leave, training, etc.

HOW WE RESPOND:

By adopting sound HR policies and practices that promote fair treatment, safe working conditions, reward and recognition for performance, teamwork and career growth, e.g. we also promote work-life balance and a conducive work environment for employees through provision of nursing rooms, a well-equipped gym and encouraging staff to take part in sporting activities such as marathons, bowling, futsal, as well as giving employees early release from work on the last Friday of each quarter for them to spend meaningful family time with their loved ones.

PROGRESS DURING 2014:

A Career Development Framework was rolled out as part of our talent engagement and retention efforts to help employees manage and grow their careers in StarHub; in conjunction with this Framework, internal Career Fairs, Career Guidance workshops and Career Coaching are made available to our employees and line managers; increased employee benefits.

PLANS FOR 2015:

To continue our Career Development efforts for employees by:

- Introducing new Career Coaching Centre;
- Equipping line managers with skill sets to have an open discussion on employees' strengths and gaps; and
- Communicating clear and transparent career growth roadmaps.

SUPPLIERS



HOW WE ENGAGE:

Quotations, Request For Proposal, tenders, regular meetings, email correspondence, teleconference.

STAKEHOLDERS' EXPECTATIONS:

Compliance with terms and conditions of prevailing purchasing policies and procedures, while maintaining ethical standards; appropriate costs; marketing support from suppliers.

HOW WE RESPOND:

By establishing policies and practices that ensure a fair selection and procurement process, ethical business practices and respect for contractual obligations.

PROGRESS DURING 2014:

Implementation of Supplier Sustainability Assessment for 20 suppliers responsible for 21% of the total payout to suppliers in 2014.

PLANS FOR 2015:

To extend the assessment to mobile handset suppliers and a few others not in 2014's list.



DISTRIBUTORS/ RETAILERS

HOW WE ENGAGE:

Regular meetings, shop visits, email correspondence.

STAKEHOLDERS' EXPECTATIONS:

Timely delivery, quality assurance, strong dealer collaboration, driving good customer experience; after-sales support.

HOW WE RESPOND:

By proactive sales planning; sales support; regular visits by Account Managers and providing Single Point of Contact for distributors/ partners for timely response.

PROGRESS DURING 2014:

Included quarterly and yearly performance updates, sharing sales trending for category performance and shifting focus to Cable Services for our Sales review meetings; changed the quarterly NPS performance update to weekly updates to that corrective actions can be taken to improve customer service levels in a timely manner.

PLANS FOR 2015:

We will be conducting Quarterly review forum with all partners to update and review changes on our retail system and processes. We are seeking constant improvement for sales process and more involvement from channel partners.



BUSINESS PARTNERS

HOW WE ENGAGE:

Frequent discussions with telecom and content partners.

STAKEHOLDERS' EXPECTATIONS:

Partnerships for business opportunities and growth.

HOW WE RESPOND:

By engaging them to seek mutually beneficial business opportunities.

PROGRESS DURING 2014:

Implemented Next Generation Nationwide Broadband Network (NGNBN) Sniffer, allowing sales people to know at a glance which buildings are NGNBN-covered.

PLANS FOR 2015:

- Proposed SalesStar programme: full training and certification modules for partner sales representatives; points will be awarded and non-performers will be nominated for coaching; quizzes to be implemented to test salespeoples' knowledge on new products and promotional rollouts.
- Proposed ServiceStar programme: service training; StarHub process FAQs and escalation path; online modules for service certification and reinforcements.
- Proposed Salesforce.com integration: leads creation; pipeline creation; account creation and enquiry.



INVESTORS

HOW WE ENGAGE:

Quarterly briefings, annual press conference, Investors' Day, regular meetings, discussions, emails with over 240 institutional investors, across Asia, Europe and the US.

STAKEHOLDERS' EXPECTATIONS:

Transparency, timely information on company progress and status, profitability.

HOW WE RESPOND:

By endeavouring to generate optimum return on investment, good governance, transparency and disclosure, as well as sustainable and long-term growth of business.

PROGRESS DURING 2014:

Investor engagement remained strong in the reporting year, including 200 face-to-face meetings with investors.

PLANS FOR 2015:

To maintain current levels of investor engagement, with good corporate governance, transparency and disclosure.

SUSTAINABILITY REPORT 2014

OUR STAKEHOLDERS

LOCAL COMMUNITIES



HOW WE ENGAGE:

Community outreach programmes, corporate sponsorships.

STAKEHOLDERS' EXPECTATIONS:

Support from a caring corporate citizen.

HOW WE RESPOND:

By regularly reviewing community needs, partnering with voluntary welfare organisations (VWOs), and investing in community projects to help the needy and the underprivileged.

PROGRESS DURING 2014:

Expanded and re-launched e-waste recycling programme as RENEW (REcycling Nation's Electronic Waste), adding DHL to existing partnership with TES-AMM. RENEW has made e-waste recycling easier for the public in Singapore with 103 bins islandwide, up from 30 before the re-launch.

PLANS FOR 2015:

To support programmes that work towards fostering and empowering cohesive family units; to further expand the RENEW programme.

MEDIA



HOW WE ENGAGE:

Invitations to media events, regular media releases and communication through various channels.

STAKEHOLDERS' EXPECTATIONS:

Exposure and access to company developments and news, as well as breaking stories on products, entertainment and related content.

HOW WE RESPOND:

By providing dedicated media contacts, and offering timely and accurate information on company affairs of public interest.

PROGRESS DURING 2014:

Media engagement remained consistently strong for the reporting year with 66 media releases posted; outages were handled with timely responses to media and through social media channels.

PLANS FOR 2015:

To maintain the current level of media engagement, with timely and accurate company information.

GOVERNMENT AND REGULATORS



HOW WE ENGAGE:

Regular discussions with relevant agencies and departments.

STAKEHOLDERS' EXPECTATIONS:

Adherence to regulations, reporting of any service delivery issues as required by regulators, prompt resolution of issues.

HOW WE RESPOND:

By committing ourselves to comply with applicable laws, putting in place policies and procedures to ensure compliance.

PROGRESS DURING 2014:

No significant changes were implemented in the reporting year.

PLANS FOR 2015:

To maintain the current level of dialogue with adherence to regulations, as well as prompt reporting and resolution of issues.

MEMBERSHIP OF ASSOCIATIONS

StarHub continues to be a member of several national and international trade forums and advocacy organisations. Our active participation in these organisations provides us opportunities to engage with a diverse range of stakeholders.

From time to time, our executives contribute to trade and advocacy organisations by holding a position on the governing body or participate in a committee or task force.

For example, Jeannie Ong, StarHub's Chief Marketing Officer (CMO) and Head of Sustainability, continues to be a member of the Management Committee of Singapore Compact for Corporate Social Responsibility, and is a Director of Investor Relations Professional Association of Singapore.

Kevin Lim, Chief Commercial Officer (CCO), holds the following positions: a Council member of the Singapore InfoComm Technology Federation, a Member of the Technology Committee at the Singapore Chinese Chamber of Commerce and Industry (SICCI) and a Member on the Board of Advisors of the School of Information Systems at the Singapore Management University.

John Tan, Chief Information Officer, is a Fellow Member of the Singapore Computer Society (FSCS), an esteemed title bestowed in recognition of his contributions to IT and the Society.

Teh Chong Mien, Vice President, Enterprise Business Group is a Council Member of the IT Advisory Committee of SICCI.

TRADE ASSOCIATIONS



HOW WE ENGAGE:

Joining relevant trade associations.

STAKEHOLDERS' EXPECTATIONS:

Support in addressing issues facing the industry.

HOW WE RESPOND:

By contributing through active membership and participating in industry forums and dialogues, sharing knowledge and information.

PROGRESS DURING 2014:

No significant changes were implemented in the reporting year.

PLANS FOR 2015:

No major plans for enhanced engagement have been scheduled for the year 2015.

TRADE UNIONS



HOW WE ENGAGE:

Dialogue with the unions.

STAKEHOLDERS' EXPECTATIONS:

Access to employees for promoting membership and engagement with management.

HOW WE RESPOND:

By maintaining an open communication with the union. We have signed a Memorandum of Understanding (MOU) with Singapore Industrial and Services Employees' Union which allows rank and file employees to participate in recreational and social activities organised by the Union.

PROGRESS DURING 2014:

No significant changes were implemented in the reporting year.

PLANS FOR 2015:

No major plans for enhanced engagement have been scheduled for the year 2015.

NGOS & ADVOCACY GROUPS*



HOW WE ENGAGE:

Attending conferences, meeting with interest groups, and sustainability reporting.

STAKEHOLDERS' EXPECTATIONS:

Responsible business practices, reducing environmental impacts, and disclosing information about sustainability performance.

HOW WE RESPOND:

By committing to wider sustainability programmes that seek to harmonise our economical, social and environmental goals.

PROGRESS DURING 2014:

Working more closely with VWOs and NGOs to support programmes for communities and environment.

PLANS FOR 2015:

To work more closely with advocacy groups, to reach out to less privileged groups and to develop RENEW.

* e.g. Singapore Compact, human rights groups, WWF.

I would like to compliment the excellent service provided by customer care consultant Zoel Sim. To meet an urgent request made at 12.45am, she personally delivered a replacement SIM card to my mailbox before 7am. Zoel even took the effort to contact me at 7.45am to ensure I had received the SIM card and to offer to activate the card. I am glad my contract has remained with StarHub for the past 12 years.

– Vivien Tan –
StarHub Customer

SUSTAINABILITY REPORT 2014

OUR MATERIALITY ANALYSIS

Addressing issues which are most important to our business as well as to our internal and external stakeholders is the very basis of our approach to managing sustainability. We review our material issues every year in light of the feedback received on our sustainability report, insights gathered throughout the year from our interactions with a wide variety of stakeholders, broader sustainability trends and the issues facing the telecom and media industries. **G4-18**

Staying focused on the most material economic, social and environmental issues has allowed us to use our resources judiciously with maximum impact. In 2014, we again reviewed our material aspects and topics for each business division with help from an external

sustainability consultant. There is no significant change in the material issues that we identified in the previous sustainability report. **G4-23**

We are making efforts to examine the boundary of material impacts to understand where they actually occur in a significant way, a study that we started in 2014. We understand the challenges involved in addressing the impacts that occur outside of our organisation. However, we remain committed to addressing the impacts that occur outside of the organisation wherever possible.

Our material impacts and where they occur are listed below.

OUR MOST MATERIAL ASPECTS



OUR MARKETPLACE

- Reliable access to telecom services. *(GRI Telecom Sector Aspect)*
- Product and Service Labelling: Customer Satisfaction
- Customer Privacy
- Procurement Practices
- Clarity of charges and tariffs *(GRI Telecom Sector Aspect)*
- Customer Relations *(GRI Telecom Sector Aspect)*

GRI Media Sector Aspects:

- Content Creation
- Content Dissemination

Read in detail →
OUR MARKETPLACE: P68



OUR WORKPLACE

- Employment
- Diversity and Equal Opportunity
- Training and Education
- Employee Turnover
- Occupational Health and Safety

Read in detail →
OUR WORKPLACE: P72



OUR ENVIRONMENT

- Energy
- Emissions
- Water
- Effluents and Waste

Read in detail →
OUR ENVIRONMENT: P78



OUR COMMUNITY

- Local Communities
- GRI Telecom Sector Aspects:**
- Access to Telecom Products and Services/Bridging Digital Divide
 - Access to Content

Read in detail →
OUR COMMUNITIES: P84



OUR ECONOMIC IMPACT

- Economic Performance
- Indirect Economic Impacts
- Infrastructure *(GRI Telecom Sector Indicators)*

Read in detail →
OUR ECONOMIC IMPACT: P90

BOUNDARY OF OUR MOST MATERIAL ASPECTS G4-20 G4-21

StarHub's social, environmental and economic material aspects and their impact within StarHub, such as on staff, or outside of StarHub, such as on the supply chain, are illustrated below.

OUR MATERIAL ASPECTS (GRI G4 ASPECTS)	MATERIAL WITHIN ORGANISATION	MATERIAL OUTSIDE ORGANISATION	MATERIAL FOR STARHUB ENTITIES
OUR MARKETPLACE			
• Supply Chain Sustainability		●	All
• Product and Service Labelling: Customer Satisfaction		●	All
• Customer Privacy		●	All
GRI Telecom Sector Aspect:			
• Customer Relations		●	StarHub Mobile Pte Ltd
GRI Media Sector Aspects:			
• Content Creation		●	StarHub Cable Vision Ltd
• Content Dissemination		●	StarHub Cable Vision Ltd
• Audience Interaction		●	StarHub Cable Vision Ltd
• Media Literacy		●	StarHub Cable Vision Ltd
OUR WORKPLACE			
• Employment	●		All
• Diversity and Equal Opportunity	●		All
• Training and Education	●		All
• Employee Turnover	●		All
• Health and Safety	●	●	All
• Human Rights	●	●	All
OUR ENVIRONMENT			
• Energy	●		All
• Emissions	●	●	All
• Water	●		All
• Effluents and Waste	●	●	All
OUR COMMUNITY			
• Local Communities	●	●	All
GRI Telecom Sector Aspects:			
• Access to Telecom Products and Services/ Bridging Digital Divide		●	StarHub Mobile Pte Ltd
• Access to Content		●	StarHub Mobile Pte Ltd
OUR ECONOMIC IMPACT			
• Economic Performance	●		All
• Indirect Economic Impacts		●	All
GRI Telecom Sector Aspect:			
• Infrastructure	●	●	StarHub Mobile Pte Ltd

SUSTAINABILITY REPORT 2014



Our Marketplace

Our mission is to nurture StarHub as a trusted brand through innovation, integrity and customer service excellence.

Our Commitments

- Ensure reliable access to telecom, broadband and TV services.
- Customer satisfaction through service excellence.
- Protect customer privacy and personal data.
- Creation and dissemination of content with responsibility
- Have safeguards to protect children against undesirable content.
- Ensure clarity of tariffs.

Performance Highlight

NPS for Customer Service Consumer:
17.2%

I would like to commend the excellent professionalism and superlative skills demonstrated by Mr Loh Tian Wei at your customer (call) service centre for his ability to listen, understand and empathise with our predicaments.

– Monica Chung –
StarHub Customer

Uninterrupted availability of mobile, broadband, fixed network and TV services to millions of our customers is our top business priority. Transparency in tariffs, customer satisfaction, privacy protection, making telecom services available to all sections of society, responsible content and supply chain sustainability are our main marketplace priorities.

Mobile Accessibility

Our goal is to maintain quality and reliability of service above 99.9%, which we have achieved over the years.

All groups, including residents and visitors, have access to our telecom services in accordance with the registration criteria set by the regulatory agencies. Our approach to human rights issues relating to the access and use of telecommunication products and services is in line with the policies issued by the regulators, IDA and MDA.

We reported four network outages in 2014 to IDA, which will investigate those incidents. We also provided information on those outages via StarHub's social media channels and technical support hotline.

Emergency Preparedness

We recognise the importance of providing, maintaining and swiftly recovering our info-communications services in the event of an emergency, disaster or crisis situation.

StarHub was the first info-communications company in Singapore to be successfully certified to Singapore Standards SS540: 2008 for Business Continuity Management (BCM) in May 2011. In May 2014, StarHub successfully converted to ISO 22301:2013 which is the ISO standard for BCM. StarHub's BCM programme focuses on Info-Communications Network, Infrastructure and Support Services for Mobile, Television, Broadband and Fixed. The BCM programme is also supplemented by Pandemic Plan, Haze Response Plan and Crisis Communication Plans to ensure StarHub is able to address different crisis situations.

Singapore Quality Class (SQC)

StarHub achieved Spring Singapore's SQC certification in December 2014 demonstrating commitment in the pursuit of excellence in the areas of Leadership, Planning, Information, People, Processes, Customers and Results.

Content Responsibility

We have implemented policies to protect children from undesirable online content. StarHub SafeSurf on Mobile is a network-based mobile Internet content filtering service which allows children the freedom to use their mobile devices to access content and information while protecting them from undesirable and inappropriate contents. StarHub SafeSurf Online, an Internet content filtering service for all computers connected to a home network, can be used to block out undesirable websites.

Consumer Privacy and Data Security

We respect customers' privacy. Protecting customer data and customers' privacy is a key priority for us. Our customer privacy and data security policies comply with Singapore's Personal Data Protection Act which came into force in 2014.

We do not send promotional and marketing messages via phone calls, text messages and faxes to customers who have registered their phone numbers with the National Do No Call (DNC) Registry, except for those who had given specific consent to receive marketing messages. Those who have given their consent earlier can also withdraw their consent to stop receiving messages.

The StarHub website includes a simple-to-use portal that allows customers to register their Opt-In or Opt-Out preferences for Voice Call, SMS/MMS and Fax from StarHub and our preferred partners.

Content Values

Our content policies are guided by the Voluntary Code for Self-regulation of Mobile Content in Singapore that we jointly developed with the other two telecom companies. We are committed to ensuring that all content across our platforms is free from undesirable or offensive content that is objectionable on the grounds of public interest, public morality, public security, national harmony, or that is illegal under Singapore laws.

Other tools that our customers can use to make informed choices about viewing content carried on our mobile or TV platforms include the channel locking feature, parent advisory messages and content ratings.

StarHub promotes content in all national languages and free-to-air broadcasting. Our support for art, culture and education includes the promotion of TV programmes for schools, educational TV shows, news and information programmes; arts and cultural programmes; as well as drama and sports programmes.



MOBILE ACCESSIBILITY ABOVE

99.9%

Quality and reliability of service consistently achieved over the years.

SUSTAINABILITY REPORT 2014

Our Marketplace

In 2014, StarHub unveiled and commenced production for its pioneer batch of nine PSB proposals. These are funded by the MDA's PSB Contestable Funds Scheme. This is part of MDA's efforts to extend the reach of PSB content to multiple broadcast platforms beyond Free-To-Air TV. Apart from creative storylines, the selected proposals also weaved in PSB values that promote social values and the Singaporean identity, celebrate Singapore's culture and heritage, and enhance racial and religious harmony. To deepen engagement with viewers, the nine proposals also have the ability to be presented across multiple platforms such as multi-screens and second screens.

Clarity of Charges and Tariffs

Our approach is to set fair prices, offer affordable price plans that meet the needs of customers in various segments and clearly communicate the pricing structure and the contract terms to all mobile, TV, broadband and voice customers through marketing channels. The price plans are prominently displayed at all retail outlets and are available on our website and are explained by our staff to customers at the time of signing up.

We have taken steps to protect customers from "bill shocks." Roam Manager is our free service that allows mobile phone customers to check roaming rates, monitor data roaming usage, set data roaming usage alerts and get emergency numbers in over 230 international destinations. DataRoam Cap @ \$100, a roaming tool, ensures customers' data

roaming usage charges do not exceed \$100 per month. Our best value RoamEasy plans offer worry-free data roaming on any mobile operator in 39 countries at a single rate.

Our Premium Rate Services (PRS) barring facility allows blocking of the subscription of PRS and its charges offered by StarHub or third parties. For our broadband plans, we publish the typical speed range that consumers can expect to experience.

Customer Satisfaction and Feedback

Customer satisfaction is one of the most important indicators for assessing our success in the marketplace. In 2014, we used the NPS for measuring and tracking customer satisfaction.

NPS is a method of measuring customers' loyalty by categorising them into promoters, passives and detractors based on their answers to the question of whether they would recommend the service to their friends and relatives. The NPS score is derived from the percentage of Promoters minus the percentage of Detractors.

In 2014, we made many changes to improve our customer experience through this closed loop process using NPS. Some progressive changes include non-date specific rewards redemptions, a reduced recontract handling time from three days to three minutes and the creation of guided agent workflows for our staff to better interact with customers in a more proactive manner.

- Case Study -

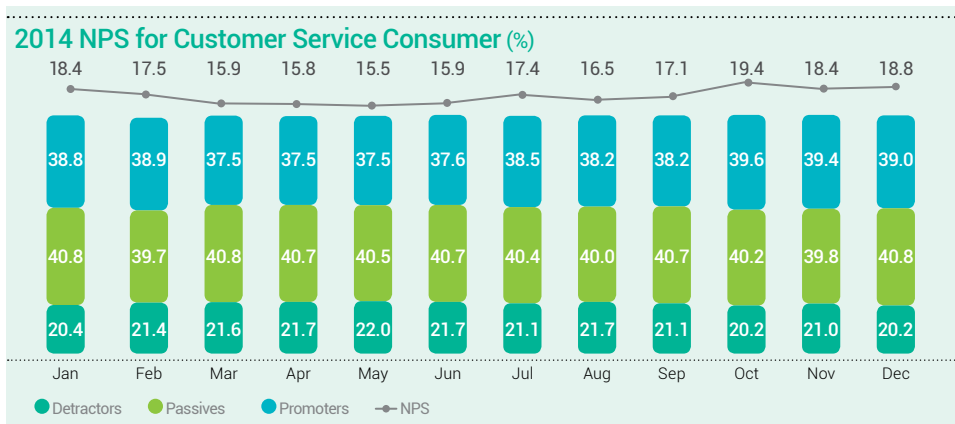
HIGHER CUSTOMER STANDARDS WITH THE NET PROMOTER SYSTEM

NPS gives us visibility of promoters vis-à-vis detractors. Promoters are our advocates and would recommend our products and services to their friends and relatives. Customers who are promoters are also staying with us longer and buying more of our services. With the passives, we review ways in which we can further impress and make a difference. For the detractors, we constantly identify factors that we are able to amend in order to make these customers happier.

However, the NPS is not just about numerical values. At StarHub, we are more concerned with the "Why" and to understand this better, we have developed a closed-looped feedback process so that these customers' voices can be channelled to right parties within StarHub. In this process, customer calls are listened to daily so that we can understand their rating. Customers who have given us a very low score are contacted to recover their service proactively. Team Leaders and Managers meet on a weekly basis to review the aggregated findings for further actions to be taken and the NPS Heroes Offsite provide further opportunities for cross-functional frontline staff to meet to review our processes/services/products.

When my MaxOnline was disrupted, Abdul Aziz acted calmly by keeping me informed of the status at each stage of recovery. He was very professional and patient. He made me feel at ease with the case in his good hands and management, despite the downtime. Abdul's effort is commendable and he is an asset of StarHub.

- Mok Kok Seng -
StarHub Customer



Compliance

StarHub was subjected to one fine, relating to the provision of printed telephone directories, during 2014. We provided online telephone directories.

Supply Chain Sustainability

StarHub has four main business areas – Mobile, TV, Broadband and Fixed Network. Bulk of our purchases include network equipment, consumer handsets and customer premise equipment, and media content.

In 2014, we purchased from 1,409 suppliers. Out of these, 86% were local suppliers. Our total purchase during the year amounted to \$684 million, up from \$600 million in 2013. Local suppliers' share in the total purchase was 91%, up from 87% in the preceding year.

Our procurement practices include strict adherence to the ethical code of conduct, which addresses issues of integrity, due diligence, fairness and conflict of interest in the selection of vendors, suppliers and contractors.

An overview of our supply chain is illustrated below.

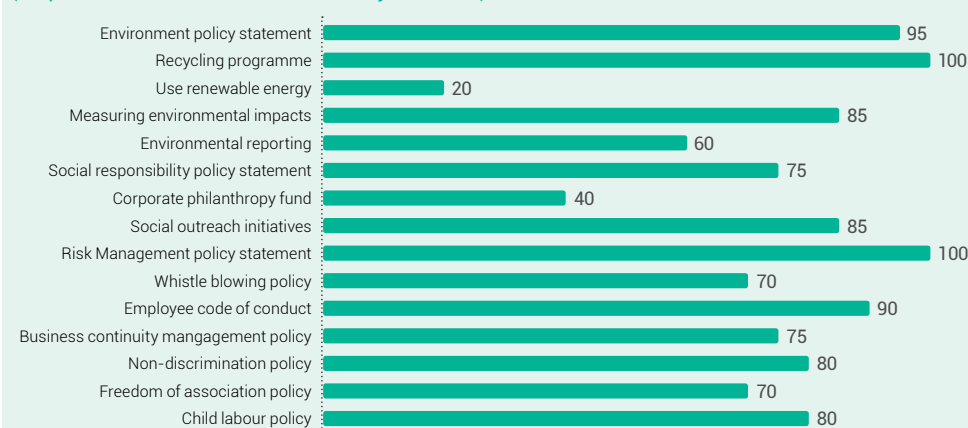
Supplier Sustainability Survey

We strengthened our supplier engagement in 2014 by introducing a comprehensive Supplier Sustainability Survey to improve our understanding of social and environmental issues in our supply chain. The survey questionnaire was sent to our top 20 suppliers who together accounted for 21% of the total purchases in 2014. The survey results are presented in the chart below.

An Overview of StarHub Group Supply Chain

Business Unit	External	Collaterals Suppliers	Soft Content Suppliers	IT Suppliers	Own Network	Customer Premise Equipment	Sales & Fulfilment Channels	After Use
Mobile		Printers (of publicity/marketing materials), corporate gift vendors, etc.	Apps	Customer Relationship Management, Enterprise Planning Resource, Billing, Database, Storage, etc.	2G, 3G, 4G	Mobile handsets, SIM cards, mobile accessories	Stores, Exclusive Partners, Resellers, Sales Partners, Direct Sales, Retail Chain Stores, Field Services	Traded-in handsets, donated handsets, take-back of faulty/obsolete equipment for recycling, recycling of surplus/old marketing/publicity material
TV			Programmes (content providers and production partners)		Hybrid Fibre Coaxial (HFC), Fibre IP	Set-up boxes		
Broadband	Fibre				HFC, Fibre IP	Cable modems, routers		
Fixed Network					Fibre, Fibre IP, Undersea Cable	Customer Premise Equipment		
Corporate				Intranet Office IT hardware		Expendable office supplies		

Supplier Sustainability Survey Result (%) (Proportion of vendors with sustainability initiatives)





Our Workplace

Our mission is to create a vibrant workplace based on trust, teamwork, inclusivity and excellence.

Our Commitments

- Nurture a caring workplace based on fair and inclusive employment practices.
- Promote teamwork as a core value.
- Promote diversity and providing equal opportunity.
- Develop our people through regular training and education.
- Attract, nurture and retain talent.
- Ensure health and safety in the workplace.
- Encourage employee volunteerism.

Performance Highlights

Women in Workforce: 43%	Training Spend Per Employee: \$873
Female Heads of Department: 33%	Employee Turnover: 14%
Local Employees: 76%	Fatal Accidents: 0
Training Hours Per Employee: 17	Employee Satisfaction Rate: 92%



SINGAPORE TOP 100

100 Ideal Employers 2014

in the annual survey by Universum, a global leader in employer branding. StarHub was also named as one of Asia's top four companies to work for.

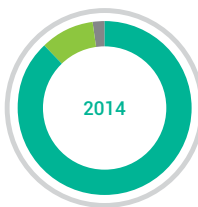
StarHub continues to be a reputed employer in Singapore. StarHub was ranked in the Singapore Top 100 Ideal Employers 2014 in the annual survey by Universum, a global leader in employer branding. StarHub was also named as one of Asia's top four companies to work for by MORS Group, a research and development company focusing on Asian businesses, at the inaugural Asia Corporate Excellence and Sustainability (ACES) Awards in 2014.

Our people-focused approach is to promote merit-based hiring and remuneration, fair treatment, teamwork, creativity, excellence, safe and healthy working conditions, diversity, reward and recognition for performance, people development, career growth and work-life balance.

Employee Profile

We employed 3,281 people in 2014 with a median age of 36 years. The number of employees in supervisory or managerial positions was 16%. CCO Group (47%), Network Engineering (21%) and Information Services (11%) accounted for the largest shares of the headcount.

Employee Profile (%)



- Permanent employees **88%**
- Contract employees **10%**
- Temporary employees **2%**

Our Performance

Diversity and equal opportunity

StarHub enjoys a diverse workforce. We actively promote diversity and offer equal opportunity based on merit irrespective of gender, age, racial, ethnic or cultural background.

There were five individuals with physical disabilities employed at StarHub in 2014, two of whom are female.

Equal Remuneration for Men and Women

Ratio of base salary: Female to male

	2014	2013	2012
Female	1	1	1
Male	1.1	1.1	1.1

Training and Education

Employee development is one of the most important human resource goals for us. Our employees have access to both in-house as well as external training opportunities. Our Learning & Development Framework aims to build and maintain an engaged and motivated workforce through careful planning for employee training. The framework is used to build leadership quality for the future, and identify and equip employees with critical technical skills to meet current and future business challenges.

We invested \$2.5 million on employee training in 2014, resulting in 49,234 hours of training.

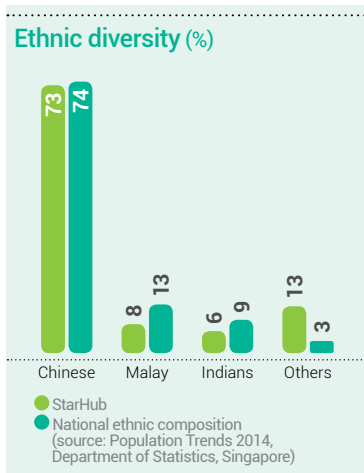
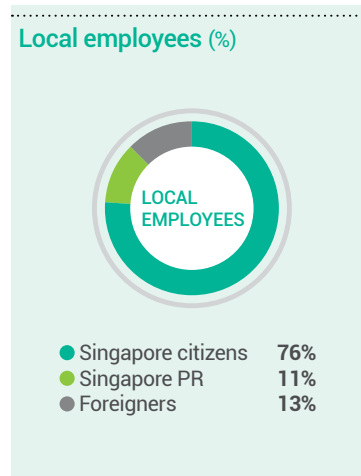
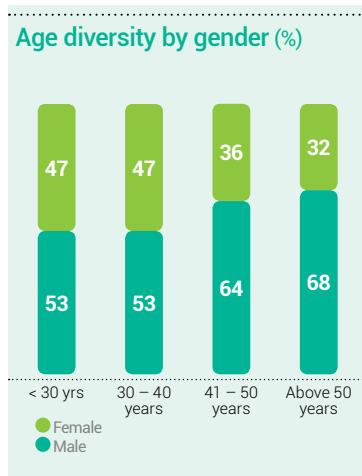
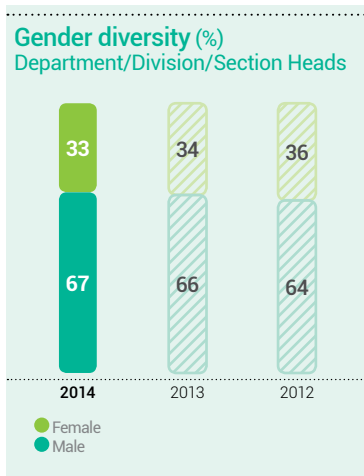
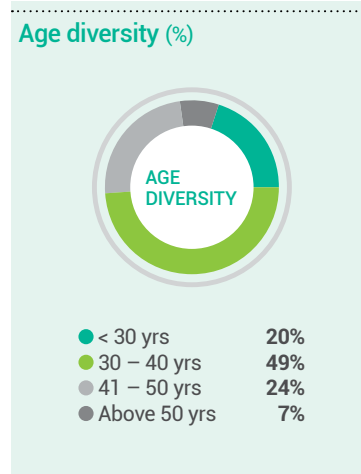
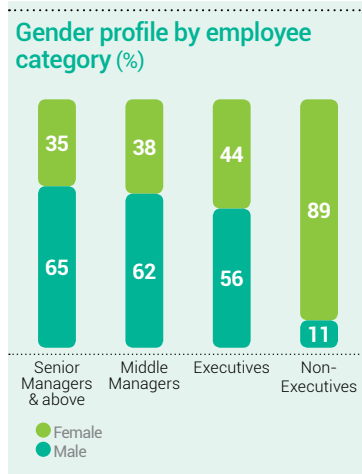
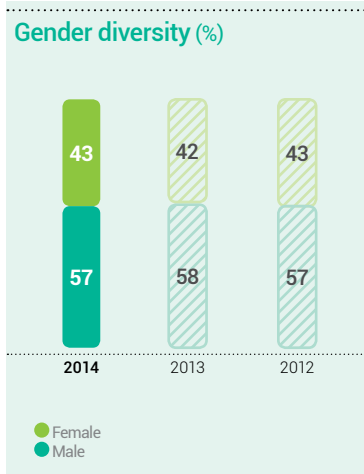


StarHub employees take part in regular fitness activities organised for them.

SUSTAINABILITY REPORT 2014

Our Workplace

DIVERSITY OF STARHUB

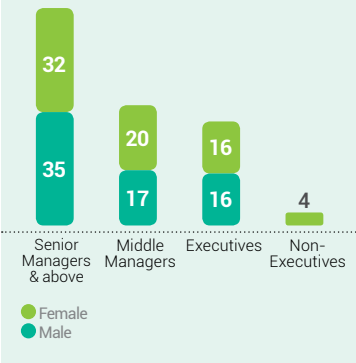


Siti Norshahida provided excellent service for my numerous requests. She was patient, detailed and quick in providing all the information that I required. I was also surprised by her commitment to timing—she called me back earlier than expected to update me on the status of my request.

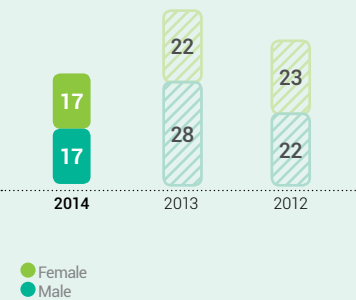
— Ong Kok Keong —
StarHub Customer

WDA ACCREDITATION

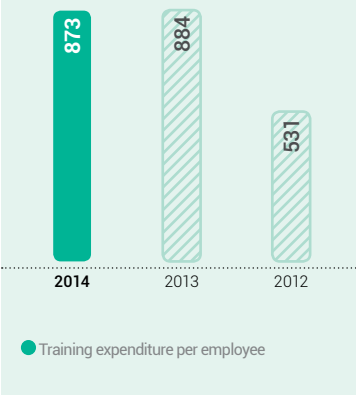
Average training hours by category and gender (hours)



Training hours per employee by gender (hours)



Training expenditure (\$)



NEW HIRING

Hiring by gender (%)



● Male 55%
● Female 45%

Hiring by age groups (%)



● < 30 yrs 47%
● 30 - 50 yrs 51%
● Above 50 yrs 2%

WDA Accreditation

In a significant step on the employee development front, StarHub was approved as an In-House Approved Training Organisation (ATO) by the Singapore Workforce Development Agency (WDA) in 2014. With this accreditation by WDA, StarHub is qualified to contextualise and conduct programmes that are under the Singapore Workforce Skills Qualifications framework.

Besides being able to enhance our employees' credentials with certifications that are recognised nationally and across industries, this accreditation also enables StarHub to build a strategic partnership with WDA, strengthen the capabilities of our own internal trainers as well as giving StarHub the opportunity to defray part of the cost of training.

Performance Management

We have put in place a comprehensive and objective performance management system. All employees participate in periodic performance reviews and career development discussions with their respective managers.

A Career Development Framework was rolled out in 2014 as part of our talent engagement and retention efforts to help employees manage and grow their career in StarHub. In conjunction with this Framework, internal Career Fairs, Career Guidance workshops and Career Coaching are made available to our employees and line managers.

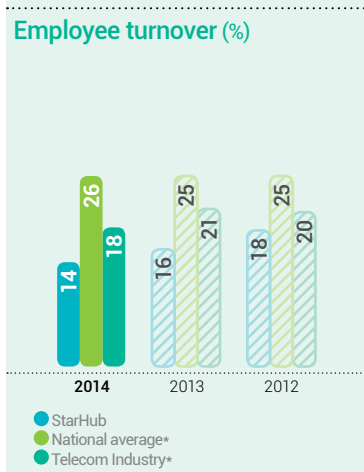
Employee Benefits

Our permanent employees enjoy a variety of benefits for which temporary employees are not eligible. Examples include Comprehensive Health Screening, additional insurance coverage other than Work Injury Compensation insurance coverage, leave entitlement (except for National Service Leave), medical/ dental/ specialist consultation and/or treatment reimbursement, transport allowance, training except for the job related training necessary for them to perform their job, claim for professional fees for joining professional associations, Long Service Award, entry passes for places of interest, and tokens for special occasions (e.g. birth/ marriage).

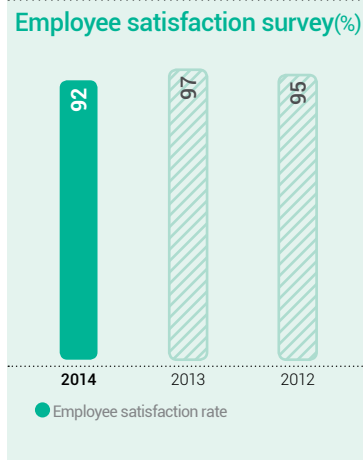
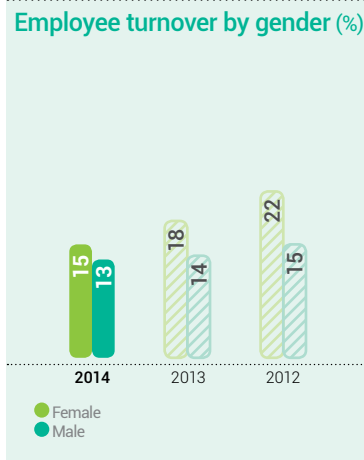
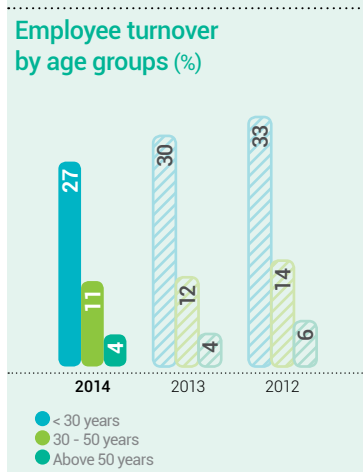
SUSTAINABILITY REPORT 2014

Our Workplace

EMPLOYEE TURNOVER



* Extrapolated from first 3Q of 2014, Labour Market Survey, Ministry of Manpower (MOM)



StarHub employees also enjoy a host of other benefits that include the childcare leave, paternity leave and shared parental leave, eldercare leave, and access to the supplementary major medical insurance coverage to the employees' families at very favourable premiums negotiated with the insurance brokers.

Employee Plan Benefits

To encourage the employees' families and friends to experience the products and services offered by the Company, we launched the Partner Plan for StarHub TV and Broadband services in April 2014.

On top of the Partner Plan, we enhanced our Employee StarHub TV and Broadband plans to ensure that employees enjoy greater benefits and they can be the ambassadors of our products and services.

By experiencing our products and services, the employees, as well as their family and friends, will in turn be able to help promote StarHub services and create better awareness to others about the advantages of having StarHub as the preferred service provider.

Human Rights

StarHub is committed to the internationally accepted human rights principles and labour standards. Our policies ban child labour, discrimination and forced labour. We respect our employees' right to freedom of association as enshrined in local laws.

Employee Satisfaction

We conduct an annual survey to measure employee satisfaction with HR policies. In the 2014 Annual HR Satisfaction Survey, 92% of the participants said that the overall HR performance met or exceeded expectations as against 97% in 2013.

Aon Hewitt's Best Employers Asia Study

We took part in Aon Hewitt's biennial Best Employers Asia survey for the second time in 2014 to explore what makes a workplace of choice and gather insights into how to create real competitive advantage through people. The survey benchmarks the participating companies in four key areas: Employee Engagement, Employer Branding, Effective Leadership, High-Performance Culture. While our Employer Brand Index score in 2014 remained unchanged as compared to 2012, the score in the other three areas was slightly lower from the comparison period. The survey indicated that our employees are generally satisfied with our health promotion initiatives and work-life balance efforts undertaken in the past two years.

We are committed to the continual focus on enhancing career development and learning for our employees and to drive higher employee engagement.

Employee NPS

Following the implementation of NPS measurement for our retail operations, the Company also launched the tool in late 2014 to measure employee loyalty. The NPS is an index measuring the strength of "word of mouth", to gauge the likelihood that an employee will recommend an organisation.

To create the score, we have used the question "How likely are you to recommend StarHub to your family and friends seeking employment?" Respondents fall into one of three categories: Detractor (0-6), Passive (7-8), and Promoter (9-10). The NPS is calculated by subtracting the percentage of Detractors from the percentage of Promoters.

StarHub achieved a baseline score of -26.

Occupational Health and Safety

StarHub is a certified bizSafe Level 3 organisation, awarded by the Workplace Safety and Health (WSH) Council Singapore based on an independent audit by a MOM-approved bizSafe auditor.

Employee safety and good health is a priority issue for us. Our approach is to regularly assess potential health and safety risks, take preventive measures and increase employee awareness about safety.

Our safety and health policies, procedures and practices are periodically reviewed by StarHub's Workplace Safety and Health Committee. We have constituted a Risk Assessment Team which works with nominated Risk Management Champion to assess risks for every work activity and process carried out at the workplace.

The company intranet includes a Workplace Safety and Health portal for employees to facilitate communication and awareness.

In 2014, 45 employees were certified in the new Office First-aid course where these first-aiders are trained to use an automated external defibrillator.

Health Education

We frequently organise talks and workshops to raise employee awareness of health issues. In 2014, topics

covered included Take Care of Your Stomach the TCM way, Feet Care, Beautiful Smiles For Life and Onsite Dental Screening, Total Beauty for Skincare, Spinal Health Talk & Spinal Screening, Can Breast Cancer be Prevented?, Health & Ergonomics, Health Carnival (health related games booth and health snacks bazaar), Smoothie Making Workshop, Salad Making Workshop and Occupational First-Aid.

Our efforts led us to win a GOLD Award in the Singapore HEALTH Award 2014, organised by Health Promotion Board. This Award recognises our efforts in promoting excellent workplace health practices among our employees.

Safety for Field Staff

We require our field staff and contractors involved in the installation, operation and maintenance of masts, base stations, laying cables and other outside work to adhere to strict safety procedures.

A detailed Code of Practice on WSH Risk Management, Risk Assessment, safety procedures for installation of radio equipment and a disaster recovery plan are included in our WSH system.

Our contractors are required to comply with the provisions of the Workplace Safety & Health Act while undertaking work at our sites. Contractors are required to submit a risk assessment report for necessary approval prior to carrying out any work on site.

There were no fatal accidents on any of our worksites in 2014. Nine minor cases were reported for Work Injury Compensation. Injuries sustained included traffic accident, and tripping and falling at the workplace.

Siting of Masts

Our policies and practices on the siting of masts and transmission sites encourage stakeholder consultation, site sharing and initiatives to reduce visual impacts.

A brief description of our sites as at the end of FY2014 is presented below:

TYPE OF SITE	PERCENTAGE
Standalone Mobile Sites	1.2%
Shared Sites (Mobile-CAS)	23.9%
Sites on Existing Structures	74.9%



2014 ANNUAL HR SATISFACTION SURVEY

92%

of the participants said that the overall HR performance met or exceeded expectations.



Our Environment

Our mission is to continuously minimise the environmental impacts of our business operations.

Our Commitments

- Reduce energy intensity.
- Reduce greenhouse gas emissions.
- Reduce water use.
- Reduce and recycle waste.
- Increase employee awareness about and participation in environmental issues.
- Comply with regulations.

Performance Highlights

Energy Intensity:
183 gigajoules
per \$M revenue

Carbon Emissions Intensity:
22.9
tonnes CO₂e
per \$M revenue

Water Use:
↓ 5%

General Waste:
↓ 33%

E-waste Recycling:
↑ 49%

StarHub's Green Policy, refreshed in 2013, focuses on minimising the most material environmental impacts of our operations. Energy, greenhouse gas emissions and waste are our most material impacts.

Our approach is to continuously assess, review, prioritise and reduce the most material environmental impacts across our business. Several of our environmental initiatives are designed to encourage active participation of our employees and customers.

StarHub's main office is located at Ubi in StarHub Green. This Green Mark Gold-certified building which continues to save energy and water while providing superior indoor air quality and environment for the employees.

At the core of the StarHub Green Policy is the six-point commitment we have made to protect the environment. The six-point commitments include:

Climate Change

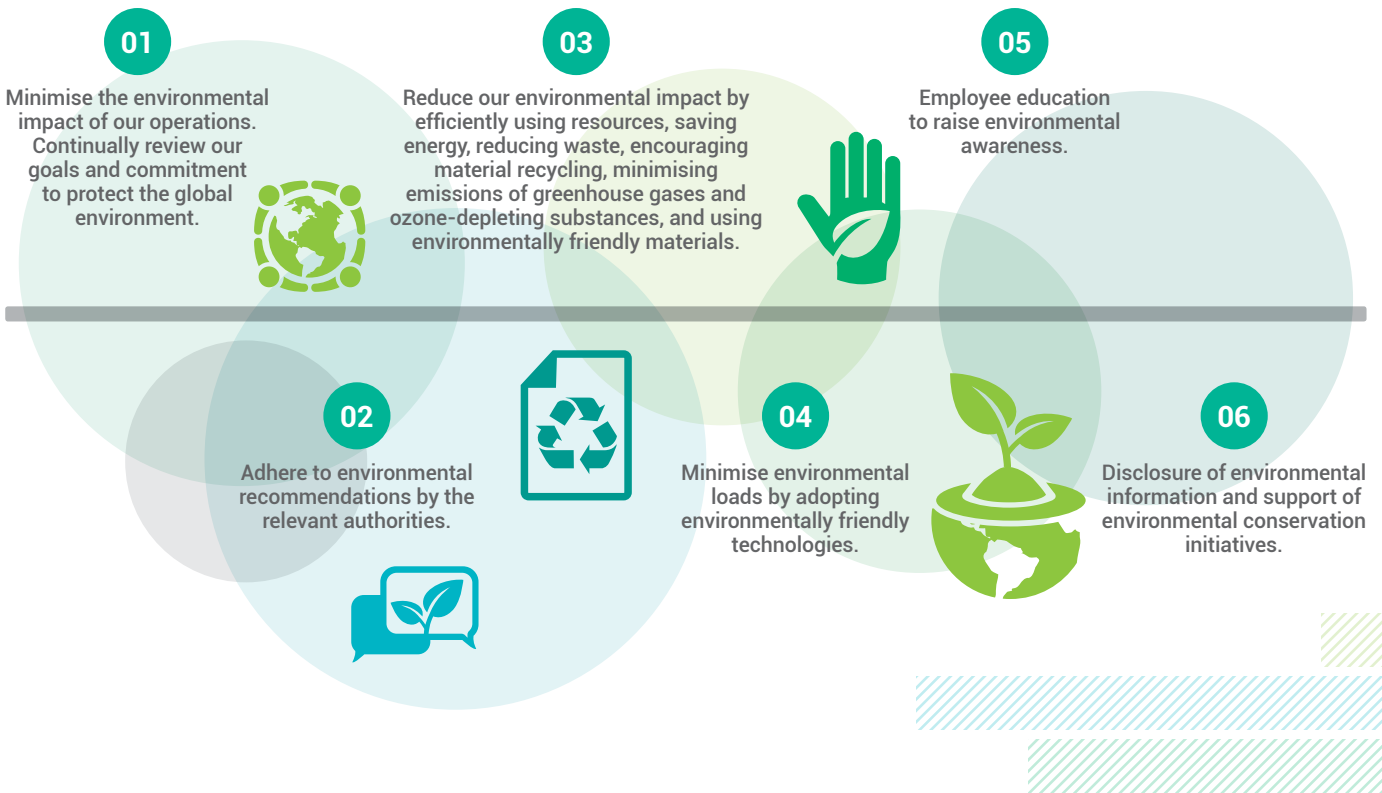
We support Singapore's vision of creating a climate resilient global city that is well positioned for green growth.

We recognise the potential impacts of climate change on Singapore that may include sea level rise, affected water resources, biodiversity risks, effects on public health, urban heat island effect and food security. We also understand potential risks for our business if these impacts materialise.

As a responsible business, we are directing our climate change mitigation efforts in the areas of emissions reduction, energy efficiency, green building, reducing and recycling waste, water conservation and promoting individual action.

We have been upgrading our telecom infrastructure to adopt energy efficient technologies. To promote individual action, we are implementing programmes to encourage environmental volunteering by our employees. Over the years, we have actively engaged our customers in e-waste recycling to minimise impact on the environment.

SIX-POINT COMMITMENTS



SUSTAINABILITY REPORT 2014

Our Environment

Our Performance

Energy

Data centres, base stations, offices and transport are the main sources of our energy consumption. Our strategy is to take measures that reduce energy consumption. These include employee awareness, adopting energy efficient technologies and using renewable energy.

Energy efficiency has improved in our data centres as we have taken steps to improve the cabling management and air-conditioning equipment.

In 2014, adoption of energy efficient technologies helped reduce electricity consumption at our mobile base transceiver stations (BTS), which account for roughly 25% of all electricity use, by 1% despite the fact that the network elements increased by 16.9%. The drop in electricity consumption was achieved even as we increased the total site count and network element for 3G to meet IDA's Quality of Service (QoS) standards and added new LTE 1800 and LTE 2600 sites to meet coverage and capacity requirements.

Renewable energy

The two solar-powered mobile BTS located at our main office building and on the roof of IKEA Store at Alexandra Road continue to offset fossil fuel energy. We also have a solar-powered BTS-enabled vehicle used to boost signal strength.

Greenhouse gas emissions

Electricity, diesel and petrol are the main sources of our organisational carbon footprint. Reducing use of energy and continuously improving energy efficiency are the key approaches we have to minimise our carbon footprint.

Ozone-depleting fugitive emissions

Our ozone-depleting fugitive emissions, attributed to the use of refrigerant R22 in air-conditioning equipment, amounted to 807 tonnes CO₂e in 2014 as against 984 tonnes in the prior year. We are in the process of phasing out the use of R22 in favour of lower impact alternatives.

Waste

We follow the classical "Reduce, Reuse and Recycle" approach to manage our operational waste. Paper and packaging waste are the main types of waste generated at our offices. Our recycling programme also encourages our customers to recycle their after-use mobile phones and TV equipment such as set top boxes and remote controls. Our efforts have resulted in lower waste year-on-year.

In 4Q14, we conducted an exercise to consolidate waste bins at StarHub Green, to discourage general waste and promote a recycling behaviour amongst employees. This resulted in the removal of 700 waste bins from StarHub Green. The waste bins were sent for recycling.

- Case Study -

STARHUB CUSTOMERS SAVE THE PLANET

StarHub customers can also do their part to conserve and protect the environment.

For instance, they can use their StarHub Rewards points to redeem a tax-deductible \$5 donation to World Wide Fund for Nature (Singapore) Limited Conservation Fund as part of the StarHub Rewards Redemption for Charity programme. \$28,445 worth of donations were redeemed by StarHub customers in 2014.

Our paperless billing system at our retail shops, printing out bills only for customers who request a hard copy for retention, saves us over 22 tonnes of paper each year.

My StarHub app, a mobile app available on both the iOS and Android platforms, allows customers to go paperless and view their account details, like billing information, on their mobile devices at their convenience.

MyStarHub e-bill is an initiative to encourage customers to switch from receiving printed bills to electronic statements. Some 94,779 billing accounts were on the scheme as of 31 December 2014.

Detailed Emissions Summary (CO₂e tons)

EMISSION SOURCES

Scope 1	2014	2013	2012
Stationary Combustion	87	148	121
Mobile Combustion	600	639	641
Fugitive emissions (refrigerant gases)	494	255	0
Total Scope 1 emissions	1,181	1,042	762
Scope 2			
Purchased electricity	53,444	57,342	60,077
Total Scope 2 emissions	53,444	57,342	60,077
Total CO₂e emission	54,624	58,383	60,839

– Case Study –

GREEN CORPORATE KPIs

The StarHub Green Corporate Key Performance Indicators (KPIs), set annually, are linked to 5% of every employee's bonus, including the CEO. A summary of the Green KPIs adopted for 2014 and their results are presented below:

KPI	Threshold	Target	Stretch	Achieved
Internal paper consumption reduction (kg)	59,635	59,039	58,442	53,230
Paper recycling	17.2%	17.4%	17.6%	22.9%
Environmental volunteerism (hours)	714	721	728	756.5
Electronic waste recycling (kg)	6,568	6,634	6,699	8,715

Sustainable paper

We have been using only the sustainably sourced FSC Certified paper for internal use to reduce impact on forests.

Recycling

Our recycling programme is targeted at paper and electronic waste. The figures are presented in the below chart. In conjunction with Earth Hour 2014, we introduced bins for the recycling of plastic, metal and glass at our StarHub Green office.

Water

We do not have any industrial use of water and as such water is not a material impact of our business operations. In our offices, water is only used for drinking or washing. However, water conservation is one of the environmental goals at StarHub given the fact that Singapore lacks natural fresh water resources. We therefore measure, monitor and report our water consumption.



TOPE FROM THE TOP

To save paper, we circulate the Board Pack and materials, analyst reports and industry updates electronically.



SUSTAINABLY SOURCED FSC

Certified paper for internal use to reduce impact on forests.



01. StarHubbers at the summit of Bukit Timah Nature Reserve.

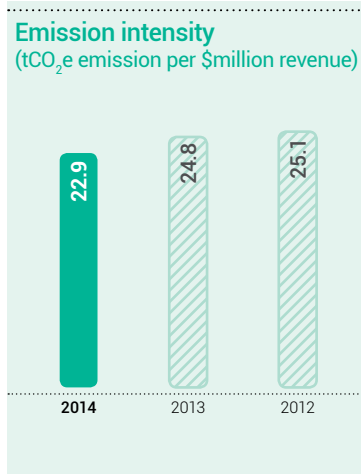
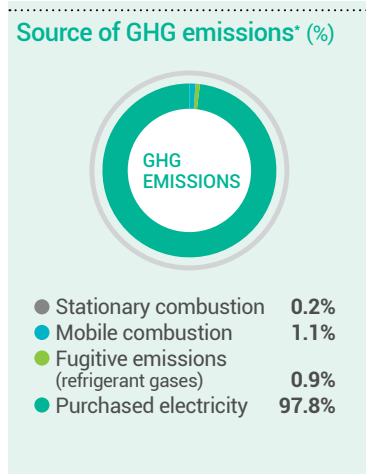
02 & 03. StarHubbers spent a day learning more about nature's health benefits at Bollywood Veggies.



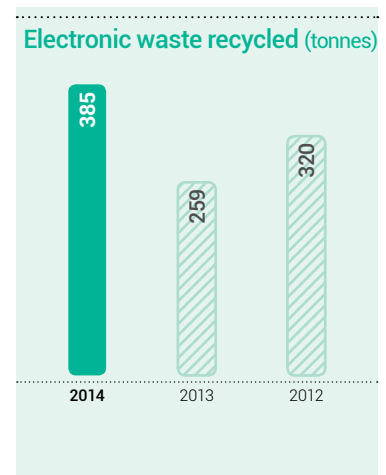
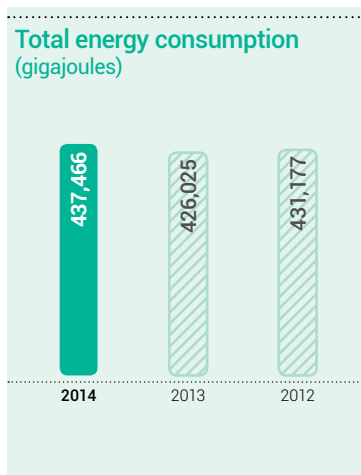
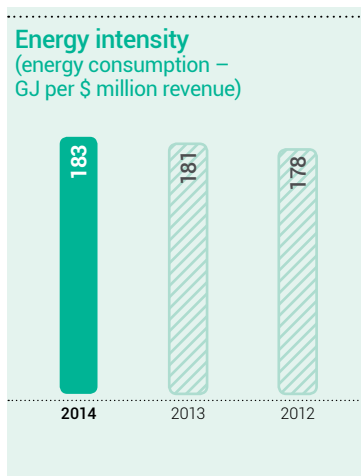
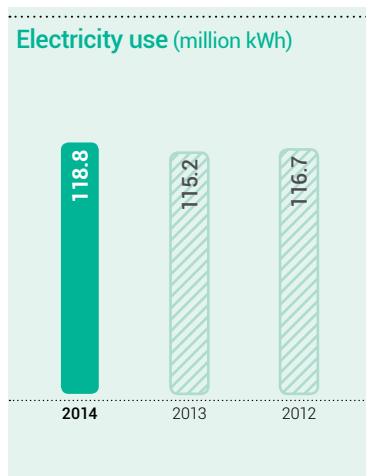
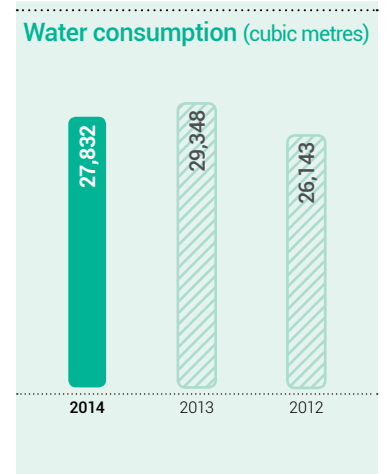
SUSTAINABILITY REPORT 2014

Our Environment

PERFORMANCE CHARTS



WATER CONSUMPTION



– Case Study –

SIGNED MOU

On 16 September 2014, an MOU was signed between DHL, StarHub and TES-AMM to expand StarHub's e-waste recycling programme as RENEW, short for REcycling Nation's Electronic Waste. The MOU signing was witnessed by Dr Vivian Balakrishnan, Minister for the Environment and Water Resources, at The Environment Building.

The partnership was borne of DHL, StarHub and TES-AMM's shared belief in being environmentally responsible corporate citizens. In line with the Singapore Government's People-Public-Private approach to tackling environmental issues, the three organisations decided to join forces, with the support of the Ministry of the Environment and Water Resources and National Environment Agency, to provide even more opportunities for the public to recycle their e-waste.

StarHub sources for locations interested in having a RENEW bin, and engages a supplier to produce and provide bins to these locations. DHL manages the logistics of collecting and delivering the e-waste from all the bins to TES-AMM's e-waste recycling facility. TES-AMM then recycles the e-waste.

The aim was to expand from 30 bin locations to 100 bin locations by the end of 2014. By 31 December 2014, there were 103 bin locations and 8.7 tonnes of electronic waste were collected for recycling in 2014.

Compliance

StarHub was not fined or sanctioned for any non-compliance with environmental laws or regulations during FY2014.

Employee Awareness

As part of our efforts to raise awareness of environmental issues amongst StarHub employees, 32 of them went on an exclusive tour of TES-AMM's electronic waste recycling facilities. This helped to shed insight on the post-collection process of the RENEW Programme.

We also took 46 StarHubbers on an eco-awareness journey to Bollywood Veggies, where they learnt about local flora and homeopathic remedies and recipes.

Just before Singapore's Bukit Timah Nature Reserve closed for two years of maintenance, we organised a guided tour of the park for 61 StarHub staff to learn more about our country's natural ecosystem.

Earth Hour 2014

For Earth Hour 2014, StarHub rolled out new carrier bags composed of the polymer polypropylene, which is more convenient and durable than the former paper bags. This allows the bags, which come in three sizes, to be used post-purchase as a carrier bag for other items. The bags are also clearly labelled with the Recycling Code 5 symbol, to help recyclers identify the specific type of recycling required.



REMOVAL OF 700 Bins

from the StarHub Green office that were sent for recycling to discourage general waste and promote a recycling behaviour amongst employees.

01. StarHub employees learnt how to cook and eat healthy.

02. From left: Herbert Vongpusanachai (DHL), Minister Vivian Balakrishnan (MEWR), Tan Tong Hai (StarHub) and Scott Mac Meekin (TES-AMM) celebrating the launch of RENEW.





Our Community

Our mission is to build trusted long-term relationships with the community by making a positive contribution.

Our Commitments

- Make positive contributions to local communities, focus on the underprivileged.
- Promote local sports and talent.
- Bridge digital divide.
- Encourage employee volunteerism.
- Encourage customers to participate in community initiatives.

Performance Highlights

Donations Disbursed:
\$1.4M

Employee Volunteerism:
213.5 Days

Donations Redeemed by Customers Through StarHub's Rewards Redemption for Charity Programme:
\$82,105

A strong and resilient society is important for our sustained business growth. We are committed to contributing to the development of communities with a focus on empowering the less privileged. Active participation of our employees and customers is an important feature of our community initiatives.

Making our telecom services accessible to and affordable for the less privileged sections of the community remains a key focus area of our community efforts.

Passionate employee volunteerism is one of the strengths of our community initiatives. Their involvement in a number of projects not only makes a difference to the beneficiaries, but also promotes teamwork, bonding and job satisfaction.

Community Investment

Our donations and other community investments in 2014 amounted to \$1.4 million.

The StarHub Sparks Fund remains one of the prime vehicles for our community initiatives. The Fund, since inception in 2000, receives 1% of revenue earned from all IDD 008 and IDD 018 calls. Including StarHub employee donations, \$11.8m has been disbursed to various charitable projects and efforts as of 31 December 2014.

StarHub Community Outreach 2014

StarHub, StarHubbers, customers and partners joined hands to continue another year of giving joy to the less privileged. Some of the initiatives during the year are mentioned below.

Sparkler's Initiative

The Sparkler's Initiative encourages and supports the social outreach efforts of StarHub employees and customers. Approved social outreach activities by StarHub customers get dollar-for-dollar matching up to \$10,000 from the StarHub Sparks Fund for donations to the customers' selected beneficiary. StarHub donated \$10,000 to Society for the Physically Disabled (SPD), supporting Ashokan Ashik and Ashok Kumar, the first two StarHub customers to reach out with a Sparkler's Initiative.

The Sparkler's Initiative also saw StarHub staff raise funds and reach out to the less privileged through individual teams and the Annual Dinner & Dance. Beneficiaries included SWAMI, Sunbeam Place and Eagles Mediation & Counselling Centre (EMCC).

Donations from the StarHub Sparks Fund also matched donations for celebrity episodes of *Silence!*, a StarHub-produced reality game show. The donations went to Deaf Sports Association (Singapore), Focus on the Family and Samaritans of Singapore (SOS).



STARHUB DONATED
\$10,000
 to SPD, supporting the first two StarHub customers to reach out with a Sparkler's Initiative.

01. StarHub volunteers and DAS children played Maths games together.

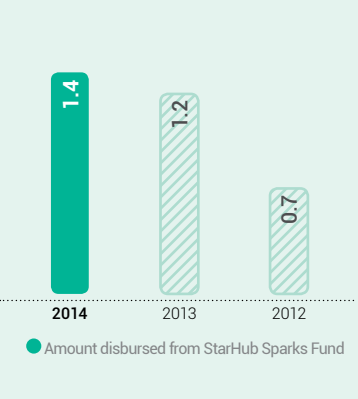
02. A StarHubber showed a MINDS student how to use a smartphone.



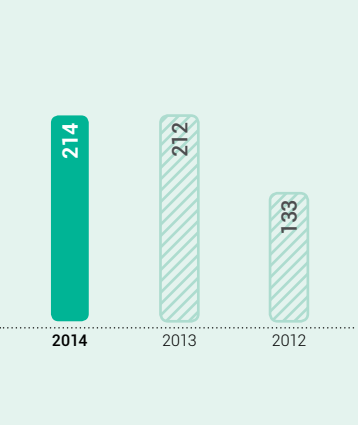
SUSTAINABILITY REPORT 2014

Building with Our Community

Community investment (\$\$million)



Employee volunteerism (days)



Empowerment

StarHub believes in empowering the less privileged to be more independent, to rise out of the poverty rut and to be able to contribute to society.

In 2014, StarHub's title sponsorship of SPD's IAC Certificate in Office Skills programme saw another 27 participants over two batches. To date, 38 Persons With Disabilities (PWDs) altogether have gone through this programme to learn how to operate in an office environment and 14 have found open employment.

The StarHub Entrepreneurs with Disabilities programme was established in 2013. In 2014, four more bazaar events were organised, giving 26 PWDs an opportunity to experience first-hand what selling to others is like. This gave them valuable learning opportunities on their journey to become entrepreneurs.

We renewed our Title Sponsorship of the StarHub-Central CDC Nurture Programme with a \$240,000 donation. This was commemorated with 52 StarHubbers and their children taking 136 children from low-income families in Central CDC on a Nurturing Science Stars Journey at the Singapore Science Centre. In 2014, about 570 children benefitted from Nurture, which uses literary

activities to boost children's linguistic and academic skills, as well as their character.

30 StarHubbers took 34 children from the Dyslexia Association of Singapore (DAS) on a StarHub-DAS Challenge around StarHub Green, giving StarHubbers and children alike an insight into the challenges that dyslexia poses. The event commemorated StarHub's \$160,500 donation towards DAS' Maths Programme. These supported 100 primary school children's specialised education for Mathematics topics—including basic arithmetic, fractions and geometry—which resulted in an overall improvement of up to 36% in their scores.

StarHub was the title sponsor of the StarHub-ISCOS Bursary Awards 2014. 18 StarHub volunteers helped out at the awards presentation ceremony, ushering the students and their guests, as well as running educational and entertaining game stalls for the children. This year, 165 needy students received an award due to their successful achievement of better grades.

We have outsourced some of our outbound telemarketing services to Agape Connecting People Pte Ltd., a social enterprise started by a former prison inmate to create employment opportunities for the former prisoners.





100%
of the former inmates employed by Agape Connecting People Pte Ltd. have not reverted to crime.

The enterprise has the distinction that 100% of the former inmates employed by it have not reverted to crime.

Family Time

While StarHub's products and services constantly enhance customers' lifestyles with improved connectivity and convenience, we also believe that the most important gift of all is Family.

40 StarHubbers and 68 of their family members teamed up with 23 less privileged families from EMCC for a morning of fun at the Children's Playground at Gardens by the Bay. The games they played, and StarHub's \$20,000 donation to EMCC, demonstrated StarHub's commitment to quality family time.

StarHub employees contributed hundreds of dollars worth of groceries—consisting of milk, rice, cereal, canned food and various other daily necessities—to Student Advisory Centre's Food for Families programme, to feed low-income families.

Accessibility

Communication is very important, especially in this increasingly connected world. In 2014, StarHub continued to help provide mobile communication to those for whom it may be a luxury that is not easily afforded.

StarHub launched 4G4Good, a first-in-Singapore charitable drive for StarHub Mobile post-paid customers to pledge their unused SMS, talktime and mobile data to provide these telecommunication services for free to the less privileged in the community. A total of 7,370 pledges were received, allowing 500 less privileged beneficiaries to each enjoy 500 SMS, 120 minutes of talktime and 1.5GB every month for a year from 4Q14. The beneficiaries came from AWWA, Cerebral Palsy Alliance Singapore (CPAS), Singapore Association for the Visually Handicapped (SAVH), ISCOS and SPD.

StarHub committed to a year-long contribution to ISCOS' Gift of Hope package, an initial relief package given to recently released ex-offenders to help them get back on their feet in the immediate days after their release. StarHub's contribution includes a free pre-paid SIM card and two free top-up cards, as well as a new sling bag for the Gift of Hope items.



01. Central Singapore District Mayor Sam Tan (left) accepting the title sponsorship cheque from StarHub SVP of HR Chan Hoi San (right).

02. Shavees at StarHub's satellite Hair for Hope event.

03. Food bins for the donation of food items for the less privileged.

04. StarHub CMO Jeannie Ong (left) and ISCOS ED Patrick Ng (right) presenting the Gift of Hope to former offender Yong Ah Seng.

SUSTAINABILITY REPORT 2014

Building with Our Community

StarHub's Golden Gurus—eight tech-savvy senior citizens aged between 58 and 77 who act as information technology (IT) champions for their peers—have been actively sharing their IT knowledge with other seniors. They do this via public sessions and workshops, blogs, a dedicated Facebook application within StarHub's Facebook page and a dedicated page in the StarHub Community on StarHub's website at www.starhub.com

Our Active Stars scheme offers 25% extra credits on pre-paid cards for senior citizens aged 55 years and above. The scheme also offers discounted mobile plans, designated handsets at zero cost and special discounts on select TV channels. Our Active Plus programme allows senior citizens to enjoy a host of benefits and discounts at partner outlets.

MySmartEye, our award-winning app which allows a worldwide community of micro-volunteers to lend the gift of sight to the visually impaired, continues to benefit hundreds of users worldwide. In 2014, we

also offered SmartBuddy, our mobile plan specially packaged with more talk time, SMS and data for the visually and hearing impaired, to PWDs.

Outreach

37 StarHubbers and their family members joined more than 8,500 walkers in the 4km Community Chest Heartstrings Walk 2014 around Marina Bay to raise funds for the needy. StarHub was a Diamond Partner, with a \$300,000 donation to programmes run by Counselling & Care Centre, SOS and Family Service Centres.

58 StarHubbers visited children at Sunbeam Place, a home for children and young persons aged 2 to 18 years who are in need of safety and protection. The StarHub employees engaged them in games, food and handicraft activities, as well as painted a cheery wall mural with them.

Engaging Others

StarHub's third consecutive Hair for Hope satellite event saw a new high of 101 shavees—including



\$1,171,300
WORTH OF
TVC

spots donated to Children's Cancer Foundation, WWF and Make-A-Wish Foundation.

01. StarHub volunteers from CMO Group with the new wall mural for Sunbeam Place.

02. StarHub volunteer and Nurture children at the Nurturing Science Stars Journey.

03. Families from StarHub and EMCC teamed up to play games at Gardens by the Bay's Children's Playground.



employees, subsidiary staff, media, business partners and customers—shave their heads to raise over \$120,000 for children with cancer and their families.

Funds were raised by partners and employees alike at the annual StarHub Open for SAVH and Metta. The services of visually impaired masseurs and trophies handmade by Metta students were also employed and purchased to support the livelihood of the beneficiaries. Altogether, \$320,355 was donated to Metta and SAVH.

For Christmas 2014, StarHub offered business partners, corporate customers and friends from the media the opportunity to decline their usual Christmas hamper in exchange for tickets to *Junior Claus*, a Singapore Repertory Theatre production, for children from the Nurture Programme and their families. The declinations received allowed 240 children and their family members to spend some quality time together.

StarHub customers can use their Rewards points to redeem tax-deductible donations to selected beneficiaries under the StarHub Rewards Redemption for Charity Programme. In 2014, \$71,600 in donations to MINDS Towner Gardens School was redeemed. \$10,505 in donations was redeemed for Care Corner Counselling Centre, which was added to the redemption catalogue in August 2014.

Other In-Kind Support

We continued to make in-kind donations in support of social and environmental causes in 2014. These included \$325,500 worth of television commercial spots for Children Cancer Foundation's Hair for Hope initiative, \$483,000 worth of TVC spots for WWF's Earth Hour campaign and \$362,800 worth of TVC spots to support Make-A-Wish Foundation's Santa Run.

Beneficiaries of StarHub's Community Outreach Programmes in 2014

- \$300,000 for the Community Chest Heartstrings Walk 2014 as a Diamond Partner.
- \$320,355 to Metta Arts and Singapore Association of the Visually Handicapped, raised at the StarHub Annual Golf Open.
- \$240,000 as the Title Sponsor of Central Singapore Community Development Council's Nurture Programme for children from less privileged families.
- \$160,500 to the Dyslexia Association of Singapore.
- \$90,000 for Hair for Hope project to the Children's Cancer Foundation.
- \$28,440 to Eagles Mediation & Counselling Centre.
- \$24,410 towards contributions for ISCOS' Gift of Hope.
- \$17,000 to Samaritans of Singapore, Deaf Sports Association (Singapore) and Focus on the Family raised through celebrity episodes of StarHub-produced reality game show *Silence!*
- \$10,000 to Society for Physically Disabled. In 2013, we had committed \$200,000 over two years toward their IAC Certificate in Office Skills Programme for the organisation.
- \$10,000 to Sunshine Welfare Action Mission.
- \$71,600 to MINDS Towner Gardens School redeemed under StarHub Rewards Redemption for Charity Programme.
- \$10,505 to Care Corner Counselling Centre under the StarHub Rewards Redemption for Charity Programme.

Making our telecom services accessible to and affordable for the less privileged sections of the community remains a key focus area of our community efforts.

SUSTAINABILITY REPORT 2014



Our Commitments

- Create sustainable value for shareholders as well as stakeholders.
- Make a positive indirect impact on local economy and communities.
- Support local suppliers.
- Invest in infrastructure.

Performance Highlights

Net Profit: \$371m	Local Suppliers' Share in Total Supplier Purchases: 91%
Direct Jobs: 3,281	
Local Suppliers: 86%	

Economic Performance

We are committed to sustainable business growth.



STARHUB PROVIDED
3,281
Direct Jobs
across the Group as of end December 2014 and a large number of indirect jobs through our suppliers, retailers and business partners.

Our economic policies and strategies create value for both shareholders and stakeholders. Our shareholders have enjoyed sustained and healthy returns over the years. At the same time, our operations contribute to the larger economy of Singapore by building and maintaining a robust info-communications infrastructure. Our information and telecommunications services boost competitiveness and productivity of businesses, and empower the community. Our indirect economic contributions also include creation of direct and indirect jobs, taxes paid and regular investments in the community.

StarHub provided 3,281 direct jobs across the Group as of end December 2014. We also create a large number of indirect jobs through our suppliers, retailers and business partners.

Our operating expenditure, including staff costs, exceeded \$1.9 billion in 2014, contributing to the national economic activity. We paid \$275 million in wages, adding further value to the local economy.

Supporting Local Suppliers

Our support to local suppliers indirectly contributes to the national economic development through supporting jobs and tax opportunities for the government. Local suppliers accounted for 86% of our entire supplier base in 2014. The local suppliers accounted for 91% of the total purchases in 2014.

Investing In Infrastructure

We continue to invest in upgrading the telecommunications, broadband and TV infrastructure to adopt the latest technologies and energy efficiency. A major portion of our \$321.6 million CAPEX was used for infrastructural investments and 4G spectrum licences.

Investing In Research and Development

We regularly invest in both short- and long-term technology innovation. Short-term innovation is usually deployed within one to three years and encompasses upgrades to network infrastructure and evolutionary development based on established industry roadmaps (e.g. 4G to 5G; fibre upgrades). On the other hand, long-term innovation refers to technology that is currently in its nascent stage and may not actually reach mass market adoption until three to seven years later. Areas that StarHub is exploring include Internet of Things, Smart Transportation and new wireless technologies.

Financial Assistance from the Government

We received \$49,496 in subsidy for employee training in 2014 under schemes run by organisations such as WDA and IDA.

Financial Performance

A summarised version of our economic performance is presented below in accordance with the GRI G4 guidelines. These figures have been extracted from the Audited Annual Report approved by the Board of Directors for the respective financial years. Please refer to Group Financial Review and Financial Statements sections of this report for more detailed information on our financial performance.

Summary of StarHub's Economic Performance (\$m)

Economic Performance Indicators

	2014	2013	2012
Operating revenue	2,387	2,370	2,434
Net profit	371	380	370
Operating costs (including staff costs)	1,957	1,946	2,001
Staff costs	275	277	266
Dividends paid to shareholders	345	344	343



Representatives from LTA, SMRT, StarHub and IBM agreed to collaborate to improve transport with data for commuters in Singapore.

SUSTAINABILITY REPORT

GRI CONTENT INDEX FOR 'IN ACCORDANCE' – CORE

GENERAL STANDARD DISCLOSURES		EXTERNAL ASSURANCE
		Indicate if the Standard Disclosure Item has been externally assured.
		<i>We did not seek external assurance for this report.</i>
GENERAL STANDARD DISCLOSURES		Page no./Direct Reference
STRATEGY AND ANALYSIS		
G4 -1	Provide a statement from the most senior decision-maker of the organisation (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.	16
ORGANISATIONAL PROFILE		
G4-3	Report the name of the organisation.	Cover
G4-4	Report the primary brands, products, and services.	3, 5
G4-5	Report the location of the organisation's headquarters.	Singapore
G4-6	Report the number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Primarily Singapore
G4-7	Report the nature of ownership and legal form.	96, 176
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	2-5
G4-9	Report the scale of the organisation.	2-5, 60
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organisation's work is performed by workers who are legally recognised as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.	60, 72-75
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	76
G4-12	Describe the organisation's supply chain.	71
G4-13	Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain, including: Changes in the location of, or changes in, operations, including facility openings, closings, and expansions, Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organisations), Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination.	No significant changes.
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation.	66, 109
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	58, 69, 75, 79, 100
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation: Holds a position on the governance body, participates in projects or committees, provides substantive funding beyond routine membership dues, views membership as strategic.	64
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	a. List all entities included in the organisation's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the report.	149
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organisation has implemented the Reporting Principles for Defining Report Content.	59
G4-19	List all the Material Aspects identified in the process for defining report content.	66

G4-20	For each Material Aspect, report the Aspect Boundary within the organisation.	67
G4-21	For each Material Aspect, report the Aspect Boundary outside the organisation.	67
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	59
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	66

STAKEHOLDER ENGAGEMENT

G4-24	Provide a list of stakeholder groups engaged by the organisation.	62-65
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	62-65
G4-26	Report the organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	62-65
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	62-65

REPORT PROFILE

G4-28	Reporting period (such as fiscal or calendar year) for information provided.	58
G4-29	Date of most recent previous report (if any).	58
G4-30	Reporting cycle (such as annual, biennial).	58
G4-31	Provide the contact point for questions regarding the report or its contents.	60
G4-32	a. Report the 'in accordance' option the organisation has chosen. b. Report the GRI Content Index for the chosen option. c. Report the reference to the External Assurance Report, if the report has been externally assured.	58
G4-33	a. Report the organisation's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organisation and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organisation's sustainability report.	60

GOVERNANCE

G4-34	Report the governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	61, 100-113
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ETHICS AND INTEGRITY

G4-56	Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	Inside front cover, 61, 113
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SPECIFIC STANDARD DISCLOSURES

Material Aspects	DMA and Indicators	Page no.
DMAS		
G4 DMA	Indirect economic impact	90-91
G4 DMA	Procurement Practices	71
G4: DMA	Energy	80
G4: DMA	Emissions	80
G4-DMA	Supplier Environmental Assessment	71
G4-DMA	Employment	72-73
G4-DMA	Equal remuneration for women and men	73
G4-DMA	Supplier Assessment for Labour Practices	71
G4-DMA	Freedom of Association and Collective Bargaining	76
G4-DMA	Supplier Human Rights Assessment	71
G4-DMA	Local Communities	84-85
G4-DMA	Anti-corruption	113
G4-DMA	Supplier Assessment for Impacts on Society	71
G4-DMA	Customer Health and Safety	70
G4-DMA	Product and Service Labelling	70

SUSTAINABILITY REPORT

ECONOMIC PERFORMANCE		
G4-EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	91, 130-131
G4-EC2	Report risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue or expenditure.	79
INDIRECT ECONOMIC IMPACTS		
G4-EC7	Development and impact of infrastructure investments and services supported.	91
G4-EC8	Significant indirect economic impacts including the extent of impacts.	91
PROCUREMENT PRACTICES		
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	71
ENERGY		
G4-EN3	Energy consumption within the organisation.	80, 82
G4-EN5	Energy intensity.	82
G4-EN6	Reduction of energy consumption.	80
WATER		
G4-EN8	Total water withdrawal by source.	81-82
EMISSIONS		
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1).	80, 82
G4-EN16	Indirect greenhouse gas (GHG) emissions (Scope 2).	80, 82
G4-EN18	Greenhouse gas (GHG) emissions intensity.	80, 82
G4-EN19	Reduction of greenhouse gas (GHG) emissions.	80, 82
G4-EN21	Emissions of ozone-depleting substances (ODS)	80
EFFLUENTS AND WASTE		
G4-EN23	Total weight of waste by type and disposal method.	82
COMPLIANCE		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	83
SUPPLIER ENVIRONMENTAL ASSESSMENT		
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	71
EMPLOYMENT		
G4-LA1	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	75-76
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	75-76
TRAINING AND EDUCATION		
G4-LA9	Average hours of training per year per employee by gender, and by employee category (e.g. executive-level, management-level, etc.)	73, 75
G4-LA10	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	75, 77
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender, and by employee category.	75
DIVERSITY AND EQUAL OPPORTUNITY		
G4-LA12	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	74-75
EQUAL REMUNERATION FOR WOMEN AND MEN		
G4-LA13	Report the ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.	73
SUPPLIER ASSESSMENT FOR LABOUR PRACTICES		
G4-LA15	Report the number of suppliers subject to impact assessments for labour practices.	71
NON-DISCRIMINATION		
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	76

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of Association and collective bargaining may be violated or at significant risk, an measures taken to support these rights.	76
CHILD LABOUR		
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.	76
FORCED OR COMPULSORY LABOUR		
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.	76
LOCAL COMMUNITIES		
G4-S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	85-89
COMPLIANCE		
G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	71
PRODUCT AND SERVICE LABELLING		
G4-PR5	Results or key conclusions of surveys measuring customer satisfaction conducted in the reporting period.	70
CUSTOMER PRIVACY		
G4-PR8	Total number of substantiated complaints received regarding breaches of customer privacy and losses of customer data.	69
GRI TELECOMMUNICATION SECTOR SPECIFIC INDICATORS		
HEALTH AND SAFETY		
I03	Practices to ensure health and safety of field personnel involved in the installation, operation and maintenance of masts, base stations, laying cables and other outside plant.	77
I05	Compliance with ICNIRP (International Commission on Non-Ionising Radiation Protection) guidelines on exposure to radio frequency (RF) emissions from base stations	77
I07	Policies and practices on the siting of masts and transmission sites including stakeholder consultation, site sharing and initiatives to reduce visual impacts.	77
I08	Number and percentage of stand-alone sites, shared sites and sites on existing structures.	77
PROVIDING ACCESS		
PA1	Policies and practices to enable the deployment of telecommunications infrastructure and access to telecommunications products and services in remote and low population density areas	69
PA2	Policies and practices to overcome barriers for access and use of telecommunication products and services including: language, culture, illiteracy, and lack of education, income, disabilities, and age. Include an explanation of business models applied.	69
PA3	Policies and practices to ensure availability and reliability of telecommunications products and services and quantify, where possible, time periods and locations of down time.	69
PA4	Quantify the level of availability of telecommunications products and services in areas where the organisation operates.	69
PA5	Number and types of telecommunications products and services provided to and used by low and no income sectors of the population	69
PA6	Programmes to provide and maintain telecommunication products and services in emergency situations and for disaster relief.	69
PA7	Policies and practices to manage human rights issues relating to access and use of telecommunications products and services	69
PA10	Initiatives to ensure clarity of charges and tariffs	70
GRI MEDIA SECTOR SPECIFIC INDICATORS		
PRODUCT RESPONSIBILITY		
M2	Methodology for assessing and monitoring adherence to content creation values	69
M3	Actions taken to improve adherence to content creation values, and results obtained.	69
M4	Actions taken to improve performance in relation to content dissemination issues (accessibility and protection of vulnerable audiences and informed decision making) and results obtained.	69

INVESTOR RELATIONS

Ever since we listed on the SGX-ST back in October 2004, our commitment to good corporate governance has never wavered.

Our IR team, led by our CEO, holds this firm and strong belief that it is our duty to communicate with all shareholders effectively and regularly. We are committed to making timely, full and accurate disclosure to all shareholders.

We run an active IR programme, spanning the whole gamut of activities from quarterly briefings to presentations and meetings with the financial community. In 2014, we met over 240 investors in some 200 meetings. While our business is largely domestic, our shareholders' base is international and our IR activities reflect that. While some of these meetings were held in our home base Singapore, we have met up with many investors and analysts in key financial hubs like London and New York too. In 2014, we added Copenhagen and Stockholm.

As info-communications is a fast-moving industry, some investors do have ad-hoc queries. To this end, we address their queries and make our senior management team available when possible, instead of making them wait till the next quarterly results announcement.

Our quarterly earnings calls see active participation by the media, as well as both analysts and fund managers alike. Over the years, we have built a great rapport with many of them. On one hand, we present the StarHub story; on the other hand, they help us better understand how else we can improve our standing in various aspects like finance, strategy and operations. This is done via an independent perception study.

Besides the usual presentation decks, financial statements, we have also made it easy for investors or any interested party to check back in at a later date with recordings of the calls and even transcripts of the sessions. Regardless of how we engage our shareholders,

we make sure our message is clear and consistent, giving them plenty of visibility and assurance.

For example, since FY2005, we have been paying quarterly dividends. We appreciate that our dividend payout is a key reason why many investors stay with us throughout the overall market cycles. Therefore, we have made it a point to share our visibility on the amount of dividends we plan to pay, as well as what influences our decision in case we make any changes, like reserves, free cash flows and earnings.



We have recognised early that there are some investors who have a mandate to only own stakes in companies that meet certain criteria in sustainability. Our overall corporate social responsibility (CSR) programme includes plenty of related projects and initiatives, which are visible ways we demonstrate our commitment to the wider community. We believe there is a very comfortable intersection between what these investors require, and what we are already doing. More details are included in our sustainability report.

For the fourth consecutive year, we have included a sustainability report, which will not just be a list of CSR activities, but a report that gives a bigger picture of our risk management and operational impacts.

INVESTORS' AND SHAREHOLDERS' PERCEPTIONS

We are constantly looking at ways to improve our IR activities. One way is by trying to measure the effectiveness of our engagements with the investor community. We have hired an independent research firm, to gather both qualitative views and quantitative responses from key opinion leaders within this field. Based on the analysis, our Board and senior management would then try to make the necessary improvements.

To complement and acquire a clearer picture of our shareholders' profile, we would perform a share registry analysis after every quarter's results. The shareholders' profile has shown that outside Singapore, the other top geographical regions where our investors are based in are in Asia, the UK and USA.

ACCOLADES AND ACKNOWLEDGMENTS

We are glad to have received a steady stream of awards – including at the regional and global levels, acknowledging our commitment in IR. In the 2014 SIAS Investors' Choice Award, we were named winner of the 'Most Transparent Company, Services Category'. Jeannie Ong was named 'Best IR Professional in Singapore', at the Asian Excellence Recognition Awards 2014 organised by Corporate Governance Asia. She also won the 'Best IR Officer' in IR Magazine's South East Asia awards for the third consecutive year in 2014.

In the same year, we were included in the 'Global Top 50 IR' awards organised by London-based IR Magazine. This puts us in the same category as global giants with market values many folds of ours. In the same awards, Jeannie was also named runner-up in the 'Global Top IRO', for companies with market value below US\$7.5 billion.

Why Invest in StarHub



EVENTS/FINANCIAL CALENDAR

Financial Calendar 2015/2016*

Feb 2015
FY2014 Results
Announcement

Apr 2015
17th Annual
General Meeting

May 2015
1Q2015 Results
Announcement

Aug 2015
1H2015 Results
Announcements

Nov 2015
3Q2015 Results
Announcement

Feb 2016
FY2015 Results
Announcement

* Subject to change. Please check www.starhub.com/ir for the latest updates.

IR Calendar of Events

1Q of 2014 *(events & results);*

- FY2013 results announcement
- Singapore Investor Roadshows
- Nomura ASEAN Conference – SINGAPORE
- Daiwa Investors Conference – TOKYO
- Macquarie ASEAN Corporate Day – HONG KONG
- Credit Suisse Asian Investment Conference – HONG KONG

2Q of 2014 *(events & results);*

- 1Q2014 results announcement
- Singapore Investor Roadshows
- UBS Pan-Asia Telco Conference – HONG KONG
- DBAccess Asia – SINGAPORE
- Nomura Investment Forum Asia – SINGAPORE
- UBS Non-deal Roadshow – EUROPE & USA

3Q of 2014 *(events & results);*

- 2Q2014 results announcement
- Singapore Investor Roadshows
- Macquarie ASEAN Corporate Day – SINGAPORE
- UBS ASEAN Conference – SINGAPORE
- CLSA Investors' Forum – HONG KONG

4Q of 2014 *(events & results);*

- 3Q2013 results announcement
- Singapore Investor Roadshows
- Morgan Stanley APAC Summit – SINGAPORE
- HSBC Annual Asia Investor Forum – USA

AWARDS AND INDUSTRY HONOURS

CORPORATE

2014 Corporate Knights' Global 100

- Ranked 29th in the list of the world's most sustainable company
- Remains the only local telco to be awarded

2014 Global Telecoms Business Innovation Awards

- Wireless Network Infrastructure Innovation – WINNER

Asia Corporate Excellence & Sustainability Awards 2014

- Top Five Companies to Work For in Asia

Best Companies for Mums Awards 2014

- Best Companies for Mums: StarHub
- Most Supportive Supervisor: Chan Hoi San

Legal 500's Corporate Counsel 100

- **Veronica Lai**

The Singapore HEALTH Award 2014

- GOLD Award

INVESTOR RELATIONS AWARDS

4th Asian Excellence Awards 2014

- Best IR Professional in Singapore: **Jeannie Ong**

5th Asian Corporate Director Recognition Awards 2014

- Asian Corporate Director of the Year Award: **Tan Tong Hai**

10th Corporate Governance Asia Recognition Awards 2014

- Icon on Corporate Governance

Governance and Transparency Index 2014

- Ranked 19th out of 644 companies

IR Magazine Global Top 50 Awards 2014

- StarHub ranked 12th in the Global Top 50
- Global Top Small/Mid-cap IRO: RUNNER-UP (**Jeannie Ong**)

IR Magazine Awards – South East Asia 2014

- – Best IR Officer: WINNER (**Jeannie Ong**)
- Best Investor Meetings – WINNER
- Best in Sector – RUNNER-UP (*Technology & Communications*)
- Grand Prix for Best Overall IR – RUNNER-UP (*Large Cap category*)

- Best IR By A Singaporean Company – RUNNER-UP
- Best Use Of Technology – RUNNER-UP

SIAS 15th Investors' Choice Award

- Most Transparent Company Award (Services Category) – WINNER

ADVERTISING/BRANDING/CUSTOMER SERVICE/MARKETING

2014 Frost & Sullivan Best Practices in Customer Experience Awards

- Best Customer Experience in Telecommunications – Services

2014 PromaxBDA Asia Awards

- **Five Golds** for Best Out-of-House Station Image; Best Movie Campaign; Best Sports Promo; Best Sports Campaign; and Best On-air Ident
- **Five Silvers** for Best Out-of-House Station Image; Best Movie Promo; Best Interstitial; Best Viral Promo or Video; and Best Animation

2014 PromaxBDA Global Excellence Awards

- Art Direction & Design: Sports Program Campaign (GOLD)
- Art Direction & Design: Sports Program Spot (BRONZE)

Asia Communication Awards 2014

- The Green Award

Asia-Pacific Stevie Awards 2014

- New Technology Product or Service of the Year: SILVER
- New Consumer Product of the Year: SILVER
- Technology Company of the Year: SILVER
- Woman of the Year: SILVER (**Jeannie Ong**)

Creative Circle Awards 2014

- Best of Category for an Integrated Campaign led by Promo & Activation
- **Four Golds** for Direct Integrated Campaigns, Direct Response/Digital, Integrated – Best of Category and Integrated Campaign led by Promo & Activation
- **Four Silvers** for Outdoor & Poster – Ambient/Live Stunts & Promotion Events, Product Launch or Relaunch, Use of Event & Field Marketing and Use of TV or Radio in a Promo Campaign
- **Two Bronzes** for Integrated – Best of Category and

Integrated Campaign led by Mobile

Hall of Fame Awards 2014

- Brand of the Year: WINNER
- Client of the Year (Brand Steward): WINNER (**Jeannie Ong**)

HWM + HardwareZone.com Tech Awards 2014

- Best Pay TV Service (Singapore)

International Business Awards 2014

- Experimental & Innovation Apps: GOLD
- Social Apps: GOLD
- Customer Service Department of the Year, Telecommunications: BRONZE
- Marketing Campaign of the Year – Internet/Telecom: GOLD

Loyalty & Engagement Awards 2014

- Best Partnership in a Loyalty Programme: GOLD
- Best Use of Social: SILVER

Marketing Excellence Awards 2014

- Marketing Innovation: BRONZE

New York Festivals 2014

- Station/Image Promotion: GOLD
- **Two Silvers** for Graphic Design: Promotion/ Open & ID and Sports Program Promotion
- **Five Bronzes** for Best Camerawork, Editing, Entertainment Program Promotion, Sports Program Promotion and Station/ Network ID

The One Show 2014 Interactive

- Mobile Applications/Sites/ Public Service/Non-Profit: BRONZE

Singapore Media Awards 2014

- Most Innovative Contribution to a Campaign by Media Owner: WINNER

CORPORATE GOVERNANCE

Transparency, accountability and integrity: StarHub's cornerstones for a sound and sustainable business.

CORPORATE GOVERNANCE STATEMENT

To ensure the long-term success of the Group and value creation to all stakeholders, StarHub is committed to continued good corporate governance practices and to promote transparency, accountability and integrity.

CORPORATE GOVERNANCE REPORT 2014

Throughout the financial year ended 31 December 2014, StarHub has adhered in all material aspects to the principles and guidelines of the Code of Corporate Governance (Code) issued by the Monetary Authority of Singapore on 2 May 2012.

StarHub has maintained its corporate governance framework, and reviewed and refined its governance policies and practices, in the context of a dynamic and fast moving business environment.

1. BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

The Board leads, directs and works closely with the Management, with a view to the long-term success of the various businesses of the Group.

The Board's Role

The Board takes on the following roles in StarHub. It:

- provides entrepreneurial leadership and guidance to Management and steers the Group through its strategy and corporate plan;
- ensures that the necessary financial and human resources are in place for the Group to meet its objectives;
- establishes a framework of prudent and effective controls which enables risks to be assessed and managed in order to safeguard shareholders' interests and StarHub's assets. This framework is supported by clear and robust procedures and delegated authorities;
- regularly reviews management performance. At every Board meeting, the Board reviews detailed operational and financial updates which are provided by Management;
- assesses, discusses and approves key operational and business initiatives, major funding and investments proposals;
- recognises that the perceptions of key stakeholder groups affects StarHub's reputation, identifies the key stakeholder groups (which include customers, suppliers, and business partners) and guides Management in StarHub's strategy and approach in addressing the concerns of these key stakeholder groups;
- sets StarHub's values and standards (including ethical standards), to ensure that the Group's obligations to shareholders and stakeholders are well understood and duly met;
- provides guidance on sustainability issues, such as environmental and social factors, as part of the Group's strategic formulation, and encourages StarHub to take an active role in such issues; and

- ensures the Group's compliance with all relevant laws and regulations.

Directors, collectively and individually, are obliged to act in good faith and consider the best interests of StarHub and all its shareholders at all times.

The Board has established a policy on relevant authority and approval limits for capital and operating expenditure, acquisition and disposal of investments, procurement of goods and services, bank facilities and cheque signatories. Within this framework, the Board has set authority and approval sub-limits for delegation to various Management levels to optimise operational efficiency.

Board Committees

The Board has established the following Board Committees to facilitate the discharge of its functions:

- the Audit Committee (AC);
- the Nominating Committee (NC);
- the Executive Resource and Compensation Committee (ERCC);
- the Strategy Committee (SC); and
- the Risk Committee (RC).

Additional Board Committees may be formed as necessitated by business imperatives.

The Board delegates specific areas of responsibilities to each Board Committee. Each Board Committee is required to operate and make decisions on matters within its terms of reference and applicable limits of authority.

The Board reviews the decisions made by each Board Committee. Minutes of the meetings of the AC, the SC and the RC are circulated to the Board to keep all Directors updated on the outcome of the meetings, decisions and activities of the respective Board Committees.

Where the role of the Board Committee is to review and make recommendations, the Board Committee recommends the course of action to the Board for its consideration and decision. One such Board Committee is the SC for which non-executive Directors and co-opted members who are independent of Management have been appointed. They are:

- Mr Nihal Vijaya Devadas Kaviratne CBE (SC Chairman);
- Mr Tan Guong Ching;
- Mr Steven Terrell Clontz;
- Mr Lim Ming Seong;
- Mr Liu Chee Ming;
- Mr Robert J. Sachs; and
- Mr Stephen Geoffrey Miller (co-opted).

With a view to enhance shareholder value and evolve StarHub into a 'telco of the future', the SC supports, advises and provides direction to the Group on the formulation, review and execution of the Group's strategies. The mandate for the SC includes:

- identifying and assessing significant intermediate and long-term opportunities (in terms of new frontiers of organic and inorganic growth) and threats in the Group's business areas and operations (including technology, competition, regulatory and financial) and the industry; and
- providing constructive input and recommendations to the Board on any strategic matter reviewed by the SC which requires the Board's approval.

During the financial year ended 31 December 2014, the SC held three meetings.

The composition of the other Board Committees and their specific responsibilities are set out in subsequent relevant sections of this Report.

Board Meetings

For the financial year ended 31 December 2014, the Board held a total of five meetings. Four of the meetings coincided with the announcement of the Group's quarterly and full year results. In keeping with past practice, a full-day Board Strategy offsite was held to review in depth the Group's strategy going forward and to consider and approve the Group's budget for the next financial year.

Throughout the financial year, as and when deemed necessary by the Board, additional Board meetings may be convened.

StarHub's Articles of Association allow Board meetings to be held via audio and video conferencing to facilitate the Board's decision-making process.

The Board members' meeting attendance during the financial year ended 31 December 2014 are tabulated below: (Table 1)

StarHub has a comprehensive formal induction programme for all newly-appointed Directors tailored specifically for the businesses of the Group. Each newly-appointed Director is provided with a formal letter setting out his duties and obligations as Director and how to discharge those duties for StarHub. Management gives each newly appointed Director a thorough briefing on the Group's business and governance practices including strategies, financials, operations, governance practices, risk management policies and processes, culture and values, and the key developments in the Group and industry.

To ensure that all Directors have relevant information and up-to-date working knowledge of the Group's business and operations, each Director is issued with a tablet which enables him to access the StarHub Board Portal. The StarHub Board Portal is bespoke to provide information in accordance with the guidelines and principles of the Code including:

- information on Directors' duties and how to discharge those duties;
- the Group's organisation structure;
- Senior Management's contact details;
- the respective Board Committees' terms of reference; and
- StarHub's insider trading policy.

TABLE 1

Name of Director	Meeting Attendance (in %)					
	5 Board Meetings	4 AC Meetings	3 NC Meetings	4 ERCC Meetings	3 SC Meetings	2 RC Meetings
Tan Guong Ching	100	–	–	–	100	100
Tan Tong Hai	100	–	–	–	–	100
Kua Hong Pak	100	100	–	–	–	–
Peter Seah Lim Huat	100	–	100	100	–	–
Nihal Vijaya Devadas						
Kaviratne CBE	100	100	–	–	100	–
Sio Tat Hiang	100	–	67	75	–	100
Steven Terrell Clontz	100	–	–	–	100	–
Lim Ming Seong	100	100	–	100	100	–
Teo Ek Tor	100	100	100	100	–	–
Liu Chee Ming	100	–	–	–	100	–
Robert J. Sachs	100	–	–	–	100	–
Nasser Marafih	100	–	–	–	–	–
Takeshi Kazami	100	–	–	–	–	–

CORPORATE GOVERNANCE

In addition to the above, the Directors are free to conduct independent or collective discussions with Management and subject matter experts on any area of interest or concern. Where requested, visits to operations are organised to enable Directors to have a clear understanding of issues faced at ground level.

StarHub arranges for, and funds the continuous training of the Directors and regularly organises updates in various forms to keep the Directors abreast with relevant developments. For the financial year ended 31 December 2014, the following events were conducted:

- Updates were provided on key legal, regulatory, industry and accounting changes which affect the Group. These are done during Board meetings, via email updates or specially convened sessions such as seminars and trainings (including those conducted by StarHub's panel law firms and the Singapore Institute of Directors in conjunction with SGX-ST); and
- Articles and reports (including industry news and analyst reports) relevant to the Group's businesses were circulated to the Directors and uploaded on the StarHub Board Portal for reference fortnightly.

BOARD COMPOSITION AND GUIDANCE

The Board comprises 13 Directors. Mr Tan Tong Hai, the Group CEO, is the sole executive Director on the Board.

The independent Directors on the Board are: Mr Kua Hong Pak, Mr Nihal Vijaya Devadas Kaviratne CBE, Mr Teo Ek Tor, Mr Liu Chee Ming and Mr Robert J. Sachs, representing one third of the Board. The Chairman, Mr Tan Guong Ching, is not an independent Director within the meaning of the Code given his chairmanship at Singapore Technologies Telemedia Pte Ltd.

The NC rigorously reviews the independence of each non-executive Director annually, particularly those who have served more than nine years. As at 31 December 2014, five independent Directors of StarHub, namely Mr Kua Hong Pak, Mr Nihal Vijaya Devadas Kaviratne CBE, Mr Teo Ek Tor, Mr Liu Chee Ming and Mr Robert J. Sachs have served on the Board for more than nine years. The NC recommends, and the Board takes the view that the key consideration in ascertaining the effectiveness of a Director's independence is his ability to exercise independence of mind and judgement to act honestly and in the best interest of StarHub. When assessing objectivity and independent judgment, the NC and the Board consider, *inter alia*, the approach, character and attitude of each non-executive Director, 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; and
- has any material contractual relationship with the Group other than as a Director.

After careful rigorous review, the NC recommends, and the Board is of the firm view that Mr Kua Hong Pak, Mr Nihal Vijaya Devadas Kaviratne CBE, Mr Teo Ek Tor, Mr Liu Chee Ming and Mr Robert J. Sachs have each demonstrated the essential independence of mind and judgement to act in the best interests of StarHub in the discharge of their Directors' duties, and therefore considers them to be independent.

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

The Board, through the NC, annually examines its size with a view to determining the impact of the number of Directors upon its overall effectiveness. Taking into account the scope and nature of the operations of the Group, the complexity and requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board is of the view that its current size of 13 is conducive.

The Board consists of Directors, who are business leaders and professionals with strong relevant experience in the Group's business and industry knowledge. They bring with them core competencies such as accounting and finance, business and management experience, strategic planning experience, legal and regulatory expertise and customer-based experience and knowledge. In addition, the Directors, as a group, provide an appropriate balance and diversity of skills, experience (both local and international), knowledge, culture, race and geography. These attributes encourage robust and quality deliberations among the Directors, and mitigate 'group thinking' in decision making. The Board thus enjoys the unique contribution that each Director brings in the development of the overall strategy of the Group by way of alternative perspectives and fresh challenges at discussions. The immense network of contacts across the industry which the diversity provides has proven invaluable to StarHub.

The Chairman and Directors support the CEO in stakeholder engagements, such as shareholders, business partners and regulators.

In furtherance of their duties, Directors are given access to independent professional advice at StarHub's expense should they deem such advice necessary. Non-executive Directors meet to discuss, *inter alia*, Management's performance, without the presence of Management at least once a year.

The individual profile of the Directors and all principal directorships and chairmanships in any listed companies held by the Directors currently and in the preceding three years, are found in the 'Board of Directors' and 'Directors' Particulars' sections of the Annual Report.

CHAIRMAN AND CEO

In StarHub, there is a clear division in responsibilities between the leadership of the Board and Management. The Chairman and the CEO of StarHub are separate persons, ensuring an appropriate balance of powers, increased accountability and greater capacity for the Board to make independent decisions. No one individual holds considerable concentration of power within the Group.

The Chairman is Mr Tan Guong Ching. He is a non-executive Director and is unrelated to the CEO. 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 openness and debate at the Board;
- ensures that the Directors receive complete, adequate and timely information. He works with the CEO in relation to the Board's requirements for information 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 the Board's decisions;
- facilitates the effective contribution of non-executive Directors; and
- promotes high standards of corporate governance.

The CEO is Mr Tan Tong Hai. He leads the Management, and is responsible for the day-to-day running of the Group's business operations and the effective implementation of the Group's strategies and policies.

The Board does not have a lead independent Director. The NC and the Board are of the view that the appointment of a lead independent director is not necessary as the Board has sufficient independence given that: (a) the Chairman and the CEO are separate persons; (b) the Chairman and the CEO are not family members; (c) the Chairman is not part of the Management team; and (d) the Directors are able to exercise objective and independent judgement.

BOARD MEMBERSHIP

StarHub has instituted a formal and transparent process for the selection, appointment and re-appointment of Directors to the Board. To this end, the Board has established the NC to lead on this process with written terms of reference clearly setting out its authority and duties.

The NC comprises the following non-executive Directors, who are independent of Management:

- Mr Peter Seah Lim Huat (NC Chairman);
- Mr Sio Tat Hiang; and
- Mr Teo Ek Tor.

During the financial year ended 31 December 2014, the NC held three meetings.

The Board notes that the NC Chairman and Mr Sio Tat Hiang are not considered independent within the meaning of the Code given their directorships at STT Communications Limited. However, after due consideration, the Board and the NC are of the view that such appointments do not interfere with the exercise of independent judgement by the NC Chairman and Mr Sio on the Board or prevent them from acting objectively in the best interests of the Group in carrying out their duties. The Board and the NC further note that the NC Chairman and Mr Sio are not involved in the day-to-day running of the Group's business and operations, and are independent of Management, with a clear separation of role from Management in the deliberations of the NC.

In considering each candidate (whether new or for re-appointment), the NC considers several factors, including the composition, diversity and progressive renewal of the Board, each candidate's competencies, commitment, contribution and performance (including attendance, preparedness, participation and candour), potential conflicts of interest, and the evolving needs of StarHub. This is to ensure that an appropriate balance of skills, experience, expertise and diversity is maintained on the Board. External consultants are engaged to assist with the selection process as necessary. All new appointments to the Board are subject to the approval of StarHub's regulators, the Info-communications Development Authority of Singapore and the Media Development Authority of Singapore.

In accordance with StarHub's Articles of Association, all Directors who are appointed by the Board are subject to retirement at the first Annual General Meeting (AGM) of StarHub subsequent to their appointment. One-third of all the other Directors shall retire by rotation at each AGM provided always that all Directors shall retire from office at least once in every three years. The Directors retiring from office shall be eligible for re-election by the shareholders.

Every year, the NC reviews and considers the independence of each Director. If the NC considers a Director to be independent, notwithstanding that he has one or more of the specific relationships mentioned in the Code, it provides its view to the Board for the Board's consideration. Conversely, the NC has the discretion to consider that a Director is not independent even if he does not fall within the circumstances set out in the Code, and similarly provides its views to the Board for the Board's consideration. The NC has considered and is of the view that all the independent Directors are sufficiently independent and are able to objectively exercise their judgement in the interest of StarHub.

CORPORATE GOVERNANCE

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 NC 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 for the financial year 2014, and will continue to do so in the financial year 2015. Although no maximum limit has been formally set by the Board on the number of listed company board representations a Director with multiple board representations may hold, the NC is of the view that the duties of all Directors have been fully discharged based on the time and attention devoted by each Director, their individual abilities and their respective individual contribution of skills, knowledge and experience and 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.

BOARD PERFORMANCE

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

For the financial year ended 31 December 2014, the Board engaged the assistance of Aon Hewitt Singapore Pte Ltd as independent external consultants to facilitate and enhance the annual evaluation process. The evaluation included a review of detailed questionnaires completed by each Director, which invited feedback on key areas such as:

- the adequacy of the Board composition;
- the relationship between the Board and Management, including the level of engagement and flow of information;
- the level and quality of the Directors' and Board Committees' contributions and standard of conduct;
- Board processes, including level and timeliness of information provided to the Board;
- the effectiveness of discussions and debate at Board and Board Committee meetings;
- the degree of diversity of skills, experience and knowledge of Board members; and
- the level of guidance and advisory provided to Management.

The results of the performance evaluation exercise are reported to the NC, in consultation with the Chairman. The NC reviews and recommends to the Board the steps which need to be taken to strengthen the Board's leadership so as to improve the effectiveness of the Board's oversight of StarHub. Where appropriate, Management may also be involved in the review process, and assist in implementing the measures needed.

ACCESS TO INFORMATION

Prior to each Board and Board Committee meeting, Management provides the Directors with timely information relevant to matters on the agenda for the meeting, except for the sensitive matters which may be tabled at the meeting itself. Throughout the financial year, the Board also receives monthly management and financial reports providing updates on key performance indicators and financial analysis on the Group, and regular analysts' reports and media articles on StarHub and the industry. Collectively, such reports enable the Directors to keep abreast at all times of key issues and developments in the industry, as well as challenges and opportunities for the Group and thereby make informed and sound decisions.

In addition to and independent of the information provided above, Management remains available at all times to answer any query raised by any Director. Frequent dialogue and interaction take place between Management and the Directors. The Directors are thus able to access StarHub's operations and information at a deeper level, allowing them to better strategise and guide StarHub in their role as Directors.

Furthermore, the StarHub Board Portal allows Board members to securely access and read Board/Board Committee papers and materials electronically at any place and any time, using tablet devices issued by StarHub.

The Directors have separate and independent access to the Company Secretaries. The Company Secretaries attend all Board meetings and are responsible for ensuring that board procedures are followed and that applicable rules and regulations are complied with. Under the direction of the Chairman, they facilitate good information flows within the Board and its Board Committees, between the Board and Management, and advise the Board on all legal and governance matters. Secretariat also facilitates the orientation of new Directors and assists in arranging professional development and training for Directors as required. The appointment and the removal of the Company Secretaries are subject to the Board's approval.

2. REMUNERATION MATTERS PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The Board has instituted a formal and transparent procedure for developing policies on executive remuneration and for determining the remuneration packages of individual Directors. The Board has established the ERCC to ensure this is duly implemented.

The ERCC comprises the following non-executive Directors, who are independent of Management:

- Mr Peter Seah Lim Huat (ERCC Chairman);
- Mr Sio Tat Hiang;

- Mr Lim Ming Seong; and
- Mr Teo Ek Tor.

During the financial year ended 31 December 2014, the ERCC held four meetings.

The Board notes that the ERCC Chairman, Mr Sio Tat Hiang and Mr Lim Ming Seong are not considered independent within the meaning of the Code given their directorships at STT Communications Limited. However, after due consideration, the Board and the NC are of the view that such appointments do not interfere with the exercise of independent judgement by the ERCC Chairman, Mr Sio and Mr Lim on the Board or prevent them from acting objectively in the best interests of the Group in carrying out their duties. The Board and the NC further note that the ERCC Chairman, Mr Sio and Mr Lim are not involved in the day-to-day running of the Group's business and operations, and are independent of Management, with a clear separation of role from Management in the deliberations of the ERCC.

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

- the general remuneration framework and specific remuneration packages for key management personnel (as defined in the Code); and
- the remuneration framework (including Directors' fees, allowances and share-based awards) for each Director.

When reviewing and recommending the remuneration framework and packages, the ERCC covers all aspects of remuneration including but not limited to Director's fees, salaries, allowances, bonuses, options, share based incentives and awards, and benefits in kind. The framework and packages are to be linked to:

- the performance of StarHub, the Group and the individuals;
- industry practices and compensation norms; and
- the need to attract key management personnel to ensure continuing development of talent and renewal of strong leadership for StarHub.

With regards to the CEO and key management personnel, the ERCC ensures that remuneration paid to them is strongly linked to the achievement of business and individual performance targets. The performance targets are determined by the ERCC and are set at realistic yet stretched levels each year to motivate a high degree of business performance with emphasis on both short and long-term quantifiable objectives.

In addition, the ERCC oversees the following:

- succession planning for the CEO, the CFO and other key officers. Potential candidates for immediate, medium and long term needs are identified each year;

- assessing and approving performance share awards and restricted stock awards under StarHub's approved share plans, and recommending to the Board for approval the grant of share awards to Directors and key management personnel;
- assessing and approving candidates for key appointments; and
- overseeing the development of Management and reviewing succession plans for key positions in the Group.

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 him, or where there are conflicts of interests. The CEO is present at all ERCC discussions on the compensation and incentive policies, such as share awards, bonus framework, salary and other incentive schemes, of StarHub's key staff save for ERCC discussions which relate to his 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 remuneration of the Board and executives. The ERCC has appointed Carrots Consulting Pte Ltd (Carrots) as its remuneration consultant and is satisfied that the independence and objectivity of Carrots, is not affected by any relationship between StarHub and Carrots.

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

During the financial year 2014, the ERCC engaged Carrots to conduct a Pay-for-Performance Alignment Study. The results showed Pay-for-Performance alignment for StarHub in both absolute and relative terms over the 3-year period from financial years 2011 to 2013. Carrots also conducted a Compensation Risk Assessment. ERCC reviewed the various compensation risks that may arise and introduced mitigating policies to better manage risk exposure identified. ERCC has been undertaking periodic reviews of the compensation-related risks.

LEVEL AND MIX OF REMUNERATION DISCLOSURE ON REMUNERATION Non-Executive Directors' Remuneration

Non-executive Directors receive 70% of their directors' remuneration in cash and the remaining 30% in share awards granted pursuant to the StarHub Restricted Stock Plan. This remuneration structure encourages non-executive Directors to hold shares in StarHub so as to better align the interests of the

CORPORATE GOVERNANCE

non-executive Directors with the interests of shareholders and the long-term interests of StarHub.

Cash Component

Each non-executive Director receives a basic retainer fee, attendance fee and travel allowance (for overseas Directors). Non-executive Directors who perform additional services in Board Committees receive additional fees. The Board Chairman and the Chairman of each Board Committee also receive a higher fee compared with the members of the Board and the respective Board Committees, in view of the greater responsibility carried by that office.

Share Component

The restricted share awards consist of the outright grant of fully paid shares, without any vesting conditions attached. However, in order to encourage alignment of the interests of the non-executive Directors with the interests of shareholders, non-executive Directors who receive the restricted share awards are required to hold shares in StarHub worth at least the prevailing annual basic retainer fee, or the aggregate of (a) 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 (b) 50% of the total number of shares awarded from the financial year ended 31 December 2007 to 31 December 2010, whichever is lower. Non-executive Directors can only dispose of all their shares one year after ceasing to be a Director. The number of shares to be awarded to a participating non-executive Director will be determined by reference to the volume weighted average price of a 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 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 non-executive Directors' remuneration for the financial year ended 31 December 2014 will be subject to shareholders' approval at the forthcoming AGM. (Table 2)

During the financial year ended 31 December 2014, no employee of the Group whose remuneration exceeded \$50,000 per annum was an immediate family member of any Director or the CEO.

Details of the share awards granted by StarHub to the non-executive Directors under the StarHub Restricted Stock Plan can be found in the Directors' Report.

CEO/Executive Director and Key Management Personnel Remuneration

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

Remuneration for the CEO¹ and key management personnel comprises a fixed component, variable cash component, share-based component and market-related benefits:

A. Fixed Component:

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

B. Variable Cash Component:

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

Annual Variable Bonus (AVB)

The AVB is a cash-based incentive for CEO and key management personnel, which is linked to the achievement of annual performance targets.

¹ As executive Director, the CEO is remunerated as a key management personnel of StarHub. He does not receive Directors' fees for his Board directorship with StarHub.

TABLE 2

Annual Fees for the Board

Board Chairman:	\$165,000
Non-Executive Director:	\$65,000

Additional Annual Fees for the Board Committees

Type of Committee	Chairman	Member
Audit Committee	\$43,000	\$25,000
Nominating Committee	\$24,000	\$15,000
Executive Resource and Compensation Committee	\$30,000	\$16,000
Strategy Committee	\$30,000	\$16,000
Risk Committee	\$30,000	\$16,000

Breakdown of Directors' Remuneration

The following shows the composition of Directors' remuneration for the financial year ended 31 December 2014:

Name of Executive Director	Executive Director's Remuneration				Total (\$)
	Fixed ⁽¹⁾ (\$)	Variable ⁽²⁾ (\$)	Benefits ⁽³⁾ (\$)	Share-based Compensation ⁽⁴⁾ (\$)	
Tan Tong Hai	955,136	881,145	77,923	1,347,587	3,261,791 ⁽⁵⁾

Name of Non-Executive Directors	Non-Executive Directors' Remuneration		Total (\$)
	Cash-based (\$)	Share-based (\$)	
Tan Guong Ching	169,400	72,600	242,000
Kua Hong Pak	96,950	– ^(a)	96,950
Peter Seah Lim Huat	108,850	46,650	155,500
Nihal Vijaya Devadas Kaviratne CBE	119,000	51,000	170,000
Sio Tat Hiang ^(b)	103,950	44,550	148,500
Steven Terrell Clontz ^(b)	111,650	47,850	159,500
Lim Ming Seong	116,550	49,950	166,500
Teo Ek Tor	115,850	49,650	165,500
Liu Chee Ming	94,150	40,350	134,500
Robert J. Sachs	84,700	36,300	121,000
Nasser Marafih	96,250	41,250	137,500
Takeshi Kazami ^(b)	61,250	– ^(c)	61,250

(1) Fixed refers to base salary, Annual Wage Supplement and fixed allowances earned for the year ended 31 December 2014.

(2) Variable refers to incentives paid and accrued for the year pursuant to StarHub's performance bonus scheme and Economic Value Added (EVA) scheme for the year ended 31 December 2014. StarHub's performance bonus scheme is the "balanced scorecard" scheme used to determine the annual performance bonuses payable to StarHub's employees. The EVA scheme rewards for sustainable shareholder value creation over the medium term, with alignment to StarHub's strategic business objectives. Under this scheme, each of StarHub's employees is given clear objectives on his personal scorecard, which are aligned to StarHub's overall strategic objectives of growth and profitability, creating customer value, operational efficiency, excellence and optimal customer management, and developing a motivated and well trained workforce. Under the EVA scheme, a notional EVA bank account is set up for each senior executive, into which the annual EVA performance bonus earned by him each year is credited. One third of the total amount in his EVA bank account is payable annually at a later date in the following financial year, and the remaining balance in his EVA bank account is 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.

(3) Benefits are stated on the basis of direct costs to StarHub, and include tax equalisation, housing and other non-cash benefits such as leave, medical scheme and club membership.

(4) Based on the fair values of PSP and RSP contingent shares granted in 2014, using the Monte Carlo simulation model.

(5) For the financial year 2013, the total remuneration paid to the CEO was \$3,176,499.

(a) Mr Kua Hong Pak had declined the share award and will only receive the cash component of his remuneration. Mr Kua holds no shares in StarHub.

(b) Fees are payable to Director's employer company.

(c) Mr Takeshi Kazami had declined the share award and will only receive the cash component of his remuneration. Mr Kazami holds no shares in StarHub.

Individual performance objectives are set at the beginning of each financial year. The objectives are aligned to the overall strategic, financial and operational goals of the Group, and are cascaded down to a select group of key management personnel using scorecards, creating alignment between the performance of the Group, the Company and the individual. While the performance objectives are different for each executive, they are assessed on the same principles across the following four broad categories of targets:

- Business
- Customer
- Process
- People

The target AVB for the CEO and key management personnel is pre-set at a fixed percentage of their annual base salary, and is adjusted based on the Group performance and the achievement of individual performance targets at the end of performance year. The final AVB payout can range from 0 to 1.5 times of the target.

EVA Incentive Plan (EIP)

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

CORPORATE GOVERNANCE

Under the plan, one-third of the accumulated EVA-based bonus, comprising the EVA declared for the financial year and the balance of such bonus brought forward from preceding financial years (which comprises multiple years of incentive dollars retained in the EVA bank), is paid out in cash each financial year. The remaining two-thirds are carried forward in the individual executive's EVA bank. Amounts in the EVA bank are at risk because negative EVA will result in a clawback of EVA accumulated in previous financial years. This mechanism encourages the CEO and key management personnel to work for sustainable EVA generation and to 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 financial year 2014 had partially met the pre-determined targets, the resulting annual payout under EVA was adjusted accordingly to reflect the performance level achieved.

C. Share-based Compensation: Performance Share Plan (PSP)

The PSP serves as a long-term incentive to motivate the 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 on an annual basis, conditional on meeting targets set for a three-year performance period. The performance measures used in PSP grants during the financial year ended 31 December 2014 are:

- Relative TSR against the MSCI Asia Pacific Telecommunications Index (including Japan); and
- Absolute Total Shareholder Return (TSR) against Cost of Equity hurdles (i.e. measure of Wealth Added).

A minimum threshold performance is required for any performance shares to be released to the recipient at the end of the performance period. The actual number of performance 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 2.0 times of target. For the performance measure of Relative TSR, the achievement factor ranges from 0 to 1.5 times of target.

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

The Group has attained an achievement factor which is reflective of meeting the pre-determined target performance level for PSP awards granted based on the performance period from financial years 2012 to 2014.

Restricted Stock Plan (RSP)

The RSP is established with the objective of motivating managers and key talent to strive for sustained long-term

growth and superior performance in the Group. It also aims to foster a share ownership culture among employees within the Group and to better align employees' incentives with shareholders' interest.

Pursuant to the RSP, the ERCC has decided to grant contingent awards on an annual basis, conditional on targets set for a two-year performance period. The performance measures, set based on the Group corporate objectives, are:

- Return on Invested Capital (ROIC); and
- Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)

A minimum threshold performance is required for any restricted shares to be released to the recipient at the end of the performance period. The actual number of shares released will depend on the achievement of set targets over the performance period, and will be determined by the ERCC at the end of the performance period, capped at 150% of the conditional award. The shares will be released in equal tranches over two consecutive years.

The Group has attained an achievement factor which is reflective of meeting the pre-determined target performance level for RSP awards granted based on the performance period from financial year 2013 to 2014.

D. Market-related Benefits:

The benefits provided are comparable with local market practices.

The details of the top five key management personnel remuneration in bands of \$250,000 and percentage terms for the services rendered by them to the Group for the financial year ended 31 December 2014, are set out in Table 3.

If the executive Director or any key management personnel of StarHub is involved in fraud or misconduct, which results in re-statement of StarHub's financial results or financial loss to StarHub, the Board may reclaim the unvested components of remuneration from such executive Director or key management personnel from 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 of the incentive is appropriate, based on the specific facts and circumstances of the case.

3. ACCOUNTABILITY AND AUDIT ACCOUNTABILITY

The Board provides a balanced and informed assessment of the Group's performance, position and prospects to shareholders in the Group's quarterly and full-year operating performance and financial results which are released via SGXNET.

TABLE 3

	Fixed ⁽¹⁾ (%)	Variable ⁽²⁾ (%)	Benefits ⁽³⁾ (%)	Share-based Compensation ⁽⁴⁾ (%)	Total (%)
\$1,000,001 - \$1,250,000					
Nicholas Tan ⁽⁵⁾	40	17	3	40	100
Kevin Lim	44	19	4	33	100
Jeannie Ong	44	19	4	33	100
\$750,001 - \$1,000,000					
Mock Pak Lum	49	19	5	27	100
Veronica Lai	49	20	5	26	100
Total					\$4,984,589

(1) Fixed refers to base salary, Annual Wage Supplement and fixed allowances earned for the year ended 31 December 2014.

(2) Variable refers to incentives paid and accrued for the year pursuant to StarHub's performance bonus scheme and Economic Value Added (EVA) scheme for the year ended 31 December 2014. StarHub's performance bonus scheme is the "balanced scorecard" scheme used to determine the annual performance bonuses payable to StarHub's employees. The EVA scheme rewards for sustainable shareholder value creation over the medium term, with alignment to StarHub's strategic business objectives. Under this scheme, each of StarHub's employees is given clear objectives on his personal scorecard, which are aligned to StarHub's overall strategic objectives of growth and profitability, creating customer value, operational efficiency, excellence and optimal customer management, and developing a motivated and well trained workforce. Under the EVA scheme, a notional EVA bank account is set up for each senior executive, into which the annual EVA performance bonus earned by him each year is credited. One third of the total amount in his EVA bank account is payable annually at a later date in the following financial year, and the remaining balance in his EVA bank account is 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.

(3) Benefits are stated on the basis of direct costs to StarHub, and include tax equalisation, housing and other non-cash benefits such as leave, medical scheme and club membership.

(4) Based on the fair values of PSP and RSP contingent shares granted in 2014, using the Monte Carlo simulation model.

(5) Share-based compensation granted to Nicholas Tan includes a one-off time-based restricted award of 30,000 shares.

For the quarterly financial statements, the Board provides a negative assurance confirmation to shareholders, in line with the SGX-ST Listing Manual. For the financial year ended 31 December 2014, the CEO and the CFO have provided assurance to the Board on the integrity of the financial statements for the Group. StarHub recognises that prompt and full compliance with statutory reporting requirements is imperative in maintaining shareholder confidence and trust.

Management updates the Board with monthly management and financial reports which explain StarHub's performance (in comparison with its forecasted performance and budget) and financial position on a timely basis. Other related business reports are also provided to the Board regularly and upon request by the Board from time to time.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board takes responsibility for the governance of risks and to this end, has established and maintains a sound system of risk management and internal controls to safeguard shareholders' interests and StarHub's assets.

The RC assists the Board in its discharge of this responsibility. The RC comprises the following Directors:

- Mr Tan Guong Ching (RC Chairman);

- Mr Tan Tong Hai; and
- Mr Sio Tat Hiang.

During the financial year ended 31 December 2014, the RC held two meetings.

The RC has the following mandate:

- To review and recommend to the Board the type and level of business risk that the Group undertakes in achieving its business strategy, and the appropriate risk management framework and policies for managing risks that are consistent with StarHub's risk appetite;
- To provide oversight in the design, implementation and monitoring of the risk management framework, and system of internal controls (including operational, compliance and information technology controls), and to ensure that Management puts in place action plans to mitigate the risks identified where possible;
- To review the adequacy and effectiveness of StarHub's internal controls and risk management systems, including operational, compliance and information technology controls;
- To review policies and procedures for timely risk identification and containment; and
- To set and instill in StarHub, an appropriate risk-aware culture for effective risk governance.

CORPORATE GOVERNANCE

The Board, upon recommendation by the RC, approved a Risk Appetite Statement to provide guidance to the Management on key risk parameters. StarHub is committed to upholding high standards of corporate governance and applying consistent and effective risk management to enhance shareholder value. The Group faces a variety of internal and external risks due to complex business operations and the dynamic and competitive market in which it operates. The Group recognises risk management as an optimisation of the risk-reward relationship, within known and agreed risk appetite levels. The Group will manage or avoid situations or actions that risk having a negative impact on its reputation and brand, network integrity and business continuity. StarHub seeks to treat its customers reasonably and fairly. StarHub requires its staff to uphold integrity. StarHub also seeks to meet applicable legal and regulatory requirements. The Group is prepared to take measured risks to seek new growth and pursue value-creation opportunities as they arise, while leveraging its current scale and core strengths.

The RC is assisted by the Management Risk Committee (MRC), which oversees and co-ordinates enterprise-wide risk management efforts across the Group. The MRC also proactively identifies existing and emerging significant risks, and manages them at the enterprise level within StarHub.

The RC has authority to investigate any matter within its terms of reference, and has full access to and co-operation by Management. The RC will also have full discretion to invite any Director or executive officer to attend its meetings, and to require Management to provide it with such reasonable resources to enable it to discharge its functions properly.

In terms of internal controls, independent audits are conducted by the external and internal auditors on the effectiveness of the Group's key internal control systems. The AC is responsible for reviewing the audit reports and assessing the effectiveness of the actions taken by Management in resolving any lapses or weaknesses based on the recommendations made by the external and internal auditors, and taking into account Management's views.

For the financial year ended 31 December 2014, the Board has received assurance from CEO and CFO that (a) the financial records have been properly maintained and the financial statements give a true and fair view of StarHub's operations and finances; and (b) StarHub's risk management and internal control systems (including financial, operational, compliance and information technology controls) are adequate and effective.

For the financial year ended 31 December 2014, the Board is of the view that the risk management system and internal controls of the Group, including financial, operational, compliance and information technology controls, are adequate and effective in meeting the needs of the Group in its current business

environment and scope of operations. This view has been derived based on the risk management system and internal controls established and maintained by the Group; reviews performed by Management, as supported by findings by external and internal auditors; relevant assurance by CEO and CFO pursuant to the Code; and has the concurrence of the AC.

AUDIT COMMITTEE

The AC comprises the following non-executive Directors, with a majority (including the AC Chairman) being independent Directors:

- Mr Kua Hong Pak (AC Chairman);
- Mr Nihal Vijaya Devadas Kaviratne CBE (independent Director);
- Mr Teo Ek Tor (independent Director); and
- Mr Lim Ming Seong.

During the financial year ended 31 December 2014, the AC held four meetings and met with the external auditors without Management at least once.

The AC members are appropriately qualified to discharge their responsibility and collectively have strong accounting and related financial management expertise and experience. The AC's key responsibilities include:

- reviewing and approving quarterly and year-end financial results announcements and financial statements, before recommending to the Board for approval;
- monitoring compliance with relevant statutory and listing requirements to ensure the integrity of the Group's financial statements, including the relevance and consistency of the accounting principles adopted;
- reviewing and reporting to the Board at least annually the adequacy and effectiveness of StarHub's internal controls, including financial, operational and compliance controls;
- reviewing the effectiveness of the Group's internal audit function;
- reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors (with regard to the nature, extent and cost of non-audit services provided by the external auditors during the financial year);
- reviewing interested person transactions to ensure compliance with the SGX-ST Listing Manual and the Shareholders' Mandate that is renewable annually;
- making recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditor;
- commissioning and reviewing findings of internal investigations into suspected fraud, irregularity or failure of internal controls or violation of any law that is likely to have a material impact on the Group's results; and
- reviewing StarHub's Whistle Blowing Policy and the arrangements therein by which employees of StarHub and any other persons may, in confidence, raise concerns about

possible improprieties in matters of financial reporting or other matters, and such concerns will be independently investigated and appropriate follow-up action(s) will be taken.

The AC has explicit authority to investigate any matter within its terms of reference, with full access to and co-operation by Management. The AC also has full discretion to invite any Director or executive officer to attend its meetings, and to require Management to provide it with such reasonable resources to enable it to discharge its functions properly.

The AC has performed a review of the independence and objectivity of the external auditors, and also a review of the volume and type of non-audit services provided by the external auditors during the financial year ended 31 December 2014. The aggregate amount of external auditors' fees for financial year ended 31 December 2014 and the breakdown for the audit and non-audit services are set out in Note 19.3 to the Financial Statements of the Annual Report.

Based on the information, the AC is satisfied that the independence of the external auditors has not been compromised by the provision of the non-audit services and that Rules 712 and 715 of the SGX-ST Listing Manual have been complied. Accordingly, the AC has recommended to the Board that KPMG LLP be nominated for re-appointment as the Group's external auditors at the 2015 AGM. To further maintain the independence of KPMG LLP, the AC ensures that the audit partner in-charge of the Group is rotated every five years. Further, the Board ensures that a former audit partner will not be appointed as an AC member of StarHub within 12 months upon his or her cessation as KPMG LLP partner and for so long as he or she has any financial interest in KPMG LLP.

INTERNAL AUDIT

The internal audit function of the Group is carried out by RSM Ethos Pte. Ltd. (internal auditor), 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 CEO and CFO of StarHub administratively. The AC approves the appointment, removal, evaluation and compensation of the internal auditor. The internal auditor has unfettered access to all StarHub's documents, records, properties and personnel, including access to the AC.

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

The AC conducts a review on the adequacy and effectiveness of the internal audit function annually, to ensure that StarHub maintains an effective internal audit function that is adequately staffed and independent of the activities it audits.

During the financial year 2014, the AC met with the internal auditor at least once a year without the presence of Management.

4. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

SHAREHOLDER RIGHTS

StarHub respects shareholders' rights and promotes the fair and equitable treatment of all shareholders. StarHub keeps all of its shareholders sufficiently informed of its corporate affairs and activities, including any changes in StarHub or its 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 the SGXNET. The SGXNET announcements are also posted on StarHub's Investor Relations website. StarHub recognises that the release of timely and relevant information is central to good corporate governance and assists shareholders to make informed investment decisions.

All shareholders are entitled to attend and vote at general meetings and are afforded the opportunity to participate effectively in the general meetings. StarHub's Articles of Association allow a shareholder to appoint up to two proxies to attend and vote in his or her place at general meetings. Shareholders, who hold shares through nominees such as CPF and custodian banks, may attend AGM as observers without being constrained by the two-proxy rule, subject to availability of seats.

5. COMMUNICATION WITH SHAREHOLDERS

StarHub protects and facilitates the exercise of shareholder's rights. StarHub reaches out to its shareholders through regular, effective and non-discriminatory communication with shareholders.

StarHub provides regular and timely information to the investment community regarding the Group's performance, progress and prospects as well as major industry and corporate developments and other relevant information. StarHub solicits and considers the views of the shareholders via: (a) periodic analyst and media briefings throughout the year; (b) the CEO and Investor Relations team meeting with institutional investors regularly, through international road shows and conferences organised by major brokerage firms; and (c) via third-party perception studies on StarHub.

Apart from the SGXNET, the StarHub IR website at www.starhub.com/ir is the primary source of information for the investors. It houses all media releases, financial results, annual reports,

CORPORATE GOVERNANCE

SGXNET announcements, presentation materials, archived webcasts and conference calls, and other corporate information relating to the Group. The website is regularly updated. Investors may also elect to be notified of any new updates via an e-mail alert service. New material price-sensitive information such as financial results are however, released through SGXNET before any media or analyst conferences are conducted or posted on the StarHub IR website. This ensures fair and non-selective disclosure of information to all investors.

Shareholders may direct their queries and concerns to the StarHub IR team at the contact particulars given at the StarHub IR website. The StarHub IR team is also prompt in keeping Management fully apprised of shareholder views and sentiments.

StarHub declares dividend on a quarterly basis, and informs its shareholders of the dividend payments in the respective quarterly and full year financial results announcements via the SGXNET.

6. CONDUCT OF SHAREHOLDER MEETINGS

At general meetings, StarHub encourages shareholder participation through active discussion at the question and answer session.

Notices of the AGM, together with the annual reports are issued to all shareholders (including foreign shareholders) at least 21 days prior to the scheduled AGM. This provides ample time for shareholders to review the notice of AGM and annual reports before the AGM and if they wish, appoint their proxies to attend the AGM. As part of StarHub's commitment towards more environmentally-friendly and sustainable efforts, electronic copies of annual reports (in the form of a CD-ROM) are issued. Shareholders may elect to receive hardcopies of annual reports upon request.

All Directors (in particular the Chairman of the Board and the respective Chairman of the AC, NC, ERCC, SC and RC) together with Senior Management attend all general meetings to address shareholders' queries. The external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Registered shareholders are invited to attend and participate actively in such general meetings, including seeking clarification and/or querying the Group's strategic direction, business, operations, performance and proposed resolutions.

Each shareholder is entitled to vote in person or by appointing up to two proxies to attend and vote on his or her behalf. StarHub's Articles of Association do not allow shareholders to vote in absentia at general meetings, except through the appointment of a proxy or proxies to cast their vote in their stead.

StarHub ensures that there will be separate resolutions at general meetings on each substantially separate issue. Voting is carried out systematically and all resolutions passed are properly recorded. To enhance transparency and efficiency in the voting process and results, electronic poll voting is conducted. The

results showing the number of votes cast for and against each resolution and the respective percentages are announced via the SGXNET on the same day of the general meeting.

Minutes of general meetings are made available to shareholders upon their request.

7. ADDITIONAL INITIATIVES TO ENHANCE CORPORATE GOVERNANCE

Going beyond the technical requirements of the Code, the SGX-ST Listing Manual, the Companies Act and the Securities and Futures Act, StarHub has taken the initiative to implement additional measures to enhance corporate governance for the Group.

SECURITIES DEALINGS

StarHub has adopted the following insider trading policy, with respect to dealings in the securities of StarHub by the Directors and employees of the Group, that exceeds the requirements of the SGX-ST Listing Manual:

- All Directors and employees of the Group are prohibited from dealing in StarHub's securities:
 - (a) two weeks prior to the announcement of the Group's results for each of the first three quarters of its financial year; and
 - (b) one month prior to the announcement of the Group's full year results; and
- All Directors, Management and employees directly involved in the preparation of the Group's quarterly and full year results are prohibited from dealing in StarHub's securities one month prior to the announcement of each of the Group's quarterly and full year results.

All Directors, Management and employees are notified by email prior to the start of each trading blackout period and the restrictions are only lifted after the announcement of the respective financial results. The policy also discourages trading on short term considerations and reminds Directors, Management and employees of their obligations under insider trading laws.

StarHub has also adopted a policy against acquiring any of its shares pursuant to its Share Purchase Mandate where a price-sensitive development has occurred or been the subject of a decision, until the development has been publicly announced.

The Board has voluntarily undertaken to reduce the amount of shares it may issue and allot pursuant to the general authority granted by StarHub's shareholders to the Board, from 20% to 15% of StarHub's total issued share capital. In addition, the Board has voluntarily reduced the aggregate amount of Share awards that can be granted under the StarHub Performance Share Plan and StarHub Restricted Stock Plan, which were approved by the shareholders at the 2014 EGM, from 15% to 8% of StarHub's total issued share capital (taking into account any outstanding unexercised options and unvested share awards).

WHISTLE BLOWING POLICY

StarHub takes a zero tolerance stance towards fraud and ethical violations. As such, the Group has instituted a robust procedure for the purpose of providing third parties and employees with accessible channels for reporting suspected fraud, corruption, financial impropriety, unethical conduct and other criminal or dishonest practices. Such channels include the employees' immediate supervisors, the relevant Heads of Department or the Head of Human Resource (as may be appropriate), as well as the AC.

The Investigation Committee (constituting representatives from the Senior Management) will investigate the suspected wrongdoing and implement rectification and prevention measures. Any personnel with a conflict of interest (actual or potential) will be barred from appointment to the Investigation Committee. All cases of wrongdoing will also be reported to and reviewed by the AC.

In cases of suspected wrongdoing involving the CEO and/or CFO, the Investigation Committee will be chaired by the AC Chairman (or his nominee). Upon completing the investigations for each case of suspected wrongdoing, the Investigation Committee may at its discretion decide whether to circulate the findings of the investigations to all employees, taking into account the interests of the Group.

The Group's whistle-blowing policy aims to encourage the reporting of such matters in good faith, by lending confidence that whistle-blowers will be treated fairly and accorded with protection against reprisals. StarHub will take disciplinary action against any party who victimises whistle-blowers. Further, StarHub does not disregard anonymous complaints but will give such complaints appropriate weight. The Group's whistle-blowing policy is available on StarHub's intranet and corporate website for easy access by all employees and members of the public.

EMPLOYEE CODE OF CONDUCT AND RULES ON BUSINESS CONDUCT

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

- StarHub's Employee Code of Conduct;
- Ethics Policy;
- Corporate Gift and Hospitality Policy; and
- Supplier and Vendor Policy.

StarHub's Employee Code of Conduct, the Ethics Policy and the Corporate Gift and Hospitality Policy cover business conduct (including employees' compliance with anti-corruption and anti-bribery laws), conduct in the workplace, protection of StarHub's assets, proprietary and confidential information and intellectual property, conflict of interest, non-solicitation of customers and employees, and workplace health and safety. In parallel, the Supplier and Vendor Policy covers internal controls on tenders, vendor selection and purchasing to ensure transparency, objectivity and compliance.

The Employee Code of Conduct and the Supplier and Vendor Policy are available on StarHub's intranet, while the Ethics Policy and the Corporate Gift and Hospitality Policy are available on both StarHub's intranet and corporate website for easy access.

COMPLIANCE LEAVE POLICY

StarHub has a Compliance Leave Policy which applies to employees who hold Senior Manager position and above, finance advocates and employees with sensitive job functions such as handling monies, inventories, payroll processing and approvals, risk management and purchasing of goods and services. Under the Compliance Leave Policy, such employees are required to go on mandatory block leave of at least five consecutive working days each calendar year. This arrangement allows covering officers to fully step into the duties of the employee on leave, as an additional check and balance against any breaches. This is an additional risk mitigation measure voluntarily put in place to enhance governance.

DOCUMENT CLASSIFICATION POLICY

StarHub has a document classification policy to guide employees in their handling of information and documents relating to the Group's business, activities and operations. Such information and documents are required to be classified as "Confidential", "For Internal Use" or "For Public Distribution". This classification helps to safeguard the information and documents, ensures that only appropriate persons have access to that information and that access is on a need-to-know basis only.

STRATEGIC BUSINESS CONTINUITY MANAGEMENT (BCM)

StarHub was the first Info-Communications company in Singapore to be successfully certified to Singapore Standards SS540: 2008 for Business Continuity Management (BCM) in May 2011. In May 2014, StarHub successfully converted to ISO 22301:2013 which is the ISO standard for BCM. StarHub's BCM program focuses on Info-Communications Network, Infrastructure and Support Services for Mobile, Television, Broadband and Fixed. The BCM program is also supplemented by Pandemic Plan, Haze Response Plan and Crisis Communication Plans to ensure StarHub is able to address different crisis situations.

SECURITY MEASURES FOR DATA PROTECTION

In addition to the Laptop Encryption Solution, StarHub has implemented Mobile Device Management (MDM) to ensure commercially sensitive and confidential corporate emails and information accessed by employees using their mobile devices are protected. In the event an employee's mobile device is lost or stolen, MDM will remove corporate data stored on the mobile device by performing a remote factory reset. Both the Laptop Encryption Solution and the MDM enhance the security of StarHub's commercially sensitive and confidential corporate data accessed through or stored on such mobile devices and laptops by employees. On an on-going basis, StarHub continually evaluates new technologies which may further enhance the security of its confidential and sensitive information. StarHub has put in place a comprehensive Personal Data Protection compliance program to ensure compliance with the law.

DIRECTORS' PARTICULARS

		Principal Directorships/Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years	
Director	Age in Year 2015	Present Principal Directorships/Chairmanships & Appointments	Past Principal Directorships/Chairmanships & Appointments (from 1 Jan 2012 to 30 Dec 2014)
Tan Guong Ching	69	Singapore Technologies Telemedia Pte Ltd Singapore Technologies Aerospace Limited STT Communications Ltd Asia Mobile Holding Company Pte. Ltd. Asia Mobile Holdings Pte. Ltd. Singapore Shipping Corporation Limited Cambridge Industrial Trust Management Limited Cambridge-MTN Private Limited Frasers Centrepoint Asset Management (Commercial) Ltd Singapore Millennium Foundation	Temasek Life Sciences Laboratory Limited Singapore Pools (Private) Limited IP Academy Pteris Global Limited
Tan Tong Hai	52	StarHub Cable Vision Ltd. StarHub Internet Pte Ltd StarHub Mobile Pte Ltd StarHub Online Pte Ltd SHINE Systems Assets Pte. Ltd. Nanyang Polytechnic	–
Kua Hong Pak	71	ComfortDelGro Corporation Limited SBS Transit Ltd VICOM Ltd PSA Corporation Limited PSA International Pte Ltd Temasek Holdings (Private) Limited	–
Peter Seah Lim Huat	69	DBS Bank Ltd DBS Group Holdings Ltd Singapore Health Services Pte Ltd LaSalle College of the Arts Limited CapitaLand Limited Government of Singapore Investment Corporation Private Limited STATS ChipPAC Ltd DBS (Hong Kong) Limited Level 3 Communications, Inc	Singapore Technologies Engineering Ltd
Nihal Vijaya Devadas Kaviratne CBE	71	DBS Bank Ltd DBS Group Holdings Ltd DBS Foundation Ltd. GlaxoSmithKline Pharmaceuticals Limited PT TVS Motor Company TVS Motor (Singapore) Pte. Limited Akzo Nobel India Limited SATS Ltd. Olam International Limited Caraway Pte. Ltd.	TVS Motor Company (Europe) BV Wildlife Reserves Singapore Pte Ltd

		Principal Directorships/Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years	
Director	Age in Year 2015	Present Principal Directorships/Chairmanships & Appointments	Past Principal Directorships/Chairmanships & Appointments (from 1 Jan 2012 to 30 Dec 2014)
Sio Tat Hiang	68	Singapore Technologies Telemedia Pte Ltd STT Communications Ltd Asia Mobile Holding Company Pte. Ltd. Asia Mobile Holdings Pte. Ltd. i-STT Investments Pte. Ltd. ST Telecommunications (Beijing) Co., Ltd ST Teleport Pte Ltd STT Crossing Ltd TeleChoice International Limited Shenington Investments Pte Ltd U Mobile Sdn Bhd GDS Holdings Limited	Grid Communications Pte. Ltd.
Steven Terrell Clontz	65	InterDigital, Inc. (Retiring in June 2015) Nucleus Connect Pte. Ltd. Jasper Wireless, Inc. Level 3 Communications, Inc. Virgin Mobile Latin America, Inc. PSA International Pte Ltd	Equinix, Inc.
Lim Ming Seong	68	CSE Global Limited First Resources Ltd Singapore Technologies Kinetics Ltd Singapore Technologies Telemedia Pte Ltd Amplus Communications Pte Ltd U Mobile Sdn Bhd STT Communication Ltd W-Industries, Inc.	WhiteRock Partners Ltd WhiteRock Management Pte Ltd WhiteRock Management (USA), Inc. Servelec Group Limited
Teo Ek Tor	62	PrimePartners Group Pte Ltd PrimePartners Corporate Finance Pte Ltd Aris PrimePartners Asset Management Pte Ltd WhiteRock Medical Company Pte Ltd Asia Merchant Capital III Limited	PrimePartners Renewable Energy, Inc. ServTouch Holdings Pte Ltd Prime Agrico Ltd
Liu Chee Ming	64	Platinum Broking Company Limited Platinum Holdings Company Limited Platinum Securities Company Limited Platinum Securities Company Limited (Singapore) Access Investment Management (H.K.) Limited Kader Holdings Company Limited The Singapore International School Foundation Ltd Haitong Securities Co., Ltd. Japfa Ltd. OUE Hospitality Trust Management Pte. Ltd. OUE Hospitality REIT Management Pte. Ltd. Founder BEA Trust Co., Ltd.	-

DIRECTORS' PARTICULARS

		Principal Directorships/Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years	
Director	Age in Year 2015	Present Principal Directorships/Chairmanships & Appointments	Past Principal Directorships/Chairmanships & Appointments (from 1 Jan 2012 to 30 Dec 2014)
Robert J. Sachs	67	Continental Consulting Group, LLC. (as Principal) Dana-Farber Cancer Institute, Inc. Public Broadcasting Service	Big Band Networks, Inc. UpdateLogic, Inc. WGBH Educational Foundation
Nasser Marafih	54	Asia Mobile Holdings Pte. Ltd. Asiacell Communications PJSC PT Indosat, Tbk Shenington Investments Pte Ltd wi-tribe Limited Ooredoo Myanmar Limited Asia Internet Holding S.a.r.l GSMA for Mobile Development Foundation SAMENA	–
Takeshi Kazami	52	NTT Singapore Pte Ltd NTT Communications World Network (S) Pte. Ltd. NTT Australia Pty Ltd PT. NTT Indonesia NTT Communications Philippines Corporation NTT MSC Sdn Bhd NTT Communications (Vietnam) Limited Emerio GlobeSoft Pte Ltd	NTT Communications (Thailand) Co., Ltd. NTT Communications India Private Limited Frontline Systems Australia Pty Limited

FINANCIAL STATEMENTS

Contents

FINANCIALS	
Directors' Report	118
Statement by Directors	128
Independent Auditors' Report	129
Statements of Financial Position	130
Income Statements	132
Statements of Comprehensive Income	132
Statements of Changes in Equity	133
Consolidated Cash Flow Statement	135
Notes to the Financial Statements	136

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2014

We are pleased to submit this report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2014.

DIRECTORS

The directors in office at the date of this report are as follows:

Tan Guong Ching	(Chairman)
Tan Tong Hai	(Chief Executive Officer)
Kua Hong Pak	
Peter Seah Lim Huat	
Nihal Vijaya Devadas Kaviratne CBE	
Sio Tat Hiang	
Steven Terrell Clontz	
Lim Ming Seong	
Teo Ek Tor	
Liu Chee Ming	
Robert J. Sachs	
Nasser Marafih	
Takeshi Kazami	

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50, 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:

SHARES IN THE COMPANY AND IN RELATED CORPORATIONS

	1 January 2014	31 December 2014
The Company		
Ordinary shares		
Tan Guong Ching	116,941	132,241
Tan Tong Hai	394,770	741,380
Peter Seah Lim Huat	556,192	567,092
Nihal Vijaya Devadas Kaviratne CBE	217,982	56,000
Sio Tat Hiang	4,400	15,100
Steven Terrell Clontz	40,100	51,700
Lim Ming Seong	198,236	210,336
Teo Ek Tor	130,638	142,138
Liu Chee Ming	161,684 ⁺	170,684 ⁺
Robert J. Sachs	95,834	105,534
Nasser Marafih	43,030	50,230

⁺ Held (partly or wholly) by a nominee.

SHARES IN THE COMPANY AND IN RELATED CORPORATIONS *(continued)*

1 January 2014 31 December 2014

Related Corporations
Singapore Airlines Limited
Ordinary Shares

Tan Guong Ching 2,000 2,000

Singapore Technologies Engineering Ltd
Ordinary Shares

Tan Guong Ching 60,475 66,275

Peter Seah Lim Huat 545,325 545,325

Nihal Vijaya Devadas Kaviratne CBE 17,000 17,000

Lim Ming Seong 90,736 94,436

Singapore Telecommunications Limited
Ordinary Shares

Tan Guong Ching 2,840 2,840

Kua Hong Pak 3,027 3,027

Peter Seah Lim Huat 3,217 3,217

SMRT Corporation Ltd
Ordinary Shares

Tan Guong Ching 11,000 11,000

STATS ChipPAC Ltd
Ordinary Shares

Peter Seah Lim Huat 6,900 6,900

Steven Terrell Clontz 800 800

Lim Ming Seong 6,900 6,900

TeleChoice International Limited
Ordinary Shares

Peter Seah Lim Huat 50,000 50,000

Sio Tat Hiang 150,000 187,000

Lim Ming Seong 60,000 60,000

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2014

OPTIONS AND OTHER INTERESTS IN THE COMPANY AND IN RELATED CORPORATIONS

	1 January 2014	31 December 2014
The Company		
Conditional awards of shares under StarHub Performance Share Plan		
Tan Tong Hai	121,900 ⁽¹⁾	–
	122,000 ⁽²⁾	122,000 ⁽²⁾
	210,000 ⁽³⁾	210,000 ⁽³⁾
	–	278,600 ⁽⁴⁾

- (1) A conditional award was granted in March 2011. The performance period was from 2011 to 2013. The final award was granted in March 2014 based on the actual level of achievement of the pre-determined targets. The shares under the final award were delivered in April 2014.
- (2) A conditional award was granted in May 2012. The performance period was from 2012 to 2014. No shares will be delivered if the threshold performance targets are not achieved while up to twice the number of shares that are the subject of the award will be delivered if the stretched performance targets are met or exceeded.
- (3) A conditional award was granted in May 2013. The performance period is from 2013 to 2015. No shares will be delivered if the threshold performance targets are not achieved while up to twice the number of shares that are the subject of the award will be delivered if the stretched performance targets are met or exceeded.
- (4) A conditional award was granted in March 2014. The performance period is from 2014 to 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 stretched performance targets are met or exceeded.

	1 January 2014	31 December 2014
The Company		
Conditional awards of shares under StarHub Restricted Stock Plan		
Tan Tong Hai	19,000 ⁽⁵⁾	–
	39,410 ⁽⁶⁾	–
	71,000 ⁽⁷⁾	44,350 ⁽⁷⁾
	160,000 ⁽⁸⁾	160,000 ⁽⁸⁾
	–	195,400 ⁽⁹⁾

- (5) A conditional award was granted in May 2010. The performance period was from 2010 to 2011. The final award was granted in 2012 based on the actual level of achievement of the pre-determined performance targets. The shares under the final award were delivered in phases according to the stipulated vesting periods from 2012 to 2014.
- (6) A conditional award was granted in March 2011. The performance period was from 2011 to 2012. The final award was granted in 2013 based on the actual level of achievement of the pre-determined performance targets. The shares under the final award were delivered in phases according to the stipulated vesting periods from 2013 to 2014.
- (7) A conditional award was granted in May 2012. The performance period was from 2012 to 2013. The final award was granted in 2014 based on the actual level of achievement of the pre-determined performance targets. The shares under the final award were partially delivered in 2014, and the balance will be delivered in 2015.
- (8) A conditional award was granted in May 2013. The performance period was from 2013 to 2014. 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 stretched performance targets are met or exceeded. Shares will be delivered in phases according to the stipulated vesting periods.
- (9) A conditional award was granted in March 2014. The performance period is from 2014 to 2015. 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 stretched performance targets are met or exceeded. Shares will be delivered in phases according to the stipulated vesting periods.

OPTIONS AND OTHER INTERESTS IN THE COMPANY AND IN RELATED CORPORATIONS (continued)

	1 January 2014	31 December 2014	Exercise Price \$	Exercise Period
Related Corporation				
STATS ChipPAC Ltd				
Option to subscribe for ordinary shares				
Peter Seah Lim Huat	35,000	–	1.91	17.02.2005 to 16.02.2014

Except as disclosed in this report, 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 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 2015.

Except as disclosed under the "Options and other interests" section of this report, 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.

Except as disclosed in this report and in Note 19.2.1 and 19.2.2 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member or with a company in which he has a substantial financial interest.

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 EGM of the Company held on 14 April 2014, in replacement of the then existing StarHub Performance Share Plan and the StarHub Restricted Stock Plan which were adopted by the Company on 16 August 2004 (collectively, "StarHub Share Plans 2004", and each, "StarHub PSP 2004" and "StarHub RSP 2004" respectively).

The StarHub Share Plans 2004 together with the StarHub Share Option Plan 2004 were terminated at the EGM of the Company held on 14 April 2014. The Company had also in 2000 adopted the StarHub Pte Ltd Share Option Plan ("StarHub Share Option Plan 2000") and terminated the same in 2004.

The StarHub Share Plans 2014, the StarHub Share Plans 2004, the StarHub Share Option Plan 2004 and the StarHub Share Option Plan 2000 (collectively, "Plans") are administered by the Company's Executive Resource and Compensation Committee ("ERCC") comprising four directors, namely Peter Seah Lim Huat (Chairman), Sio Tat Hiang, Lim Ming Seong and Teo Ek Tor.

The Company designates Singapore Technologies Telemedia Pte Ltd as its parent company ("Parent Company") for purposes of the Plans.

(a) Options granted under the StarHub Share Option Plan 2000 and the StarHub Share Option Plan 2004 (collectively, the "StarHub Share Option Plans")

- (i) The termination of the StarHub Share Option Plans was without prejudice to the rights of holders of options accepted and outstanding under the StarHub Share Option Plans as at the date of termination. The outstanding options under the StarHub Share Option Plans were exercised according to the terms of the StarHub Share Option Plans and the respective grants.
- (ii) Since 31 December 2010, there has been no option outstanding held by the directors of the Company.

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2014

SHARE-BASED PAYMENTS (continued)

(a) Options granted under the StarHub Share Option Plan 2000 and the StarHub Share Option Plan 2004 (collectively, the "StarHub Share Option Plans") (continued)

(iii) Details of options granted to directors of the Company under the StarHub Share Option Plans are as follows:

Name of director	Aggregate options granted and accepted since commencement of StarHub Share Option Plans to 31 December 2014	Aggregate options exercised since commencement of StarHub Share Option Plans to 31 December 2014
StarHub Share Option Plan 2000		
Peter Seah Lim Huat	93,750	93,750
Steven Terrell Clontz	6,875,010	6,875,010
Lim Ming Seong	118,750	118,750
StarHub Share Option Plan 2004		
Peter Seah Lim Huat	44,250	44,250
Nihal Vijaya Devadas Kaviratne CBE	44,250	44,250
Lim Ming Seong	44,250	44,250
Teo Ek Tor	44,250	44,250
Liu Chee Ming	44,250	44,250
Robert J. Sachs	25,500	25,500

(iv) As at the end of the financial year, no options have been granted to controlling shareholders of the Company or its associates or to directors or employees of the Parent Company and its subsidiaries ("Parent Group").

(v) No options had been offered at a discount during the financial year.

(vi) The options granted by the Company do not entitle the option holders, by virtue of such holding, to any rights to participate in any share issue of any other company.

(vii) During the financial year, a total of 498,619 ordinary shares fully paid in the Company were issued pursuant to the StarHub Share Option Plans at exercise prices of between \$0.96 and \$1.52 per share.

(viii) As at the end of April 2014, there were no outstanding or unexercised options under the StarHub Share Option Plan 2000.

(ix) As at the end of the financial year, the number of unissued shares of the Company under the StarHub Share Option Plan 2004 was as follows:

Number of share option holders	Exercise period	Number of unissued shares	Exercise price per share \$
98	31.05.2006 to 30.05.2015	234,011	1.52

Except as disclosed in this report, there were no other unissued shares of the Company or its subsidiaries under option as at the end of the financial year.

SHARE-BASED PAYMENTS (continued)**(b) StarHub Share Plans 2014 and StarHub Share Plans 2004 (collectively, the "StarHub Share Plans")**

- (i) The StarHub Share Plans were implemented with the objectives of motivating key executives to strive for superior performance and sustaining long-term growth for the Group.
- (ii) The termination of the StarHub Share Plans 2004 was without prejudice to the rights of holders of awards accepted and outstanding under the StarHub Share Plans 2004 as at the date of termination. The outstanding awards under the StarHub Share Plans 2004 were vested according to the terms of the StarHub Share Plans 2004 and the respective grants.
- (iii) 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.
- (iv) Under the StarHub PSP 2004 and 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 2004 to the financial year ended 31 December 2014, conditional awards aggregating 9,050,250 shares have been granted under the aforesaid plan. For share awards granted prior to and during the financial year ended 31 December 2013, no shares will be delivered if the threshold performance targets are not achieved, while up to twice the number of shares that are the subject of the award will be delivered if the stretched performance targets are met or exceeded. For share awards granted during the financial year ended 31 December 2014, 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 stretched 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.

Details of share awards granted under the StarHub PSP 2004 are as follows:

Participants	Share awards granted during the financial year	Aggregate share awards granted since commencement of the StarHub PSP 2004 to 31 December 2014	Share awards vested during the financial year	Aggregate share awards outstanding as at 31 December 2014
Executive director:				
Tan Tong Hai	278,600	960,400	243,800	610,600
Key executives				
	366,500	7,178,650	621,000	929,500

No share awards have been granted under the StarHub PSP 2014 since its commencement.

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2014

SHARE-BASED PAYMENTS *(continued)*

(b) StarHub Share Plans 2014 and StarHub Share Plans 2004 (collectively, the "StarHub Share Plans") *(continued)*

- (v) Under the StarHub RSP 2004 and 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 2004 and 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 2004 and 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 the financial year ended 31 December 2007, (a) the first performance target benchmarks the performance of the Company's TSR measured against the Straits Times Index ("STI") over the performance period; and (b) the second performance target used is measured against Free Cashflow ("FCF").

For performance-based restricted awards granted during and from financial year ended 31 December 2008 to financial year ended 31 December 2013, the performance targets used are measured against the Return on Invested Capital ("ROIC") and the FCF respectively.

For performance-based restricted awards granted during and from financial year ended 31 December 2014 onwards, the performance targets used are measured against the Return on Invested Capital ("ROIC") and the Earnings Before Interest, Taxation, Depreciation and Amortisation ("EBITDA").

Since the commencement of the StarHub RSP 2004 to the financial year ended 31 December 2014:

- (1) performance-based restricted awards aggregating 17,413,000 shares have been granted under the aforesaid Plan. No shares will be delivered if the threshold performance targets are not achieved, while up to 1.3 times or as the case may be 1.5 times, the number of shares that are the subject of the award, will be delivered if stretched performance targets are met or exceeded;
- (2) a time-based restricted award of 100,000 shares has been granted on 15 January 2009. The shares under this award were vested in three equal tranches over a 3-year period from 1 January 2009 to 31 December 2011 according to a specified vesting schedule;
- (3) a time-based restricted award of 213,000 shares has been granted on 17 May 2010. The shares under this award were vested in May 2011 upon the participants' continued tenure as non-executive directors of the Company for a full one-year period from the date of grant;
- (4) a restricted award of 155,900 shares has been granted on 7 June 2012. The shares under this award formed 30% of the non-executive directors' remuneration for the financial year ended 31 December 2011 and were vested immediately without any further vesting period;
- (5) a restricted award of 99,400 shares has been granted on 10 May 2013. The shares under this award formed 30% of the non-executive directors' remuneration for the financial year ended 31 December 2012 and were vested immediately without any further vesting period; and

SHARE-BASED PAYMENTS (continued)

(b) StarHub Share Plans 2014 and StarHub Share Plans 2004 (collectively, the "StarHub Share Plans") (continued)

- (6) a time-based restricted award of 30,000 shares has been granted on 10 March 2014. The shares under this award will vest in two equal tranches over a 2-year period from 1 January 2015 to 31 December 2016 according to a specified vesting schedule.

Since the commencement of the StarHub RSP 2014 to the financial year ended 31 December 2014, restricted awards of 111,100 shares have been granted on 14 May 2014. The shares under these awards formed 30% of the non-executive directors' remuneration for the financial year ended 31 December 2013 and were vested immediately without any further vesting period.

Details of share awards granted under the StarHub RSP 2004 and 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 2004 to 31 December 2014	Share awards vested during the financial year	Aggregate share awards outstanding as at 31 December 2014
StarHub RSP 2004				
Non-executive directors:				
Tan Guong Ching	-	122,800	-	-
Peter Seah Lim Huat	-	98,700	-	-
Nihal Vijaya Devadas Kaviratne CBE	-	103,700	-	-
Sio Tat Hiang	-	4,400	-	-
Steven Terrell Clontz	-	40,100	-	-
Lim Ming Seong	-	106,900	-	-
Teo Ek Tor	-	91,100	-	-
Liu Chee Ming	-	76,100	-	-
Robert J. Sachs	-	73,700	-	-
Nasser Marafih	-	50,400	-	-
Executive director:				
Tan Tong Hai	195,400	739,400	102,810	399,750
Key employees	2,322,500	15,143,700	1,999,020	4,366,300

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2014

SHARE-BASED PAYMENTS *(continued)*

(b) StarHub Share Plans 2014 and StarHub Share Plans 2004 (collectively, the "StarHub Share Plans") *(continued)*

Participants	Share awards granted during the financial year	Aggregate share awards granted since commencement of the StarHub RSP 2014 to 31 December 2014	Share awards vested during the financial year	Aggregate share awards outstanding as at 31 December 2014
StarHub RSP 2014				
Non-executive directors:				
Tan Guong Ching	15,300	15,300	15,300	-
Peter Seah Lim Huat	10,900	10,900	10,900	-
Nihal Vijaya Devadas Kaviratne CBE	13,100	13,100	13,100	-
Sio Tat Hiang	10,700	10,700	10,700	-
Steven Terrell Clontz	11,600	11,600	11,600	-
Lim Ming Seong	12,100	12,100	12,100	-
Teo Ek Tor	11,500	11,500	11,500	-
Liu Chee Ming	9,000	9,000	9,000	-
Robert J. Sachs	9,700	9,700	9,700	-
Nasser Marafih	7,200	7,200	7,200	-

During the financial year, a total of 4,337,492 ordinary shares fully paid in the Company were issued pursuant to the StarHub Share Plans.

As at 31 December 2014, no participant has been granted options under the StarHub Share Option Plans and/or received shares pursuant to the release of awards granted under the StarHub Share Plans, which, in aggregate, represents 5% or more of the aggregate of:

- (a) the total number of new shares available under the StarHub Share Option Plans and the StarHub Share Plans collectively; and
- (b) the total number of existing shares delivered pursuant to options exercised under the StarHub Share Option Plans and awards released under the StarHub Share Plans collectively.

AUDIT COMMITTEE

The members of the Audit Committee as at the date of this report are as follows:

Kua Hong Pak, independent non-executive director (Chairman);
Nihal Vijaya Devadas Kaviratne CBE, independent non-executive director;
Lim Ming Seong, non-executive director; and
Teo Ek Tor, independent non-executive director.

The Audit Committee has held four meetings since the last directors' report. In performing its functions in accordance with Section 201B of the Singapore Companies Act, Chapter 50, 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 Company'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 Company and its subsidiaries 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 with the independence and objectivity of the external auditors 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.

AUDITORS

The auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors



Tan Guong Ching
Director



Tan Tong Hai
Director

Singapore
25 February 2015

STATEMENT BY DIRECTORS

YEAR ENDED 31 DECEMBER 2014

In our opinion:

- (a) the financial statements set out on pages 130 to 174 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results and changes in equity of the Group and of the Company and the cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors



Tan Guong Ching
Director



Tan Tong Hai
Director

Singapore
25 February 2015

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
STARHUB LTD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of StarHub Ltd (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2014, the income statement and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group, and the income statement and statement of comprehensive income and statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 130 to 174.

MANAGEMENT'S RESPONSIBILITY 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 Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements of the Group and the statement of financial position, the income statement and statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group and the results and changes in equity of the Company for the year ended on that date.

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 subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
25 February 2015

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

		GROUP		
	Note	31 December 2014	31 December 2013	1 January 2013
		\$m	(Restated)	(Restated)
			\$m	\$m
Non-current assets				
Property, plant and equipment	3	911.1	857.4	791.1
Intangible assets	4	404.5	380.6	397.0
Subsidiaries	5	–	–	–
Balances with related parties	10	–	–	–
Deferred tax assets	6	–	–	2.5
		1,315.6	1,238.0	1,190.6
Current assets				
Inventories	7	42.4	43.2	28.1
Trade receivables	8	161.7	156.2	164.7
Other receivables, deposits and prepayments	9	185.9	154.4	123.6
Balances with related parties	10	17.4	24.0	12.0
Cash and cash equivalents	11	264.2	266.9	312.0
		671.6	644.7	640.4
Current liabilities				
Trade and other payables	12	(795.8)	(753.7)	(728.1)
Balances with related parties	10	(99.2)	(76.5)	(56.5)
Borrowings	13	(200.0)	–	–
Provision for taxation		(97.9)	(75.8)	(97.7)
		(1,192.9)	(906.0)	(882.3)
Net current liabilities		(521.3)	(261.3)	(241.9)
Non-current liabilities				
Trade and other payables	12	(23.3)	(28.9)	(37.5)
Borrowings	13	(487.5)	(687.5)	(687.5)
Deferred income	14	(7.3)	(21.3)	(41.7)
Deferred tax liabilities	6	(127.2)	(128.4)	(119.4)
		(645.3)	(866.1)	(886.1)
Net assets		149.0	110.6	62.6
Shareholders' equity				
Share capital	15	282.6	271.4	263.1
Reserves	17	(133.6)	(160.8)	(200.5)
Total equity		149.0	110.6	62.6

The accompanying notes form an integral part of these financial statements.

		COMPANY		
		31 December 2014	31 December 2013	1 January 2013
	Note	\$m	(Restated) \$m	(Restated) \$m
Non-current assets				
Property, plant and equipment	3	400.5	384.1	367.7
Intangible assets	4	79.3	92.1	105.9
Subsidiaries	5	1,692.1	1,692.1	1,202.1
Balances with related parties	10	106.0	123.0	600.0
Deferred tax assets	6	–	–	–
		2,277.9	2,291.3	2,275.7
Current assets				
Inventories	7	36.8	36.7	21.2
Trade receivables	8	147.7	141.2	153.3
Other receivables, deposits and prepayments	9	34.0	29.8	20.4
Balances with related parties	10	272.6	111.3	48.2
Cash and cash equivalents	11	176.0	207.5	245.7
		667.1	526.5	488.8
Current liabilities				
Trade and other payables	12	(342.9)	(335.3)	(344.5)
Balances with related parties	10	(385.6)	(435.5)	(343.9)
Borrowings	13	(200.0)	–	–
Provision for taxation		(35.5)	(35.0)	(51.4)
		(964.0)	(805.8)	(739.8)
Net current liabilities		(296.9)	(279.3)	(251.0)
Non-current liabilities				
Trade and other payables	12	(23.3)	(28.9)	(37.5)
Borrowings	13	(487.5)	(687.5)	(687.5)
Deferred income	14	–	–	–
Deferred tax liabilities	6	(75.9)	(75.8)	(72.4)
		(586.7)	(792.2)	(797.4)
Net assets		1,394.3	1,219.8	1,227.3
Shareholders' equity				
Share capital	15	282.6	271.4	263.1
Reserves	17	1,111.7	948.4	964.2
Total equity		1,394.3	1,219.8	1,227.3

The accompanying notes form an integral part of these financial statements.

INCOME STATEMENTS

YEAR ENDED 31 DECEMBER 2014

	Note	GROUP		COMPANY	
		2014 \$m	2013 (Restated) \$m	2014 \$m	2013 \$m
Total revenue	18	2,387.2	2,369.6	1,043.7	1,011.8
Operating expenses	19	(1,957.1)	(1,946.0)	(1,060.3)	(1,023.5)
Other income	20	46.6	49.9	558.2	367.2
Profit from operations		476.7	473.5	541.6	355.5
Finance income	21	2.0	2.8	14.5	21.6
Finance expense	21	(22.6)	(18.8)	(24.2)	(20.1)
Net finance (costs)/income		(20.6)	(16.0)	(9.7)	1.5
Profit before taxation		456.1	457.5	531.9	357.0
Taxation	22	(85.6)	(78.0)	(24.8)	(32.7)
Profit for the year		370.5	379.5	507.1	324.3
Attributable to:					
Equity holders of the Company		370.5	379.5	507.1	324.3
Profit for the year		370.5	379.5	507.1	324.3
Earnings per share					
Basic (cents)	23	21.5	22.1		
Diluted (cents)	23	21.4	22.0		
EBITDA	24	747.9	743.0		

STATEMENTS OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2014

	Note	GROUP		COMPANY	
		2014 \$m	2013 (Restated) \$m	2014 \$m	2013 \$m
Profit for the year		370.5	379.5	507.1	324.3
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss:					
Foreign currency translation differences		0.5	0.3	–	–
Effective portion of changes in fair value of cash flow hedge	22	2.8	2.8	2.8	2.8
Total comprehensive income for the year, net of taxation		373.8	382.6	509.9	327.1
Total comprehensive income for the year attributable to equity holders of the Company		373.8	382.6	509.9	327.1

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2014

GROUP	Share capital \$m	Treasury shares \$m	Goodwill written off \$m	Share-based payments reserve \$m	Hedging reserve \$m	Translation reserve \$m	Retained profits \$m	Total reserves \$m	Total equity \$m
At 1.1.2013									
As previously reported	263.1	(0.2)	(276.3)	13.7	(7.0)	–	50.2	(219.6)	43.5
Effect of prior years' adjustment	–	–	–	–	–	–	19.1	19.1	19.1
As restated	263.1	(0.2)	(276.3)	13.7	(7.0)	–	69.3	(200.5)	62.6
Total comprehensive income for the year									
Profit for the year									
As previously reported	–	–	–	–	–	–	370.7	370.7	370.7
Effect of prior years' adjustment	–	–	–	–	–	–	8.8	8.8	8.8
As restated	–	–	–	–	–	–	379.5	379.5	379.5
Other comprehensive income									
Foreign currency translation differences	–	–	–	–	–	0.3	–	0.3	0.3
Effective portion of changes in fair value of cash flow hedge, net of taxation	–	–	–	–	2.8	–	–	2.8	2.8
Total comprehensive income for the year	–	–	–	–	2.8	0.3	379.5	3.1	382.6
Transactions with equity holders of the Company, recognised directly in equity									
<i>Contributions by and distributions to equity holders of the Company</i>									
Issue of shares pursuant to share plans	8.3	–	–	(7.5)	–	–	–	(7.5)	0.8
Share-based payments expenses	–	–	–	8.8	–	–	–	8.8	8.8
Dividends paid (Note 16)	–	–	–	–	–	–	(344.2)	(344.2)	(344.2)
Total transactions with equity holders of the Company	8.3	–	–	1.3	–	–	(344.2)	(342.9)	(334.6)
At 31.12.2013	271.4	(0.2)	(276.3)	15.0	(4.2)	0.3	104.6	(160.8)	110.6
At 1.1.2014	271.4	(0.2)	(276.3)	15.0	(4.2)	0.3	104.6	(160.8)	110.6
Total comprehensive income for the year									
Profit for the year	–	–	–	–	–	–	370.5	370.5	370.5
Other comprehensive income									
Foreign currency translation differences	–	–	–	–	–	0.5	–	0.5	0.5
Effective portion of changes in fair value of cash flow hedge, net of taxation	–	–	–	–	2.8	–	–	2.8	2.8
Total comprehensive income for the year	–	–	–	–	2.8	0.5	370.5	373.8	373.8
Transactions with equity holders of the Company, recognised directly in equity									
<i>Contributions by and distributions to equity holders of the Company</i>									
Issue of shares pursuant to share plans	11.2	–	–	(10.6)	–	–	–	(10.6)	0.6
Share-based payments expenses	–	–	–	9.2	–	–	–	9.2	9.2
Transfer from treasury shares to share-based payments reserve	–	0.2	–	(0.2)	–	–	–	–	–
Dividends paid (Note 16)	–	–	–	–	–	–	(345.2)	(345.2)	(345.2)
Total transactions with equity holders of the Company	11.2	0.2	–	(1.6)	–	–	(345.2)	(346.6)	(335.4)
At 31.12.2014	282.6	–	(276.3)	13.4	(1.4)	0.8	129.9	(133.6)	149.0

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2014

COMPANY	Share capital \$m	Treasury shares \$m	Merger/ capital reserve \$m	Share- based payments reserve \$m	Hedging reserve \$m	Retained profits \$m	Total reserves \$m	Total equity \$m
At 1.1.2013	263.1	(0.2)	276.5	13.7	(7.0)	681.2	964.2	1,227.3
Total comprehensive income for the year								
Profit for the year	–	–	–	–	–	324.3	324.3	324.3
Other comprehensive income								
Effective portion of changes in fair value of cash flow hedge, net of taxation	–	–	–	–	2.8	–	2.8	2.8
Total comprehensive income for the year	–	–	–	–	2.8	324.3	327.1	327.1
Transactions with equity holders of the Company, recognised directly in equity								
<i>Contributions by and distributions to equity holders of the Company</i>								
Issue of shares pursuant to share plans	8.3	–	–	(7.5)	–	–	(7.5)	0.8
Share-based payments expenses	–	–	–	8.8	–	–	8.8	8.8
Dividends paid (Note 16)	–	–	–	–	–	(344.2)	(344.2)	(344.2)
Total transactions with equity holders of the Company	8.3	–	–	1.3	–	(344.2)	(342.9)	(334.6)
At 31.12.2013	271.4	(0.2)	276.5	15.0	(4.2)	661.3	948.4	1,219.8
At 1.1.2014	271.4	(0.2)	276.5	15.0	(4.2)	661.3	948.4	1,219.8
Total comprehensive income for the year								
Profit for the year	–	–	–	–	–	507.1	507.1	507.1
Other comprehensive income								
Effective portion of changes in fair value of cash flow hedge, net of taxation	–	–	–	–	2.8	–	2.8	2.8
Total comprehensive income for the year	–	–	–	–	2.8	507.1	509.9	509.9
Transactions with equity holders of the Company, recognised directly in equity								
<i>Contributions by and distributions to equity holders of the Company</i>								
Issue of shares pursuant to share plans	11.2	–	–	(10.6)	–	–	(10.6)	0.6
Share-based payments expenses	–	–	–	9.2	–	–	9.2	9.2
Transfer from treasury shares to share-based payments reserve	–	0.2	–	(0.2)	–	–	–	–
Dividends paid (Note 16)	–	–	–	–	–	(345.2)	(345.2)	(345.2)
Total transactions with equity holders of the Company	11.2	0.2	–	(1.6)	–	(345.2)	(346.6)	(335.4)
At 31.12.2014	282.6	–	276.5	13.4	(1.4)	823.2	1,111.7	1,394.3

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$m	(Restated) \$m
Operating activities		
Profit before taxation	456.1	457.5
Adjustments for:		
Depreciation and amortisation, net of asset grants	271.2	269.5
Income related grants	(46.6)	(49.9)
Share-based payments	9.2	8.8
Changes in fair value of financial instruments	0.9	(1.7)
Net finance costs	20.6	16.0
Other non-cash items	0.7	1.0
Operating cash flow before working capital changes	712.1	701.2
Changes in working capital:		
Inventories	0.8	(15.1)
Trade receivables	(5.5)	8.5
Other receivables, deposits and prepayments	(33.8)	(21.4)
Trade and other payables	17.3	2.5
Balances due from related parties	6.6	(12.0)
Balances due to related parties	22.7	20.0
Cash generated from operations	720.2	683.7
Income tax paid	(65.3)	(89.0)
Net cash from operating activities	654.9	594.7
Investing activities		
Proceeds from disposal of property, plant and equipment	0.8	0.6
Purchase of property, plant and equipment and intangible assets	(321.6)	(302.8)
Interest received	2.0	2.8
Net cash used in investing activities	(318.8)	(299.4)
Financing activities		
Proceeds from exercise of share options	0.6	0.8
Grants received	28.1	21.7
Dividends paid	(345.2)	(344.2)
Interest paid	(22.5)	(19.2)
Net cash used in financing activities	(339.0)	(340.9)
Net change in cash and cash equivalents	(2.9)	(45.6)
Exchange difference on cash and cash equivalents	0.2	0.5
Cash and cash equivalents at beginning of year	266.9	312.0
Cash and cash equivalents at end of year (Note 11)	264.2	266.9

Significant non-cash transactions

During the financial year ended 31 December 2014, the Group entered into capacity swap transactions of \$6.3 million (2013: \$0.9 million) with other operators.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 25 February 2015.

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 5 to the financial statements.

The consolidated financial statements relate to the Company and its subsidiaries (the "Group").

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (FRS) pursuant to the requirements of the Companies Act, Chapter 50.

The financial statements are prepared on a historical cost basis except for certain financial assets and liabilities which are measured at fair value as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest million, unless otherwise stated.

The accounting policies set out below have been applied consistently by the Group to all periods presented in these financial statements, except as disclosed below.

Adoption of new and revised standards

In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for annual periods beginning on 1 January 2014. The adoption of these new/revised FRSs and INT FRSs does not result in substantial changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

New accounting standards and interpretations not yet adopted

Certain accounting standards (including their consequential amendments) and interpretations that have been issued as of the reporting date and are relevant to its operations but are not yet effective have not been applied by the Group.

Those new standards, amendments to standards and interpretations that are expected to have a significant effect on the financial statements of the Group and the Company in future financial periods are set out below:

FRS 115 Revenue from Contracts with Customers

On 19 November 2014, the Accounting Standards Council of Singapore ("ASC") issued FRS 115 *Revenue from Contracts with Customers*, which establishes a framework and the principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

The standard is effective for annual periods on or after 1 January 2017. Management is currently evaluating the effect of this standard on the Group's financial statements and related disclosures.

2.2 CONSOLIDATION

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less impairment losses. Subsidiaries are consolidated with the Company in the Group's financial statements.

Acquisitions of subsidiaries from related corporations controlled by the ultimate holding company, Temasek Holdings (Private) Limited ("Temasek"), are accounted for as reconstructions of businesses under common control using the historical cost method similar to the "pooling of interest" method.

Under the historical cost method, the acquired assets and liabilities were recorded at their existing carrying amounts. The consolidated financial statements included the results of operations, and the assets and liabilities, of the pooled enterprises as part of the Group for the whole of the current and preceding periods.

To the extent that the par value of the shares issued in consideration for these transactions exceeded the par value of the shares held by the related corporations, the difference was recognised as a merger reserve in the Group's financial statements.

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the financial year.

Assets and liabilities of foreign subsidiaries are translated into Singapore dollars at rates of exchange closely approximate to those ruling at the reporting date. Income, expenses and cash flows are translated at average rates prevailing during the period. Translation differences are recognised in other comprehensive income, and are presented within equity in the foreign currency translation reserve. However, if the 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 the 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.

All significant intra-group transactions, balances and unrealised gains/losses are eliminated on consolidation. Unrealised gains are eliminated in full. Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment. Otherwise they are recognised immediately in the income statement.

2.3 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

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 costs of self-constructed assets include the cost of materials and direct labour, an appropriate proportion of overheads, the costs of dismantling and removing the assets and restoring the site on which they are located and capitalised borrowing 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. All other subsequent expenditure is recognised as an expense in the year in which it is incurred.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

2.3 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION *(continued)*

Depreciation is provided on the straight-line basis over their estimated useful lives as follows:

Leasehold land	-	60 years
Leasehold buildings	-	30 years to 42 years
Leasehold improvements	-	Shorter of lease term or 5 years
Network equipment	-	2 years to 15 years
Office equipment, computers and furniture and fittings	-	2 years to 5 years
Motor vehicles	-	5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

No depreciation is provided on freehold property.

No depreciation is provided in respect of property, plant and equipment under construction.

2.4 INTANGIBLE ASSETS

Goodwill

Acquisitions prior to 1 January 2010

Goodwill arising on acquisition prior to 1 January 2010 represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Acquisitions on or after 1 January 2010

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- 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 existing equity interest in the acquiree; less
- 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 profit or loss.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is tested for impairment on an annual basis as described in Note 2.5.

Goodwill arising on acquisitions of subsidiaries that occurred prior to 1 January 2001 was written off against reserves in the year of acquisition and has not been retrospectively capitalised and amortised.

Goodwill that has previously been taken to 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 income statement when the business is disposed.

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 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.

2.4 INTANGIBLE ASSETS (continued)

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 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 income statement as incurred.

Computer software integral to a related item of equipment is accounted for as property, plant and equipment.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

2.5 IMPAIRMENT

The carrying amounts of the Group's assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit ("CGU") exceeds its recoverable amount. Impairment losses are recognised in the income statement unless it reverses a previous revaluation, in which case it is charged to other comprehensive income.

For goodwill, intangible assets with indefinite useful lives and intangible assets 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 amounts.

Impairment losses recognised 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.

Calculation of 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 to sell. 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 an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the CGU to which the asset belongs. 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.

Reversals of impairment

An impairment loss recognised in prior periods for an asset other than goodwill 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.

2.6 INVENTORIES

Inventories comprise goods held for resale and reserved telephone numbers. Inventories are valued at the lower of cost and net realisable value. The cost of goods held for resale is determined on the weighted average basis. Reserved telephone numbers are stated at cost and accounted for using the specific identification basis.

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

YEAR ENDED 31 DECEMBER 2014

2.7 TRADE AND OTHER RECEIVABLES

Trade and other receivables (including balances with related parties) are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for doubtful receivables. Allowance for doubtful receivables is made based on historical write-off patterns and ageing of accounts receivables. Bad debts are written off when incurred.

2.8 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the consolidated cash flow statement, cash and cash equivalents comprise cash balances and deposits with financial institutions and bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

2.9 TRADE AND OTHER PAYABLES

Trade and other payables (including balances with related parties) are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.10 BORROWINGS

Borrowings are initially recognised at fair value of the proceeds received less directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transactions costs) and the settlement or redemption of borrowings is recognised in income statement over the period of the borrowings.

2.11 EMPLOYEE BENEFITS

Share-based payment

Share Option Plans

The Share Option Plans allow the Group employees and directors to acquire shares of the Company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees and directors become unconditionally entitled to the options. At each reporting date, the Company revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates in employee expense and in a corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transactions costs are credited to share capital when the options are exercised.

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.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the income statement when incurred.

Other short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

2.12 CUSTOMER LOYALTY PROGRAMMES

For customer loyalty programmes, the fair value of the consideration received or receivable from a sales transaction which attracts customer loyalty credits or points is allocated between the customer loyalty points and the other component of the sale. The amount allocated to the customer loyalty points is estimated by reference to the fair value of the customer loyalty points for which they could be redeemed. The fair value of the customer loyalty points is estimated by taking into account the expected redemption rate and the timing of such expected redemptions. Such amount is deferred and recorded as unearned revenue until the customer loyalty points are redeemed. At this juncture, the cost of fulfilling the customer loyalty credits is also recognised.

2.13 PROVISIONS

Provisions are recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.14 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new equity shares are recognised as a deduction from equity, net of any tax effects.

Where share capital recognised as equity is repurchased and held as treasury shares, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is presented as a deduction from equity. Where such shares are subsequently reissued, sold or cancelled, the consideration received is recognised as a change in equity. No gain or loss is recognised in the income statement.

2.15 REVENUE RECOGNITION

Revenue comprises fees earned from telecommunications services, broadband access, Pay TV, related advertising space and sale 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. Revenue is recognised in the income statement as follows:

- Revenue from telecommunications, broadband and cable television services and advertising space is recognised at the time such services are rendered. Revenue billed in advance of the rendering of services is deferred and presented in the statement of financial position as unearned revenue.
- Revenue from sale of pre-paid phone cards for which services have not been rendered is deferred and presented in the statement of financial position as unearned revenue. Upon the expiry of pre-paid phone cards, any unutilised value of the cards is taken to the income statement.
- Revenue from sale of equipment is recognised upon delivery and acceptance of the equipment sold.
- Revenue from bundled products and services is recognised based on values allocated to the individual elements of the bundled products and services in accordance to the earning process of each element.

2.16 FINANCE INCOME AND COSTS

Finance income comprises interest income on bank deposits. Interest income is recognised on a time-apportioned basis taking into account the principal outstanding at the applicable rate.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

2.17 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.

2.18 MARKETING AND PROMOTIONS

Advertising costs are expensed when incurred. The direct costs of acquiring customers, including commission and promotion expenses, are recognised in the income statement when incurred.

2.19 OPERATING LEASES

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the income statement on a straight-line basis over the terms of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

2.20 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 items recognised directly in equity, in which case such tax is recognised in equity, or in other comprehensive income.

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.

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 is provided based on the expected realisation or settlement of the temporary differences, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction other than a business combination that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

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.

2.21 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.

2.22 FOREIGN CURRENCIES

Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at exchange rates approximate to those ruling at the reporting date. Transactions in foreign currencies are translated at rates ruling on transaction dates. The translation differences arising from such transactions are included in the income statement.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into Singapore dollars at the exchange rate at the date on which fair value was determined.

2.23 DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses interest rate swaps and forward foreign exchange contracts to hedge its exposure to interest rate risks and foreign exchange risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are remeasured at fair value prevailing at reporting date. The gain or loss on remeasurement to fair value is recognised immediately in the income statement. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged as described in Note 2.24.

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the reporting date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is their quoted market price at the reporting date, being the present value of the quoted forward price.

2.24 HEDGING

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income and presented in the Hedging Reserve in equity.

When the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or the forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated cumulative gain or loss is removed from other comprehensive income and included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or financial liability, the associated gains and losses that were recognised in other comprehensive income are reclassified into the income statement in the same period or periods during which the asset acquired or liability assumed affects the income statement (i.e. when interest income or expense is recognised).

For other cash flow hedges, the associated cumulative gain or loss that was recognised in other comprehensive income is removed and recognised in the income statement in the same period or periods during which the hedged forecast transaction affects the income statement. The ineffective part of any gain or loss is recognised immediately in the income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in other comprehensive income and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in other comprehensive income is recognised immediately in the income statement.

Hedge of monetary assets and liabilities

Where a derivative financial instrument is used to hedge economically the foreign exchange exposure of a recognised monetary asset or liability, no hedge accounting is applied and any gain or loss on the hedging instrument is recognised in the income statement.

2.25 SEGMENT REPORTING

With the adoption of FRS 108, segment information is presented based on the information reviewed by chief operating decision maker ("CODM") for performance assessment and resource allocation.

The Group operates primarily in Singapore and delivers its Mobile, Pay TV, Broadband, Fixed network services and equipment sales on an operationally integrated network, customer service, sales, marketing and administration support. Based on the financial information regularly reviewed by the CODM, the Group has one operating and reporting segment.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

2.26 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements 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 in the period in which the estimates are revised and in any future periods affected.

In the application of the Group's accounting policies, which are described in Note 2, 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.

The key assumptions concerning the future, and other key sources at reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year are described in the following notes:

- Note 4 – measurement of recoverable amounts relating to goodwill impairment
- Note 6 – recognition of deferred tax assets
- Note 8 – measurement of recoverable amounts of trade receivables
- Note 19.2.2 – measurement of share-based payments
- Note 27 – valuation of financial instruments

3 PROPERTY, PLANT AND EQUIPMENT

GROUP	Leasehold land \$m	Leasehold buildings \$m	Leasehold improvements \$m	Freehold property \$m	Network equipment \$m	Office equipment, computers and furniture and fittings \$m	Motor vehicles \$m	Construction in progress \$m	Total \$m
Cost									
At 1.1.2013	–	8.3	50.3	1.7	3,005.1	159.4	6.9	120.4	3,352.1
Additions	34.3	–	–	–	13.7	1.3	0.2	238.0	287.5
Transfers	–	0.8	1.2	–	259.5	9.9	–	(271.4)	–
Disposals	–	–	(1.6)	–	(304.1)	(7.3)	(0.4)	–	(313.4)
At 31.12.2013	34.3	9.1	49.9	1.7	2,974.2	163.3	6.7	87.0	3,326.2
At 1.1.2014	34.3	9.1	49.9	1.7	2,974.2	163.3	6.7	87.0	3,326.2
Additions	–	–	–	–	3.7	0.9	0.1	266.3	271.0
Transfers	–	–	1.9	–	252.8	8.7	–	(263.4)	–
Disposals	–	–	(2.6)	–	(21.5)	(12.6)	(0.2)	–	(36.9)
At 31.12.2014	34.3	9.1	49.2	1.7	3,209.2	160.3	6.6	89.9	3,560.3
Accumulated depreciation									
At 1.1.2013	–	1.2	39.2	–	2,388.2	128.1	4.3	–	2,561.0
Charge for the year	0.4	0.3	7.0	–	197.6	14.2	1.0	–	220.5
Disposals	–	–	(1.5)	–	(303.5)	(7.3)	(0.4)	–	(312.7)
At 31.12.2013	0.4	1.5	44.7	–	2,282.3	135.0	4.9	–	2,468.8
At 1.1.2014	0.4	1.5	44.7	–	2,282.3	135.0	4.9	–	2,468.8
Charge for the year	0.6	0.2	3.5	–	198.7	12.7	0.9	–	216.6
Disposals	–	–	(2.5)	–	(21.2)	(12.3)	(0.2)	–	(36.2)
At 31.12.2014	1.0	1.7	45.7	–	2,459.8	135.4	5.6	–	2,649.2
Carrying amount									
At 31.12.2013	33.9	7.6	5.2	1.7	691.9	28.3	1.8	87.0	857.4
At 31.12.2014	33.3	7.4	3.5	1.7	749.4	24.9	1.0	89.9	911.1

	GROUP	
	2014 \$m	2013 \$m
Staff costs capitalised in construction in progress during the year	3.2	3.1

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

3 PROPERTY, PLANT AND EQUIPMENT *(continued)*

COMPANY	Leasehold buildings \$m	Leasehold improvements \$m	Network equipment \$m	Office equipment, computers and furniture and fittings \$m	Motor vehicles \$m	Construction in progress \$m	Total \$m
Cost							
At 1.1.2013	8.3	42.7	1,059.9	119.2	1.9	57.0	1,289.0
Additions	–	–	–	1.3	0.2	96.6	98.1
Transfers	0.8	0.3	98.1	7.5	–	(106.7)	–
Disposals	–	(1.5)	(3.1)	(7.1)	–	–	(11.7)
At 31.12.2013	9.1	41.5	1,154.9	120.9	2.1	46.9	1,375.4
At 1.1.2014	9.1	41.5	1,154.9	120.9	2.1	46.9	1,375.4
Additions	–	–	–	1.4	–	97.5	98.9
Transfers	–	1.9	89.8	3.8	–	(95.5)	–
Disposals	–	(2.5)	(8.0)	(12.2)	–	–	(22.7)
At 31.12.2014	9.1	40.9	1,236.7	113.9	2.1	48.9	1,451.6
Accumulated depreciation							
At 1.1.2013	1.2	34.0	784.1	101.0	1.0	–	921.3
Charge for the year	0.2	6.1	64.9	10.0	0.4	–	81.6
Disposals	–	(1.5)	(3.0)	(7.1)	–	–	(11.6)
At 31.12.2013	1.4	38.6	846.0	103.9	1.4	–	991.3
At 1.1.2014	1.4	38.6	846.0	103.9	1.4	–	991.3
Charge for the year	0.3	2.6	71.1	7.7	0.3	–	82.0
Disposals	–	(2.4)	(7.8)	(12.0)	–	–	(22.2)
At 31.12.2014	1.7	38.8	909.3	99.6	1.7	–	1,051.1
Carrying amount							
At 31.12.2013	7.7	2.9	308.9	17.0	0.7	46.9	384.1
At 31.12.2014	7.4	2.1	327.4	14.3	0.4	48.9	400.5

4 INTANGIBLE ASSETS

GROUP	Telecom- munications and spectrum licences \$m	Software \$m	Software in development \$m	Goodwill \$m	Total \$m
Cost					
At 1.1.2013	116.8	422.5	9.0	220.3	768.6
Additions	–	–	33.8	–	33.8
Transfers	–	25.8	(25.8)	–	–
Disposals	–	(0.2)	–	–	(0.2)
At 31.12.2013	116.8	448.1	17.0	220.3	802.2
At 1.1.2014	116.8	448.1	17.0	220.3	802.2
Additions	40.0	0.2	38.6	–	78.8
Transfers	–	43.0	(43.0)	–	–
Disposals	–	(1.4)	–	–	(1.4)
At 31.12.2014	156.8	489.9	12.6	220.3	879.6
Accumulated amortisation					
At 1.1.2013	59.1	312.5	–	–	371.6
Charge for the year	6.5	43.6	–	–	50.1
Disposals	–	(0.1)	–	–	(0.1)
At 31.12.2013	65.6	356.0	–	–	421.6
At 1.1.2014	65.6	356.0	–	–	421.6
Charge for the year	6.4	48.5	–	–	54.9
Disposals	–	(1.4)	–	–	(1.4)
At 31.12.2014	72.0	403.1	–	–	475.1
Carrying amount					
At 31.12.2013	51.2	92.1	17.0	220.3	380.6
At 31.12.2014	84.8	86.8	12.6	220.3	404.5

Impairment tests for goodwill

The carrying value of the Group's goodwill is assessed for impairment annually or more frequently if there are indications that the goodwill might be impaired. For the purposes of impairment testing, goodwill is allocated to the cash generating unit ("CGU") comprising the Group's integrated fixed, mobile, cable and broadband operations. This represents the lowest level within the Group at which goodwill is monitored for impairment for internal management purposes.

The recoverable amount of the CGU is determined based on value-in-use calculations. The key assumptions for the value-in-use calculations are the discount rates, growth rates and expected changes to profit margins. The value-in-use calculations apply a discounted cash flow model using cash flow projections from the most recent financial budget and forecasts approved by management covering 4 years. The forecast cash flows were extrapolated using an estimated growth rate of 2.8% (2013: 5.3%). The pre-tax discount rate applied is assumed at 5.8% (2013: 5.9%) for the value-in-use calculation.

No impairment charge was required for the carrying amount of goodwill assessed as at 31 December 2014 and 31 December 2013 as the recoverable value was in excess of the carrying value. Any reasonably possible change to the key assumptions applied was not likely to cause the recoverable values to be below the carrying values.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

4 INTANGIBLE ASSETS (continued)

COMPANY	Telecom- munications licences \$m	Software \$m	Software in development \$m	Total \$m
Cost				
At 1.1.2013	1.0	368.9	7.0	376.9
Additions	–	0.1	24.8	24.9
Transfers	–	17.2	(17.2)	–
At 31.12.2013	1.0	386.2	14.6	401.8
At 1.1.2014	1.0	386.2	14.6	401.8
Additions	–	–	29.2	29.2
Disposals	–	(1.5)	–	(1.5)
Transfers	–	33.3	(33.3)	–
At 31.12.2014	1.0	418.0	10.5	429.5
Accumulated amortisation				
At 1.1.2013	0.7	270.3	–	271.0
Charge for the year	0.1	38.6	–	38.7
At 31.12.2013	0.8	308.9	–	309.7
At 1.1.2014	0.8	308.9	–	309.7
Charge for the year	0.1	41.9	–	42.0
Disposals	–	(1.5)	–	(1.5)
At 31.12.2014	0.9	349.3	–	350.2
Carrying amount				
At 31.12.2013	0.2	77.3	14.6	92.1
At 31.12.2014	0.1	68.7	10.5	79.3
GROUP AND COMPANY				
			2014 \$m	2013 \$m
Staff costs capitalised in software in development during the year			2.4	2.1

5 SUBSIDIARIES

COMPANY	2014 \$m	2013 \$m
Investments in subsidiaries, at cost	1,209.1	1,209.1
Loans to subsidiaries	490.0	490.0
Discount implicit in the interest-free loan to a subsidiary	21.9	21.9
	1,721.0	1,721.0
Allowance for impairment losses	(28.9)	(28.9)
	1,692.1	1,692.1

At 31 December 2014, the loans to the subsidiaries are unsecured, not repayable within the next 12 months and bore interest rate of 3.48% (2013: 3.48%) per annum.

Name of company	Principal activities	Country of incorporation/ business	Effective equity interest held by the Group	
			2014 %	2013 %
The subsidiaries directly held by the Company are as follows:				
StarHub Cable Vision Ltd. ⁽¹⁾	Provision of subscription television and television broadcasting services	Singapore	100	100
StarHub Mobile Pte Ltd ⁽¹⁾	Provision of mobile telecommunications services	Singapore	100	100
StarHub Internet Pte Ltd ⁽¹⁾	Provision and operation of internet services	Singapore	100	100
StarHub Online Pte Ltd ⁽¹⁾	Provision of broadband access services	Singapore	100	100
Nucleus Connect Pte. Ltd. ⁽¹⁾	Provision of high speed wholesale broadband services	Singapore	100	100
SHINE Systems Assets Pte. Ltd. ⁽¹⁾	Investment in, ownership or lease of infrastructure assets for use by StarHub Group and its partners	Singapore	100	100
StarHub (Mauritius) Ltd ⁽²⁾	Investment holding company and for acquisition of info-communication and infotainment services	Mauritius	100	100
StarHub (Hong Kong) Limited ⁽³⁾	Provision of telecommunication services	Hong Kong	100	100
StarHub Shop Pte Ltd ⁽⁴⁾	Dormant	Singapore	100	100
StarHub, Inc. ⁽⁴⁾	Dormant	United States	100	100
Other subsidiary indirectly held by the Company is as follows:				
Foosti Pte. Ltd. ^{(4) (5)}	Dormant	Singapore	100	100

(1) Audited by KPMG LLP Singapore

(2) Audited by KPMG Mauritius, a member firm of KPMG International

(3) Audited by another firm

(4) Not required to be audited by laws of the country of incorporation

(5) The company is currently in liquidation pursuant to a winding-up order by the High Court of Singapore issued on 14 January 2011.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

6 DEFERRED TAXES

Movements in deferred tax assets and liabilities during the year are as follows:

GROUP	At 1.1.2014	Effect of prior years' adjustment	At 1.1.2014 (restated)	Recognised in income statement	Recognised in other comprehensive income	At 31.12.2014
2014	\$m	\$m	\$m	\$m	\$m	\$m
Deferred tax liabilities						
Property, plant and equipment and intangible assets	(139.2)	–	(139.2)	(4.7)	–	(143.9)
Other payables and accruals	8.9	(0.4)	8.5	(3.8)	(0.6)	4.1
Unutilised capital allowances	2.3	–	2.3	6.2	–	8.5
Unutilised tax losses	–	–	–	4.1	–	4.1
Total	(128.0)	(0.4)	(128.4)	1.8	(0.6)	(127.2)

GROUP	At 1.1.2013	Effect of prior years' adjustment	At 1.1.2013 (Restated)	Recognised in income statement (Restated)	Recognised in other comprehensive income	At 31.12.2013 (Restated)
2013	\$m	\$m	\$m	\$m	\$m	\$m

Deferred tax assets

Property, plant and equipment and intangible assets	(7.9)	–	(7.9)	7.9	–	–
Deferred income	10.4	–	10.4	(10.4)	–	–
Total	2.5	–	2.5	(2.5)	–	–

Deferred tax liabilities

Property, plant and equipment and intangible assets	(121.6)	–	(121.6)	(17.6)	–	(139.2)
Other payables and accruals	2.4	(0.2)	2.2	6.9	(0.6)	8.5
Unutilised capital allowances	–	–	–	2.3	–	2.3
Total	(119.2)	(0.2)	(119.4)	(8.4)	(0.6)	(128.4)

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:

	2014 \$m	2013 \$m
Tax losses	60.0	54.2
Deferred tax assets	10.2	9.2

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.

6 DEFERRED TAXES (continued)

COMPANY 2014	At 1.1.2014 \$m	Recognised in income statement \$m	Recognised in other comprehensive income \$m	At 31.12.2014 \$m
Deferred tax liabilities				
Property, plant and equipment and intangible assets	(77.7)	0.9	–	(76.8)
Other payables and accruals	1.9	(0.4)	(0.6)	0.9
Total	(75.8)	0.5	(0.6)	(75.9)

COMPANY 2013	At 1.1.2013 \$m	Recognised in income statement \$m	Recognised in other comprehensive income \$m	At 31.12.2013 \$m
Deferred tax liabilities				
Property, plant and equipment and intangible assets	(74.9)	(2.8)	–	(77.7)
Other payables and accruals	2.5	–	(0.6)	1.9
Total	(72.4)	(2.8)	(0.6)	(75.8)

7 INVENTORIES

	GROUP		COMPANY	
	2014 \$m	2013 \$m	2014 \$m	2013 \$m
Inventories, at lower of cost and net realisable value	42.4	43.2	36.8	36.7
Allowance made/(written back) during the year	0.1	(2.4)	0.1	(3.0)

8 TRADE RECEIVABLES

	GROUP			COMPANY		
	31 December 2014 \$m	31 December 2013 (Restated) \$m	1 January 2013 (Restated) \$m	31 December 2014 \$m	31 December 2013 (Restated) \$m	1 January 2013 (Restated) \$m
Trade receivables	191.2	185.3	194.1	175.5	170.1	182.1
Allowance for doubtful receivables	(29.5)	(29.1)	(29.4)	(27.8)	(28.9)	(28.8)
	161.7	156.2	164.7	147.7	141.2	153.3

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

8 TRADE RECEIVABLES (continued)

The trade receivables of the Company include amounts billed under a combined billing arrangement to customers for services provided by certain subsidiaries.

The Group's and the Company's primary credit risk exposure arises through its trade receivables, which include corporate and retail customers. There is no concentration of credit risk with respect to trade receivables as the Group and the Company have a large number of customers. The recorded allowances for doubtful receivables have been made based on the Group and the Company's historical collections experience. Due to these factors, management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group and the Company's trade receivables.

The age analysis of trade receivables past due but not impaired at the reporting date is as follows:

	GROUP			COMPANY		
	31 December 2014 \$m	31 December 2013 (Restated) \$m	1 January 2013 (Restated) \$m	31 December 2014 \$m	31 December 2013 (Restated) \$m	1 January 2013 (Restated) \$m
Past due 0 – 15 days	36.4	37.9	43.4	34.1	35.0	41.7
Past due above 15 days	66.0	49.5	51.1	58.0	44.8	44.9
	102.4	87.4	94.5	92.1	79.8	86.6

The movements in allowance for doubtful receivables in respect of trade receivables during the year are as follows:

	GROUP		COMPANY	
	2014 \$m	2013 \$m	2014 \$m	2013 \$m
At beginning of year	29.1	29.4	28.9	28.8
Allowance for doubtful receivables	15.9	15.5	1.9	0.8
Recharged to subsidiaries	–	–	12.5	15.1
Allowance utilised	(15.5)	(15.8)	(15.5)	(15.8)
At end of year	29.5	29.1	27.8	28.9

9 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2014 \$m	2013 \$m	2014 \$m	2013 \$m
Grant receivables	6.9	8.3	–	–
Accrued revenue	101.8	75.6	13.8	9.8
Deposits	4.6	4.9	0.9	1.1
Prepayments	70.0	63.5	18.1	16.7
Other receivables	2.6	1.2	1.2	1.3
Mark-to-market financial instruments				
– Forward exchange contracts	–	0.9	–	0.9
	185.9	154.4	34.0	29.8

10 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.

10.1 AMOUNTS DUE FROM RELATED PARTIES

	Note	GROUP		COMPANY	
		2014 \$m	2013 \$m	2014 \$m	2013 \$m
Current					
Loan to subsidiary		–	–	22.0	22.0
Amounts due from (trade):					
– Ultimate holding company		0.1	0.1	0.1	0.1
– Subsidiaries	10.3	–	–	238.3	80.3
– Related corporations		17.3	23.9	12.2	8.9
		17.4	24.0	272.6	111.3
Non-current					
Loans to subsidiaries		–	–	106.0	123.0

At 31 December 2014, the loans to subsidiaries are unsecured and bore interest ranging from 2.03% to 3.48% (2013: 2.22% to 3.48%) per annum.

10.2 AMOUNTS DUE TO RELATED PARTIES

	Note	GROUP			COMPANY	
		31 December 2014 \$m	31 December 2013 \$m	31 December 2014 \$m	31 December 2013 (Restated) \$m	1 January 2013 (Restated) \$m
Amounts due to (trade):						
– Subsidiaries	10.3	–	–	320.9	386.3	297.0
– Related corporations		99.2	76.5	64.7	49.2	46.9
		99.2	76.5	385.6	435.5	343.9

The amounts due to subsidiaries include unsecured interest bearing amounts of \$111.7 million (2013: \$110.7 million) at interest rates ranging from 0.91% to 1.20% (2013: 0.85% to 1.20%) per annum and are repayable on demand. The remaining amounts due to subsidiaries have trade terms.

10.3 The Company's balances with subsidiaries included amounts netted under agreed master netting arrangements; the amounts before netting are as follows:

	Gross amounts \$m	Gross amounts offset \$m	Net amounts \$m
COMPANY			
31 December 2014			
Amounts due from subsidiaries	672.9	(434.6)	238.3
Amounts due to subsidiaries	755.5	(434.6)	320.9
31 December 2013			
Amounts due from subsidiaries	608.8	(528.5)	80.3
Amounts due to subsidiaries	914.8	(528.5)	386.3

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

11 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2014 \$m	2013 \$m	2014 \$m	2013 \$m
Fixed deposits	124.6	170.8	95.0	170.8
Cash at bank and in hand	139.6	96.1	81.0	36.7
	264.2	266.9	176.0	207.5

12 TRADE AND OTHER PAYABLES

	Note	GROUP		COMPANY	
		2014 \$m	2013 \$m	2014 \$m	2013 \$m
Current					
Trade payables		60.3	38.2	53.5	34.6
Accruals		462.4	459.5	205.9	216.4
Unearned revenue		137.2	143.1	22.8	25.3
Property, plant and equipment vendors		106.1	77.9	45.1	44.5
Deferred income	14	14.0	20.4	–	–
Deposits from customers		15.2	14.6	15.0	14.5
Mark-to-market financial instruments					
– Interest rate swaps		0.6	–	0.6	–
		795.8	753.7	342.9	335.3
Non-current					
Unearned revenue		22.2	23.8	22.2	23.8
Mark-to-market financial instruments					
– Interest rate swaps		1.1	5.1	1.1	5.1
		23.3	28.9	23.3	28.9

13 BORROWINGS

	Note	GROUP AND COMPANY	
		2014 \$m	2013 \$m
Current			
Bank loan	13.1	200.0	–
Non-current			
Bank loans	13.1	267.5	467.5
Medium term note	13.2	220.0	220.0
		487.5	687.5

13 BORROWINGS (continued)

13.1 BANK LOANS

	GROUP AND COMPANY	
	2014 \$m	2013 \$m
Current	200.0	–
Non-current	267.5	467.5
	467.5	467.5
Repayable:		
– Within 1 year	200.0	–
– After 1 year but within 5 years	267.5	467.5
	467.5	467.5

At 31 December 2014, the unsecured bank loans bore interest at rates ranging from 0.79% to 2.56% (2013: 0.79% to 2.56%) per annum.

13.2 MEDIUM TERM NOTE

	GROUP AND COMPANY	
	2014 \$m	2013 \$m
Non-current	220.0	220.0

The Company has established a multicurrency medium term note programme with a maximum aggregate principal amount of \$1,000,000,000 in September 2011. In September 2012, the Company issued a \$220,000,000 10 years medium term note which bore an interest rate of 3.08% per annum and is payable in September 2022. There is no material difference between the carrying amount and fair value of the medium term note.

14 DEFERRED INCOME

	Note	GROUP		COMPANY	
		2014 \$m	2013 \$m	2014 \$m	2013 \$m
Deferred grants					
At beginning of year		41.7	62.9	–	–
Amount accreted to the income statement		(20.4)	(21.2)	–	–
At end of year		21.3	41.7	–	–
Deferred grants to be accreted:					
Current (within 1 year)	12	14.0	20.4	–	–
Non-current (after 1 year but within 5 years)		7.3	21.3	–	–
Total		21.3	41.7	–	–

The deferred income are government grants received. The assets related grants are recognised over the estimated useful lives of the related assets. The income related grants are recognised on a systematic basis over the periods to match the related cost.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

15 SHARE CAPITAL

COMPANY	2014		2013	
	Number of shares '000	\$m	Number of shares '000	\$m
Issued and fully paid ordinary shares:				
At beginning of year	1,721,486	271.4	1,717,525	263.1
Issue of ordinary shares	4,337	10.6	3,342	7.5
Issue of ordinary shares for cash pursuant to the exercise of options under the StarHub Share Option Plans	499	0.6	619	0.8
At end of year	1,726,322	282.6	1,721,486	271.4

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.

As at 31 December 2014, there were no ordinary shares (2013: 72,788 shares) held by the Company as treasury shares. The treasury shares were included as a deduction from equity (Note 17).

16 DIVIDENDS

COMPANY	2014	2013
	\$m	\$m
Final dividend of \$0.05 (2013: \$0.05) per share (1-tier tax exempt) paid in respect of the previous financial year	86.3	86.0
Interim dividends of \$0.15 (2013: \$0.15) per share (1-tier tax exempt) paid in respect of the current financial year	258.9	258.2
	345.2	344.2

17 RESERVES

	GROUP			COMPANY	
	31 December 2014	31 December 2013 (Restated)	1 January 2013 (Restated)	31 December 2014	31 December 2013
	\$m	\$m	\$m	\$m	\$m
Treasury shares	–	(0.2)	(0.2)	–	(0.2)
Merger/Capital reserve	–	–	–	276.5	276.5
Goodwill written off	(276.3)	(276.3)	(276.3)	–	–
Share-based payments reserve	13.4	15.0	13.7	13.4	15.0
Hedging reserve	(1.4)	(4.2)	(7.0)	(1.4)	(4.2)
Translation reserve	0.8	0.3	–	–	–
Retained profits	129.9	104.6	69.3	823.2	661.3
	(133.6)	(160.8)	(200.5)	1,111.7	948.4

Treasury shares comprise the cost of the Company's shares held by the Group.

The merger/capital reserve comprises reserve arising from the acquisition of a subsidiary, StarHub Cable Vision Ltd. ("SCV"), on 2 July 2002 and the excess of the fair value of the Company's shares issued as consideration for the acquisition of SCV over its par value.

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.

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.

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.

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

18 TOTAL REVENUE

	GROUP		COMPANY	
	2014	2013 (Restated)	2014	2013
	\$m	\$m	\$m	\$m
Mobile revenue	1,247.6	1,243.4	–	–
Pay TV revenue	389.7	386.0	–	–
Broadband revenue	201.9	241.8	–	–
Fixed network services revenue	378.3	368.3	604.3	609.5
Sale of equipment	169.7	130.1	439.4	402.3
	2,387.2	2,369.6	1,043.7	1,011.8

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

19 OPERATING EXPENSES

	GROUP		COMPANY	
	2014 \$m	2013 \$m	2014 \$m	2013 \$m
Cost of equipment sold	411.4	376.7	410.9	375.8
Cost of services	382.9	364.3	59.1	52.4
Traffic expenses	154.7	200.5	73.5	86.1
Depreciation and amortisation (net of asset grants)	271.2	269.5	124.0	120.3
Marketing and promotions	156.2	153.6	14.1	14.0
Staff costs	275.0	276.6	200.1	204.0
Allowance for doubtful receivables	15.9	15.5	1.9	0.8
Repairs and maintenance	69.2	74.1	33.1	34.6
Operating leases	128.4	129.1	65.7	64.0
Other expenses	92.2	86.1	77.9	71.5
	1,957.1	1,946.0	1,060.3	1,023.5

Included in the above is the government grant of the Group which amounted to \$1.8 million (2013: nil).

19.1 DEPRECIATION AND AMORTISATION (NET OF ASSET GRANTS)

Depreciation and amortisation expenses comprise the following:

	GROUP		COMPANY	
	2014 \$m	2013 \$m	2014 \$m	2013 \$m
Depreciation of property, plant and equipment	216.6	220.5	82.0	81.6
Accretion of asset grants to the income statement	(0.3)	(1.1)	–	–
	216.3	219.4	82.0	81.6
Amortisation of intangible assets	54.9	50.1	42.0	38.7
Total	271.2	269.5	124.0	120.3

19.2 STAFF COSTS

The following are included in staff costs:

	GROUP		COMPANY	
	2014 \$m	2013 \$m	2014 \$m	2013 \$m
Defined contribution plans	23.9	25.1	16.3	17.8
Share-based payments	9.2	8.8	9.2	8.8
Government grants - Wage Credit Scheme	(1.9)	–	(1.8)	–

19 OPERATING EXPENSES (continued)

19.2.1 KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation is as follows:

	GROUP		COMPANY	
	2014 \$m	2013 \$m	2014 \$m	2013 \$m
Short-term employee benefits	10.0	12.6	8.9	11.5
Share-based payments	4.4	5.7	4.0	5.3
	14.4	18.3	12.9	16.8

Included in the above is the total compensation to directors of the Company which amounted to \$4.7 million (2013: \$4.9 million).

Key management personnel also participate in the StarHub Share Option Plans, the StarHub Performance Share Plans and the StarHub Restricted Stock Plans as detailed in Note 19.2.2. The short term benefits include the Company balanced scorecard incentive programme to reward employees for achieving or exceeding performance target.

Conditional awards of 645,100 shares (2013: 479,000 shares) under the StarHub Performance Share Plans and conditional awards of 640,400 shares (2013: 411,000 shares) under the StarHub Restricted Stock Plans were granted to the key management personnel of the Company during the year.

Based on the actual level of achievement of the pre-determined performance targets over the 2011 to 2013 performance period, there were 1,715,800 shares delivered to the key management personnel of the Company during the year under the 2011 conditional awards granted to key management personnel of the Company in March 2011 pursuant to the StarHub Performance Share Plans.

Based on the actual level of achievement of the pre-determined performance targets over the 2012 to 2013 performance period, final awards comprising 787,500 shares were awarded to the key management personnel of the Company during the year under the 2012 conditional awards granted to the key management personnel of the Company in May 2012 pursuant to the StarHub Restricted Stock Plans. 393,800 shares under the final awards were delivered during the year, with the balance of 393,700 shares to be delivered in phases according to the stipulated vesting periods.

All share options and conditional share awards (except for the time-based restricted share awards) granted to the key management personnel of the Company were on the same terms and conditions as those offered to other employees of the Company.

As at 31 December 2014, 1,948,766 (2013: 2,161,566) of the conditional awards of shares under the StarHub Performance Share Plans, and 1,449,600 (2013: 1,495,900) of the conditional awards of shares under the StarHub Restricted Stock Plans granted to the key management personnel were outstanding.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

19 OPERATING EXPENSES (continued)

19.2.2 SHARE-BASED PAYMENTS

StarHub Share Option Plan

Under the StarHub Share Option Plan 2004, the exercise price for each ordinary share in respect of which an option is exercisable shall be determined by the Company's Executive Resource and Compensation Committee ("ERCC") in its absolute discretion on the date of grant to be either:

- (i) a price which is equal to the volume-weighted average price for the Company's shares on the Singapore Exchange Securities Trading Limited ("SGX") over the three consecutive trading days immediately preceding the date of grant of that option ("Market Price"), or such higher price as may be determined by the ERCC in its absolute discretion; or
- (ii) a price which is set, at the absolute discretion of the ERCC, at a discount to the Market Price so long as the maximum discount for any option shall not exceed 20% of the Market Price in respect of that option.

At 31 December 2014, the share options outstanding under the StarHub Share Option Plan 2004 are as follows:

COMPANY	Number of share options		Weighted average exercise price per share	
	2014 '000	2013 '000	2014 \$	2013 \$
Outstanding at beginning of year	819	1,571	1.35	1.30
Exercised	(499)	(619)	1.33	1.27
Forfeited	(86)	(133)	1.01	1.13
Outstanding at end of year	234	819	1.52	1.35
Exercisable at end of year	234	819	1.52	1.35

Options were exercised throughout the year. The weighted average share price during the year was \$4.15 per share (2013: \$4.21 per share).

The outstanding share options have the following exercise prices:

COMPANY	2014 \$	2013 \$
Exercise price:		
\$0.88 to \$0.99	–	256
\$1.52	234	563
Outstanding at end of year	234	819
Weighted average remaining contractual life	0.41 year	1.18 years

The fair values of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a Binomial model. No options were granted for the years ended 31 December 2014 and 31 December 2013.

19 OPERATING EXPENSES (continued)

19.2.2 SHARE-BASED PAYMENTS (continued)

StarHub Performance Share Plans

Under the StarHub PSP and the StarHub PSP 2014 (collectively the "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 ERCC is satisfied that the prescribed performance targets have been achieved. There are no vesting periods beyond the performance achievement periods.

During the financial year ended 31 December 2014, the conditional grants of 645,100 (2013: 479,000) shares under the StarHub Performance Share Plans were made to the 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 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:

2014 Date of grant	Balance outstanding at 1.1.2014 '000	Number of performance shares granted '000	Number of performance shares vested '000	Number of performance shares forfeited '000	Balance outstanding at 31.12.2014 '000
31 March 2011	858	–	(858)	–	–
25 May 2012	872	–	–	–	872
31 May 2013	432	–	–	–	432
10 March 2014	–	645	–	–	645
Total	2,162	645	(858)	–	1,949

2013 Date of grant	Balance outstanding at 1.1.2013 '000	Number of performance shares granted '000	Number of performance shares vested '000	Number of performance shares forfeited '000	Balance outstanding at 31.12.2013 '000
17 May 2010	673	–	(673)	–	–
31 March 2011	858	–	–	–	858
25 May 2012	912	–	–	(40)	872
31 May 2013	–	479	–	(47)	432
Total	2,443	479	(673)	(87)	2,162

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 grant in 2014 and 2013 are as follows:

	Year of grant	
	2014	2013
Fair value	\$2.65	\$2.69
Share price	\$4.07	\$4.01
Expected volatility of the Company's shares	16.91%	16.30%
Expected volatility of MSCI Asia-Pacific Telecommunications Component Stock	9.50%	10.68%
Expected dividend yield	4.44%	4.80%
Risk-free interest rates	0.50%	0.49%

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

19 OPERATING EXPENSES (continued)

19.2.2 SHARE-BASED PAYMENTS (continued)

StarHub Restricted Stock Plans

Under the StarHub RSP and StarHub RSP Plan 2014 (collectively the "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 financial year ended 31 December 2014, the conditional grants of 2,517,900 (2013: 1,484,000) shares under the StarHub Restricted Stock Plans were made to the 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.

During the financial year ended 31 December 2014, 127,300 (2013: 114,900) shares under the StarHub Restricted Stock Plans were vested and delivered to certain non-executive directors of the Company as part of their non-executive directors' remuneration, without any performance or vesting conditions attached.

The movements of the number of shares 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:

2014 Date of grant	Balance outstanding at 1.1.2014 '000	Number of restricted shares granted '000	Number of restricted shares vested '000	Number of restricted shares forfeited '000	Balance outstanding at 31.12.2014 '000
17 May 2010	474	–	(472)	(2)	–
31 March 2011	849	–	(849)	–	–
25 May 2012	1,877	–	(936)	(29)	912
31 May 2013	1,459	–	–	(52)	1,407
10 March 2014	–	2,518	–	(64)	2,454
14 May 2014	–	127	(111)	(16)	–
Total	4,659	2,645	(2,368)	(163)	4,773

2013 Date of grant	Balance outstanding at 1.1.2013 '000	Number of restricted shares granted '000	Number of restricted shares vested '000	Number of restricted shares forfeited '000	Balance outstanding at 31.12.2013 '000
29 May 2009	394	–	(389)	(5)	–
17 May 2010	1,036	–	(521)	(41)	474
31 March 2011	1,832	–	(888)	(95)	849
25 May 2012	1,953	–	–	(76)	1,877
10 May 2013	–	115	(99)	(16)	–
31 May 2013	–	1,484	–	(25)	1,459
Total	5,215	1,599	(1,897)	(258)	4,659

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.

19 OPERATING EXPENSES (continued)**19.2.2 SHARE-BASED PAYMENTS** (continued)**StarHub Restricted Stock Plans** (continued)

The assumptions under the model used for the grant in 2014 and 2013 are as follows:

	Year of grant	
	2014	2013
Fair value	\$3.11 - \$3.84	\$3.61
Share price	\$4.07	\$4.01
Expected volatility of the Company's shares	16.91%	16.30%
Expected dividend yield	4.44%	4.80%
Risk-free interest rates	0.26% - 0.46%	0.35% - 0.46%

19.3 OTHER EXPENSES

Included in other expenses are the following:

	GROUP		COMPANY	
	2014 \$m	2013 \$m	2014 \$m	2013 \$m
Fees paid to auditors of the Company:				
– Audit	0.4	0.4	0.1	0.1
– Non-audit	0.2	0.3	0.1	0.1
Foreign currency exchange loss	3.1	2.7	1.8	0.5
Changes in fair value of financial instruments	0.9	(1.7)	0.9	(1.7)

20 OTHER INCOME

	GROUP		COMPANY	
	2014 \$m	2013 \$m	2014 \$m	2013 \$m
Corporate recharges to subsidiaries	–	–	231.4	217.1
Dividend income from subsidiaries	–	–	326.5	150.0
Income related grants	46.6	49.9	0.3	0.1
	46.6	49.9	558.2	367.2

21 FINANCE INCOME AND EXPENSE

	GROUP		COMPANY	
	2014 \$m	2013 \$m	2014 \$m	2013 \$m
Interest income:				
– Bank deposits	2.0	2.8	1.9	2.7
– Subsidiaries	–	–	12.6	18.9
Finance income	2.0	2.8	14.5	21.6
Interest expense:				
– Bank loans	15.8	12.0	15.8	11.9
– Medium term note	6.8	6.8	6.8	6.8
– Subsidiaries	–	–	1.6	1.4
Finance expense	22.6	18.8	24.2	20.1

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

22 TAXATION

	GROUP		COMPANY	
	2014	2013 (Restated)	2014	2013
	\$m	\$m	\$m	\$m
Current tax				
Current income tax	91.4	78.1	36.8	36.1
Utilisation of previously unrecognised deferred tax assets	(8.6)	(9.4)	(11.2)	(4.3)
Under/(over) provision in prior year	4.6	(1.6)	(0.3)	(1.9)
	87.4	67.1	25.3	29.9
Deferred tax				
Origination and reversal of temporary differences	(0.3)	10.0	0.9	1.0
(Under)/over provision of tax assets in prior year	(1.5)	0.9	(1.4)	1.8
	(1.8)	10.9	(0.5)	2.8
Total income tax in income statement	85.6	78.0	24.8	32.7

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		COMPANY	
	2014	2013 (Restated)	2014	2013
	\$m	\$m	\$m	\$m
Profit before taxation	456.1	457.5	531.9	357.0
Income tax using Singapore tax rate of 17%	77.5	77.8	90.4	60.7
Income not subject to tax	(0.1)	(0.2)	(55.5)	(25.5)
Non-deductible expenses	4.3	3.6	2.7	2.1
Deferred tax assets not recognised	9.6	8.6	–	–
Utilisation of previously unrecognised deferred tax assets	(8.6)	(9.4)	(11.2)	(4.3)
Under/(over) provision in prior year, net	3.1	(0.7)	(1.6)	(0.1)
Others	(0.2)	(1.7)	–	(0.2)
Total income tax in income statement	85.6	78.0	24.8	32.7

The Company's utilisation of previously unrecognised deferred tax assets relate to unutilised tax losses and unutilised capital allowances transferred from its subsidiaries under the group tax relief system in the Republic of Singapore.

Income tax recognised in other comprehensive income for the years ended 31 December are as follows:

	GROUP AND COMPANY	
	2014	2013
	\$m	\$m
Cash flow hedge, before taxation	3.4	3.4
Taxation	(0.6)	(0.6)
Effective portion of changes in fair value of cash flow hedge	2.8	2.8

23 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the Group's profit attributable to equity holders by the weighted average number of ordinary shares in issue during the financial year.

For the purpose of calculating the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the StarHub share plans.

	GROUP	
	2014	2013 (Restated)
	\$m	\$m
Profit attributable to equity holders	370.5	379.5

	Number of shares	
	2014	2013
	'000	'000
Weighted average number of ordinary shares (basic)	1,725,351	1,720,724
Adjustment for dilutive effect of share plans	7,050	7,610
Weighted average number of ordinary shares (diluted)	1,732,401	1,728,334

24 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 covered by FRS. The Group defines EBITDA as follows:

	GROUP	
	2014	2013 (Restated)
	\$m	\$m
Profit before taxation	456.1	457.5
Adjustments for:		
Depreciation and amortisation (net of asset grants)	271.2	269.5
Finance income	(2.0)	(2.8)
Finance expense	22.6	18.8
EBITDA	747.9	743.0

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

25 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 and the Company with related parties during the financial year were as follows:

	GROUP		COMPANY	
	2014 \$m	2013 \$m	2014 \$m	2013 \$m
Ultimate holding company				
Sales	0.7	0.6	0.7	0.6
Subsidiaries				
Sales	–	–	523.4	539.9
Purchase of services	–	–	48.1	42.4
Related corporations				
Sales	77.6	85.1	33.1	31.9
Purchase of property, plant and equipment	18.1	23.3	13.8	20.9
Rental expenses	85.1	83.2	37.1	37.6
Purchase of services	151.8	100.6	36.8	26.6
Purchase of inventories	167.2	204.2	166.8	203.8

26 SEGMENT REPORTING

Segment information is presented based on the information reviewed by the chief operating decision maker ("CODM") for performance assessment and resource allocation.

The CODM assess the Group's financial performance using performance indicators which include revenue, EBITDA, capital expenditure and cash flow of the Group.

The Group operates primarily in Singapore in one segment. The Group delivers its Mobile, Pay TV, Broadband, Fixed networks services and equipment sales on a fully integrated network, customer service, sales, marketing and administration support.

The Group has a large and diversified customer base which consists of individuals and corporations. There was no single customer that contributed to 10% or more of the Group's revenue.

26 SEGMENT REPORTING (continued)

The Group's reportable segment information is as follows:

	GROUP	
	2014 \$m	2013 (Restated) \$m
Mobile revenue	1,247.6	1,243.4
Pay TV revenue	389.7	386.0
Broadband revenue	201.9	241.8
Fixed network services revenue	378.3	368.3
Sale of equipment	169.7	130.1
Total revenue	2,387.2	2,369.6
EBITDA	747.9	743.0
Depreciation and amortisation (net of asset grants)	(271.2)	(269.5)
Finance income	2.0	2.8
Finance expense	(22.6)	(18.8)
Profit before taxation	456.1	457.5
Taxation	(85.6)	(78.0)
Profit for the year	370.5	379.5
Assets and liabilities		
Non-current assets	1,315.6	1,238.0
Current assets	671.6	644.7
Total assets	1,987.2	1,882.7
Borrowings	687.5	687.5
Other non-current liabilities	157.8	178.6
Current liabilities	992.9	906.0
Total liabilities	1,838.2	1,772.1
Other information		
Capital expenditure	349.8	321.3
Free cash flow *	333.3	291.9

* Free cash flow refers to net cash from operating activities less purchase of property, plant and equipment and intangible assets in the consolidated cash flow statement.

27 FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

Exposure to credit, liquidity, interest rate and currency risk arises in the normal course of the Group's business. The Group has written risk management policies and guidelines which set out its overall business strategies, its tolerance of risk and its general risk management philosophy, and has established processes to monitor and control the hedging of transactions in a timely and accurate manner.

Derivative financial instruments are used to reduce exposure to fluctuations in foreign exchange rates and interest rates. 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.

The Group's accounting policy in relation to derivative financial instruments is set out in Note 2.23.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

27 FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Periodic frequent credit review and counterparty credit limits are 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.

The Group places its cash and cash equivalents and enters into treasury transactions only with creditworthy banks and financial institutions.

The maximum credit risk exposure is represented by the carrying value of each financial asset in the statement of financial position.

Liquidity risk

The Group monitors its liquidity risk and actively manages its operating cash flows, debt maturity profile and availability of funding. The Group maintains sufficient level of cash and cash equivalents, and has available funding through diverse sources of committed and uncommitted credit facilities from banks and the capital market through its medium term note programme.

The following are the expected contractual undiscounted cash outflows (including interest payments) of financial liabilities:

GROUP 2014	Carrying amount \$m	Total \$m	Contractual cash flows		
			Within 1 year \$m	After 1 year but within 5 years \$m	After 5 years but within 10 years \$m
Non-derivative financial liabilities					
Borrowings	687.5	758.4	211.7	306.4	240.3
Trade and other payables ^	642.4	642.4	642.4	–	–
Balances with related parties	99.2	99.2	99.2	–	–
Derivative financial liabilities					
Interest rate swaps used for hedging	3.3	3.3	3.1	0.2	–
	1,432.4	1,503.3	956.4	306.6	240.3

GROUP 2013	Carrying amount \$m	Total \$m	Contractual cash flows		
			Within 1 year \$m	After 1 year but within 5 years \$m	After 5 years but within 10 years \$m
Non-derivative financial liabilities					
Borrowings	687.5	770.1	9.2	513.8	247.1
Trade and other payables ^	588.7	588.7	588.7	–	–
Balances with related parties	76.5	76.5	76.5	–	–
Derivative financial liabilities					
Interest rate swaps used for hedging	6.6	6.6	4.0	2.6	–
	1,359.3	1,441.9	678.4	516.4	247.1

27 **FINANCIAL RISK MANAGEMENT** (continued)
Liquidity risk (continued)

COMPANY	Carrying amount	Contractual cash flows			
		Total	Within 1 year	After 1 year but within 5 years	After 5 years but within 10 years
2014	\$m	\$m	\$m	\$m	\$m
Non-derivative financial liabilities					
Borrowings	687.5	758.4	211.7	306.4	240.3
Trade and other payables [^]	317.9	317.9	317.9	–	–
Balances with related parties	385.6	385.6	385.6	–	–
Derivative financial liabilities					
Interest rate swaps used for hedging	3.3	3.3	3.1	0.2	–
	1,394.3	1,465.2	918.3	306.6	240.3

COMPANY	Carrying amount	Contractual cash flows			
		Total	Within 1 year	After 1 year but within 5 years	After 5 years but within 10 years
2013	\$m	\$m	\$m	\$m	\$m
Non-derivative financial liabilities					
Borrowings	687.5	770.1	9.2	513.8	247.1
Trade and other payables [^]	308.5	308.5	308.5	–	–
Balances with related parties	435.5	435.5	435.5	–	–
Derivative financial liabilities					
Interest rate swaps used for hedging	6.6	6.6	4.0	2.6	–
	1,438.1	1,520.7	757.2	516.4	247.1

[^] The carrying amount of trade and other payables disclosed in the table exclude deferred income, unearned revenue, interest accruals for derivative financial liabilities. The latter is included in the derivative financial liabilities.

The following table indicates the periods in which the cash flow hedges are expected to affect profit or loss:

GROUP AND COMPANY	Within 1 year	After 1 year but within 5 years	Total
2014	\$m	\$m	\$m
Interest rate swaps			
– Liabilities	1.5	0.2	1.7
GROUP AND COMPANY			
2013	\$m	\$m	\$m
Interest rate swaps			
– Liabilities	2.5	2.6	5.1

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

27 FINANCIAL RISK MANAGEMENT (continued)

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 bank loans is on a fixed rate basis. Interest rate swaps, denominated in Singapore dollars, have been entered into to achieve this purpose.

At 31 December 2014, the Group had outstanding interest rate swap agreements with notional principal amounts totalling \$335.0 million (2013: \$335.0 million) in cash flow hedges against borrowings. These interest rate swaps will mature over the remaining term ranging from 0.1 year to 2.4 years (2013: 1.1 years to 3.4 years) to match the underlying hedged cash flows arising on the borrowings consisting of semi-annual interest payments. The fixed interest payable are at interest rates ranging from 0.86% to 2.25% per annum (2013: 0.86% to 2.25% per annum).

Sensitivity analysis

The Group's and the Company's borrowings are denominated in Singapore dollars. An increase/decrease in the interest rates by 100 basis points with all other variables remaining constant, will result in the Group's and the Company's profit before taxation to be lower/higher by \$0.1 million (2013: \$0.1 million).

Foreign currency risk

The Group incurs foreign exchange risk on sales and purchases that are denominated in currencies other than Singapore Dollar. The currency giving rise to this risk is primarily the United States Dollar.

For operations with significant expenditure denominated in foreign currencies, forward exchange contracts are entered into to hedge the foreign currency risk on forecasted payment obligations. At 31 December 2014, the Group and the Company do not have outstanding forward exchange contracts. The notional principal amounts for Group and the Company at 31 December 2013 was \$68.6 million.

The Group's and the Company's exposures to United States Dollar are as follows:

	GROUP		COMPANY	
	2014 \$m	2013 \$m	2014 \$m	2013 \$m
Trade and other receivables	31.5	32.3	7.6	6.8
Cash and cash equivalents	39.4	80.2	27.1	71.1
Trade and other payables	(145.1)	(146.7)	(63.4)	(72.2)
	(74.2)	(34.2)	(28.7)	5.7

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.

Sensitivity analysis

At 31 December 2014, a 1% (2013: 1%) strengthening of Singapore Dollar against the United States Dollar would increase profit before taxation by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	GROUP		COMPANY	
	2014 \$m	2013 \$m	2014 \$m	2013 \$m
Profit before taxation	0.7	0.3	0.3	0.1

A 1% (2013: 1%) weakening of Singapore Dollar against the United States Dollar would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables, in particular interest rates, remain constant.

27 FINANCIAL RISK MANAGEMENT (continued)

Estimation 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. For interest rate swaps, valuations are also 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 borrowings which reprice within one year of reporting date were assumed to equate the carrying value. All other 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.

Interest rates used in determining fair values

The Group and the Company use the interbank swap yield as of 31 December 2014 plus an adequate constant credit spread to discount financial instruments. The interest rates used are as follows:

	2014 % per annum	2013 % per annum
Derivatives	0.86 – 2.25	0.86 – 2.25

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).

The following table represents the assets and liabilities measured at fair value, using Level 2 valuation method, at reporting date:

	GROUP AND COMPANY	
	2014 \$m	2013 \$m
Financial assets		
Mark-to-market financial instruments		
– Forward exchange contracts	–	0.9
Financial liabilities		
Mark-to-market financial instruments		
– Interest rate swaps	1.7	5.1

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

28 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 proper 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 Share Option Plan, 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 note issued.

The Group is not subject to any externally imposed capital requirement.

There were no changes in the Group's approach to capital management during the year.

29 COMMITMENTS

(a) Capital and other financial commitments

	GROUP		COMPANY	
	2014 \$m	2013 \$m	2014 \$m	2013 \$m
Contracted and not provided for in the financial statements:				
– Capital expenditures	438.9	376.1	107.6	153.8
– Other operating expenditures	378.2	431.5	–	–
	817.1	807.6	107.6	153.8

Included in the capital expenditures contracted by the Company is an amount of approximately \$4.7 million (2013: \$3.9 million) which has been entered into on behalf of its subsidiaries.

As at 31 December 2014, the Group has outstanding capital and other financial commitments with related companies amounting to \$15.2 million (2013: \$18.9 million).

(b) Operating leases

Future minimum lease payments under non-cancellable operating leases are as follows:

	GROUP		COMPANY	
	2014 \$m	2013 \$m	2014 \$m	2013 \$m
Payable:				
– Within 1 year	99.4	100.0	57.2	60.9
– Within 2 to 5 years	134.1	156.8	84.0	78.5
– After 5 years	60.3	4.2	60.0	3.3
	293.8	261.0	201.2	142.7

Included in the operating lease commitment of the Company is \$7.1 million (2013: \$7.4 million) which is contracted on behalf of a subsidiary.

The operating leases include lease of premises and network infrastructure. The leases have varying terms and renewal rights.

As at 31 December 2014, the Group has outstanding operating lease commitments with related companies amounting to \$139.8 million (2013: \$202.4 million).

30 COMPARATIVE FIGURES

During the financial year, it was identified that certain cash receipts relating to prior years were erroneously applied as cash collections for trade receivables when these were cash receipts for early termination charges billed. The Group's accounting policy for early termination charges was to recognise such charges as revenue in the income statement only upon cash receipts. Billing of such early termination charges were deferred and classified as an offset in the overall trade receivables in the statement of financial position. Therefore, on cash receipt, the Group should have recognised the revenue previously deferred. The wrong classification of these cash receipts was due to an error in the system generated report used in identifying and segregating the cash collections.

Even though the impact of the errors was not material to each corresponding financial year, management has determined the cumulative effects of the understatement of revenue to be material and decided to make retrospective adjustments to the comparative information in the financial statements.

As a result, a restatement of the Group's prior year statements of financial position in relation to trade receivables, provision for taxation, deferred tax liabilities and retained profits, and a restatement of the Group's prior year statements of comprehensive income in relation to total revenue and taxation were made.

Due to the combined billing arrangement provided by the Company for its subsidiaries, the Company's trade receivables and amounts due to its respective subsidiaries in the Company's prior year statements of financial position were also restated.

A summary of the effects of the prior years' adjustments is as follows:

GROUP	As previously reported	Adjustments	As restated
31 December 2013	\$m	\$m	\$m
Statement of Financial Position			
Trade receivables	123.5	32.7	156.2
Provision for taxation	71.4	4.4	75.8
Deferred tax liabilities	128.0	0.4	128.4
Retained profits	76.7	27.9	104.6
Income Statement			
Total revenue	2,359.3	10.3	2,369.6
Taxation	(76.5)	(1.5)	(78.0)
Earnings per share			
Basic (cents)	21.5	0.6	22.1
Diluted (cents)	21.4	0.6	22.0
Statement of Comprehensive Income			
Profit for the year	370.7	8.8	379.5
Consolidated Cash Flow Statement			
Profit before taxation	447.2	10.3	457.5
Changes in working capital			
Trade receivables	18.8	(10.3)	8.5

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

30 COMPARATIVE FIGURES (continued)

GROUP 1 January 2013	As previously reported \$m	Adjustments \$m	As restated \$m
Statement of Financial Position			
Trade receivables	142.3	22.4	164.7
Provision for taxation	94.6	3.1	97.7
Deferred tax liabilities	119.2	0.2	119.4
Retained profits	50.2	19.1	69.3
COMPANY 31 December 2013			
	As previously reported \$m	Adjustments \$m	As restated \$m
Statement of Financial Position			
Trade receivables	108.5	32.7	141.2
Balance with related parties	402.8	32.7	435.5
COMPANY 1 January 2013			
	As previously reported \$m	Adjustments \$m	As restated \$m
Statement of Financial Position			
Trade receivables	130.9	22.4	153.3
Balance with related parties	321.5	22.4	343.9

During the financial year, the corrected system generated report has been used in identifying and segregating the cash collections, and in recognising the early termination charges to the income statement upon collection.

31 SUBSEQUENT EVENT

The directors have proposed a final dividend of \$0.05 (2013: \$0.05) per share, tax exempt (one tier), totalling \$86.3 million (2013: \$86.1 million) in respect of the financial year ended 31 December 2014. 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 2015.

INTERESTED PERSON TRANSACTIONS AND MATERIAL CONTRACTS

(PURSUANT TO SGX-ST LISTING MANUAL RULE 907 AND RULE 1207(8))

	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)	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 2014 to 31 December 2014 \$m	1 January 2014 to 31 December 2014 \$m
Transactions for the Sale of Goods & Services		
CapitaLand Limited & its associates	0.2	-
Singapore Airlines Limited & its associates	0.9	-
Singapore Power Limited & its associates	0.1	-
Singapore Technologies Engineering Ltd & its associates	0.2	-
Singapore Telecommunications Limited & its associates	35.2	-
TeleChoice International Ltd & its associates	3.1	-
Temasek Holdings (Private) Limited & its associates (other than those disclosed above)	3.4	-
	43.1	-
Transactions for the Purchase of Goods & Services		
CapitaLand Limited & its associates	0.3	-
Mapletree Industrial Trust & its associates	2.0	-
Refinery Media Pte Ltd	-	0.3
Singapore Power Limited & its associates	25.6	-
Singapore Technologies Engineering Ltd & its associates	2.4	-
Singapore Telecommunications Limited & its associates	77.7	-
TeleChoice International Ltd & its associates	235.5	-
Temasek Holdings (Private) Limited & its associates (other than those disclosed above)	2.6	-
	346.1	0.3

During the financial year ended 31 December 2014, no material contracts were entered into by StarHub Ltd or any of its subsidiaries involving the interests of the CEO, any Director or controlling shareholder pursuant to Rule 1207(8) of the SGX-ST Listing Manual.

SHAREHOLDING INFORMATION

AS AT 9 MARCH 2015

Class of shares	: Ordinary share
Voting rights	: One vote per share
Total number of issued shares excluding treasury shares	: 1,727,500,209
Total number of treasury shares held	: Nil
Percentage of treasury shares held against the total number of issued shares excluding treasury shares	: Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	% of shareholders	No. of shares	% of issued share capital
1 – 99	107	0.70	3,800	0.00
100 – 1,000	3,154	20.50	2,730,752	0.16
1,001 – 10,000	9,908	64.40	42,451,642	2.46
10,001 – 1,000,000	2,192	14.25	87,414,875	5.06
1,000,001 and above	23	0.15	1,594,899,140	92.32
Total	15,384	100.00	1,727,500,209	100.00

SUBSTANTIAL SHAREHOLDERS

Name	Number of shares		% of issued share capital ⁽⁵⁾
	Direct interest	Deemed interest	
Temasek Holdings (Private) Limited	–	972,715,497 ⁽¹⁾	56.30
Singapore Technologies Telemedia Pte Ltd	–	966,815,290 ⁽²⁾	55.97
STT Communications Ltd	–	966,815,290 ⁽²⁾	55.97
Asia Mobile Holding Company Pte. Ltd.	–	966,815,290 ⁽²⁾	55.97
Asia Mobile Holdings Pte. Ltd.	966,815,290	–	55.97
Ooredoo Q.S.C.	–	966,815,290 ⁽³⁾	55.97
Qtel Investment Holdings S.P.C.	–	966,815,290 ⁽³⁾	55.97
Nippon Telegraph and Telephone Corporation	–	171,490,520 ⁽⁴⁾	9.93
NTT Communications Corporation	171,490,520	–	9.93

Notes:

- (1) Temasek Holdings (Private) Limited is deemed to have an interest in 972,715,497 shares of StarHub in which Fullerton Fund Management Company Ltd, DBS Group Holdings Ltd and Singapore Technologies Telemedia Pte Ltd (ST Telemedia) group of companies have or are deemed to have an interest.
- (2) ST Telemedia is deemed to have an interest in 966,815,290 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.
- (3) Qtel Investment Holdings S.P.C. (QIH) and Ooredoo Q.S.C. (formerly known as Qatar Telecom (Qtel) Q.S.C.) (Ooredoo) are deemed to have an interest in 966,815,290 shares of StarHub held by AMH. QIH holds approximately 25% of the total issued share capital of AMH. QIH is a wholly-owned subsidiary of Ooredoo.
- (4) 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.
- (5) The shareholding percentage is based on the number of issued shares of StarHub excluding treasury shares.

TWENTY LARGEST SHAREHOLDERS

No.	Name of shareholder	Number of shares held	% of issued share capital ⁽¹⁾
1	Asia Mobile Holdings Pte. Ltd.	966,815,290	55.97
2	NTT Communications Corporation	171,490,520	9.93
3	Citibank Nominees Singapore Pte Ltd	141,930,898	8.21
4	DBS Nominees Pte Ltd	105,010,666	6.08
5	HSBC (Singapore) Nominees Pte Ltd	69,214,269	4.01
6	DBSN Services Pte Ltd	51,160,526	2.96
7	United Overseas Bank Nominees Pte Ltd	27,018,851	1.56
8	Raffles Nominees (Pte) Ltd	19,413,556	1.12
9	Singapore Press Holdings Limited	10,411,230	0.60
10	BNP Paribas Securities Services	7,437,834	0.43
11	Yeo Kok Pin	3,544,000	0.21
12	DB Nominees (Singapore) Pte Ltd	2,524,118	0.15
13	CT Point Investments Pte Ltd	2,510,000	0.15
14	Bank of Singapore Nominees Pte Ltd	2,443,912	0.14
15	BNP Paribas Nominees Singapore Pte Ltd	2,290,822	0.13
16	OCBC Nominees Singapore Pte Ltd	2,101,322	0.12
17	Montefiore Neil	1,778,640	0.10
18	Philip Securities Pte Ltd	1,686,886	0.10
19	Yeo Kok Seng	1,475,000	0.09
20	Yeo Wei Yan	1,425,800	0.08
Total		1,591,684,140	92.14

(1) 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 9 March 2015, approximately 33.63% of the total number of issued shares (excluding treasury shares) of StarHub was held by the public. Accordingly, StarHub has complied with Rule 723 of the SGX-ST Listing Manual.

NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING

STARHUB LTD

(Incorporated in the Republic of Singapore)

Co. Reg. No. 199802208C

Notice is hereby given that the Seventeenth Annual General Meeting of the Company will be held at Meeting Room 300, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 28 April 2015 at 10.00 a.m. for the following purposes:

ORDINARY BUSINESS

- 1 To receive and adopt the Directors' Report and the Audited Accounts for the financial year ended 31 December 2014 and the Auditors' Report therein. **Resolution 1**

- 2 To re-appoint the following Directors, each of whom will retire under Section 153(6) of the Companies Act, Cap. 50 of Singapore, to hold office from the date of this Annual General Meeting until the next Annual General Meeting of the Company:
 - (a) Mr Kua Hong Pak (Independent Chairman of Audit Committee); and **Resolution 2**
 - (b) Mr Nihal Vijaya Devadas Kaviratne (Independent Member of Audit Committee). **Resolution 3**

The profiles of Mr Kua and Mr Kaviratne can be found in the Board of Directors section of the StarHub Ltd Annual Report 2014.

- 3 To re-elect the following Directors, each of whom will retire by rotation pursuant to Article 93 of the Company's Articles of Association and who, being eligible, will offer themselves for re-election:
 - (a) Mr Robert J. Sachs; **Resolution 4**
 - (b) Mr Lim Ming Seong; **Resolution 5**
 - (c) Mr Teo Ek Tor; **Resolution 6**
 - (d) Mr Liu Chee Ming; and **Resolution 7**
 - (e) Mr Takeshi Kazami. **Resolution 8**

The profiles of Mr Sachs, Mr Lim, Mr Teo, Mr Liu and Mr Kazami can be found in the Board of Directors section of the StarHub Ltd Annual Report 2014.

- 4 To approve the sum of S\$1,758,700 (FY2013: S\$1,701,500) as Directors' Remuneration for the financial year ended 31 December 2014 comprising:
 - (a) S\$1,278,550 to be paid in cash (2013: S\$1,238,300); and
 - (b) S\$480,150 to be paid in the form of restricted share awards (2013: S\$463,200).

- 5 To declare a final dividend of five cents per ordinary share for the financial year ended 31 December 2014. **Resolution 10**

- 6 To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 11**

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions which will be proposed as Ordinary Resolutions:

7 That authority be and is hereby given to the Directors to:

Resolution 12

- (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or
- (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,

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

- (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,

provided that:

- (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) in the capital of the Company (as calculated in accordance with subparagraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* 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) in the capital of the Company (as calculated in accordance with subparagraph (2) below);
- (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) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company, 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 are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares;
- (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 Articles of Association 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.

NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING

STARHUB LTD

(Incorporated in the Republic of Singapore)

Co. Reg. No. 199802208C

8 That authority be and is hereby given to the Directors to:

Resolution 13

- (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 in the capital of the Company 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 in the capital of the Company allotted and issued under the Share Plans shall not exceed the limits specified in the rules of the Share Plans.

9 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, 6 April 2015

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy must be lodged at the office of the Share Registrar of the Company, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902 (Attn: The Share Registrar) not less than 48 hours before the time appointed for the Annual General Meeting.

Explanatory Notes:

Resolution 9

Resolution 9 is to approve the payment of an aggregate sum of S\$1,758,700 as Directors' remuneration for the non-executive Directors of the Company for the financial year ended 31 December 2014. If approved, each of the non-executive Directors will receive 70% of his Directors' remuneration in cash and (with the exception of Mr Kua Hong Pak and Mr Takeshi Kazami) 30% of his Directors' remuneration in the form of a restricted share award. See the section on "2. Remuneration Matters" in the Corporate Governance section of the Annual Report 2014 for the rationale in relation to the shares 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 in the Company worth at least (a) the prevailing annual basic 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. Each of Mr Kua Hong Pak and Mr Takeshi Kazami has declined the restricted share award grant, and will only receive the cash component of their remuneration.

Resolution 12

Resolution 12 is to empower the Directors to issue shares in the capital of the Company 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) in the capital of the Company, with a sub-limit of 15% 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) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time that Resolution 12 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 are outstanding or subsisting at the time that Resolution 12 is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares.

Resolution 13

Resolution 13 is to empower the Directors to offer and grant awards and to allot and issue ordinary shares in the capital of the Company pursuant to the StarHub Performance Share Plan 2014 and the StarHub Restricted Stock Plan 2014 (collectively, the "Share Plans") provided that the aggregate number of ordinary shares in the capital of the Company allotted and issued under the Share Plans shall not exceed the limits specified in the rules of the Share Plans. 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 BOOKS CLOSURE AND FINAL DIVIDEND PAYMENT DATE

Notice is hereby given that, subject to the approval of the shareholders to the final dividend at the Seventeenth Annual General Meeting, the Register of Members and the Transfer Books of the Company will be closed on 6 May 2015.

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 5 May 2015 ("Entitlement Date") 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 in the capital of the Company as at 5.00 p.m. on the Entitlement Date will be entitled to the final dividend.

The final dividend, if so approved by shareholders, will be paid on 15 May 2015.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) 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) for the purpose of the processing and administration by the Company (or its agents) 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) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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PROXY FORM

SEVENTEENTH ANNUAL GENERAL MEETING

STARHUB LTD

(Incorporated in the Republic of Singapore)

Co. Reg. No. 199802208C

IMPORTANT

1. For investors who have used their CPF moneys to buy shares in the capital of StarHub Ltd, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by such CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the Seventeenth Annual General Meeting dated 6 April 2015.

I/We, _____ NRIC/Passport/Co. Reg. No. _____

of _____ (Address)

being a member/members of StarHub Ltd (the "Company") hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholding (%)
and/or (delete as appropriate)			

as my/our proxy/proxies to attend and to vote for me/us and on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting ("AGM") of the Company to be held at Meeting Room 300, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 28 April 2015 at 10.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the AGM and at any adjournment thereof.

No.	Resolutions	For *	Against *
	Ordinary Business		
1	To receive and adopt the Reports of Directors and Auditors and Audited Accounts		
2	To re-appoint Mr Kua Hong Pak as Director		
3	To re-appoint Mr Nihal Vijaya Devadas Kaviratne as Director		
4	To re-elect Mr Robert J. Sachs as Director		
5	To re-elect Mr Lim Ming Seong as Director		
6	To re-elect Mr Teo Ek Tor as Director		
7	To re-elect Mr Liu Chee Ming as Director		
8	To re-elect Mr Takeshi Kazami as Director		
9	To approve the Directors' Remuneration		
10	To declare the Final Dividend		
11	To re-appoint KPMG LLP as Auditors and to authorise the Directors to fix their remuneration		
	Special Business		
12	To authorise Directors to allot and issue shares		
13	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 the StarHub Restricted Stock Plan 2014		

* If you wish to exercise all your votes "For" or "Against" the relevant Resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant Resolution, please indicate the number of Shares in the boxes provided.

Dated this _____ day of _____ 2015.

Total Number of Shares Held

Signature(s) or Common Seal of members

IMPORTANT: PLEASE READ NOTES OVERLEAF

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Affix
Postage
Stamp

STARHUB LTD
112 Robinson Road
#05-01
Singapore 068902
Attn: The Share Registrar

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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 (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), you should insert that number of shares. If you only have shares registered in your name in the Register of Members, 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 entered against your name in the Depository Register and registered in your name in the Register of Members.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. The instrument appointing a proxy or proxies must be deposited at the office of the Share Registrar of the Company, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902, not less than 48 hours before the time appointed for the Annual General Meeting.
4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy 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) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
5. 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, Cap. 50 of Singapore.
6. The Company shall be entitled to reject the instrument appointing a proxy or 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 appointing a proxy or proxies. In addition, in the case of shares entered against his name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN Guong Ching (Chairman)
TAN Tong Hai (CEO)
KUA Hong Pak
Peter SEAH Lim Huat
Nihal Vijaya Devadas KAVIRATNE CBE
SIO Tat Hiang
Steven Terrell CLONTZ
LIM Ming Seong
TEO Ek Tor
LIU Chee Ming
Robert J. SACHS
Nasser MARAFIH
Takeshi KAZAMI

AUDIT COMMITTEE

KUA Hong Pak (Chairman)
Nihal Vijaya Devadas KAVIRATNE CBE
LIM Ming Seong
TEO Ek Tor

EXECUTIVE RESOURCE AND COMPENSATION COMMITTEE

Peter SEAH Lim Huat (Chairman)
SIO Tat Hiang
LIM Ming Seong
TEO Ek Tor

NOMINATING COMMITTEE

Peter SEAH Lim Huat (Chairman)
SIO Tat Hiang
TEO Ek Tor

STRATEGY COMMITTEE

Nihal Vijaya Devadas KAVIRATNE CBE
(Chairman)
TAN Guong Ching
Steven Terrell CLONTZ
LIM Ming Seong
LIU Chee Ming
Robert J. SACHS
Stephen Geoffrey MILLER

RISK COMMITTEE

TAN Guong Ching
TAN Tong Hai
SIO Tat Hiang

COMPANY SECRETARIES

Veronica LAI Kwai-Yi
KONG Pooi Foong

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
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
Partner-in-charge: ANG Fung Fung
(appointed w.e.f. 1 January 2011)

SUBSIDIARIES

StarHub Mobile Pte Ltd
StarHub Cable Vision Ltd.
StarHub Internet Pte Ltd
StarHub Online Pte Ltd
SHINE Systems Assets Pte. Ltd.
StarHub Shop Pte Ltd
StarHub, Inc.
StarHub (Hong Kong) Limited
StarHub (Mauritius) Ltd
Nucleus Connect Pte. Ltd.

INVESTOR RELATIONS

For enquiries on the Group's business
performance, contact the Investor
Relations team at email: ir@starhub.com

This annual report is printed on paper certified according to the FSC™ standard. These papers are environmentally-friendly and are produced with a minimum content of 51% recycled paper. For more information, please visit www.fsc.org

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