



STARHUB

TRANSFORMATION FOR A NEW GENERATION

ANNUAL REPORT 2020

TRANSFORMATION FOR A NEW GENERATION

The world is changing as global economies evolve at an accelerated pace. In today's dynamic digital economy, being fast is not enough — we need to be smarter. At StarHub, we are constantly refining our edge and innovating new ways to elevate the digital lifestyles of a new generation. That is why we are committed to powering the future of telecommunications as the first service provider in Singapore to launch our 5G non-standalone network. Now, more than ever, connectivity and communication will empower the way we live, work and play. We are paving the way forward today by staying future-ready.

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SPARKING GREATER TRANSFORMATION

Reigniting the challenger spirit,
optimising efficiencies and accelerating
value creation.



D.A.R.E.
Transformation
82% Executed



**Maintained position as
Singapore's fastest telco**
(IMDA IMconnected Report, H1 2020)





REDEFINING EVERYDAY EXPERIENCES

An unparalleled customer experience through digitalisation, innovation and personalisation.



Zero-touch products & customer journey



Launched StarHub TV+, a big leap forward for Pay TV content delivery transformation



Quicker time-to-market & agility to compete in a dynamic market



PURSUING CONTINUOUS GROWTH

Our relentless pursuit for growth through new and emerging opportunities, deepening our reach and achieving greater diversification.



Acquired **Strateq**, bolstering Enterprise capabilities and furthering regional diversification ambitions



Sustained strong Cybersecurity growth of **+51.4% YoY**



EMPOWERING THE FUTURE

The future is 5G. We will ride on our pre-eminent position to enable new innovations and capture emerging opportunities, empowering consumers and businesses alike.



**First in Singapore;
Widest nationwide 5G NSA coverage;
Integrated experience**



**Efficient deployment:
Singapore's first shared
active radio network**



**Establish 5G edge through
strategic partnerships and active
Enterprise trials**

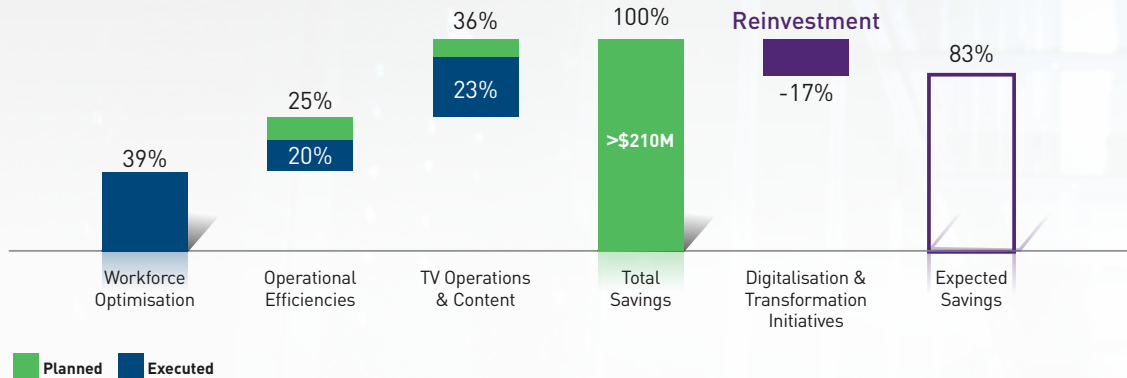


D.A.R.E. TRANSFORMATION

82% EXECUTED

As at FY2020, unless otherwise stated.

FY2019-2021 Expected Savings & Reinvestment



DELIVERING Market-Leading Customer Experiences

- First to launch 5G NSA in Singapore with widest nationwide coverage¹
- Strong traction for experiential 5G Mobile+ and Biz+ plans
- Sustained momentum for transparent 4G Hello Change plans (majority of postpaid subscriber base)
- StarHub TV+ marks significant leap forward for Pay TV content delivery transformation
- 24.5% YoY incremental improvement in NPS
- Matured chatbot as an online touchpoint to automate customer support with over 80% accuracy



ACCELERATING Value Creation From Core Businesses

- Ongoing digitalisation and simplification of processes to drive operational efficiencies
- 11.8% incremental YoY reduction in Opex
- More than \$210M savings identified; 82% executed
- Made further inroads to convert Pay TV content providers to a variable cost model
- Greater procurement savings from renegotiation of expiring contracts
- Established strategic partnerships with global partners to augment Enterprise network offerings



REALISING Growth From New Opportunities

- 51.4% YoY Cybersecurity revenue growth in FY2020
- \$33.2M revenue contribution from Strateg following completion of acquisition in July 2020
- Pursue strategic partnerships to empower new 5G experiences for consumers
- Active trials with enterprise customers, industry and tech partners to develop 5G use cases
- Continue to seek growth opportunities through synergistic M&A for greater diversification and to bolster Enterprise capabilities



ENHANCING Efforts To Transform Digitally




- Approximately 5 times YoY growth in giga! subscriber base; Maintained highest NPS in market
- Commenced IT Transformation in 3Q2020, which will form the backbone to StarHub's digital strategy

¹ As at September 2020.






IT & DIGITAL TRANSFORMATION

IT TRANSFORMATION

Commenced in 3Q2020

-  **Flexible and Modular IT Architecture**
-  **Cloud Scaling**
-  **Low / No Code**

ENABLING DIGITAL TRANSFORMATION


-  **Simple Digital-First Products**
-  **Leading Digital Customer Experiences**
-  **Lean and Automated Processes**
-  **Data and AI-Driven Monetisation**
-  **Agile Operating and Delivery Model**

KEY OBJECTIVES

- 1** Personalised, Predictive Customer Experience; Zero-Touch Products & Customer Journey
- 2** Extract Value From Rich Data Assets; Product-Driven Design
- 3** Faster Time-To-Market; Scalability & Flexibility
- 4** Simplify Processes & Operations; Improve Cost Efficiency

FY2020 ACHIEVEMENTS

Leading Digital Customer Experiences




DIGITAL SALES

+32%

Digital Sales Transaction²
YoY Growth

>60%

Conversion Rate Improvement recorded after consumer digital sales journey simplification



DIGITAL SERVICE

>12%

Monthly Active Users²
YoY Growth

>3M

Service Transactions (App & Web service platforms)

POTENTIAL COST SAVINGS

Opportunities Identified

- Lower commission cost with increased migration to online touchpoints
- Lower operating leases with a more effective retail footprint
- Lower staff costs from simplified and streamlined processes, rightsourcing and embracing digitalisation
- Lower repairs & maintenance expenses and licence fees
- Sustainable mid-to-long term IT support cost savings
- Further cost savings to be identified with ongoing process and organisation reviews

² As at 31 December 2020.

CHAIRMAN'S MESSAGE



**WE EMBRACED
THE STARHUB
CHALLENGER
SPIRIT AND
PRESSED ON WITH
THE RELENTLESS
EXECUTION OF OUR
D.A.R.E. STRATEGY.**



Steven Terrell Clontz
Chairman

DEAR SHAREHOLDERS,

FY2020 was a year like no other. We embraced the StarHub challenger spirit and pressed on with the relentless execution of our D.A.R.E. strategy, despite the extraordinary events and unprecedented COVID-19 related challenges that unfolded over the past 12 months, remaining focused on our core values and objectives.

We achieved significant corporate milestones to strengthen our competitive edge. We bolstered our service and product offering and diversified our geographical presence with the acquisition of Strateq. We made good progress on our IT and Pay TV transformation initiatives to better serve the needs of our customers across our digital platforms. We also intensified our support extended to customers, stakeholders and the community during this period, enabling us to surmount the challenging period together.

UNRELENTING COMMITMENT TO TRANSFORMATION

In FY2019, we launched our D.A.R.E. Transformation programme, identifying over \$210 million in cost optimisation initiatives over a three-year period. Capital unlocked through strategic initiatives was redeployed into digitalisation strategies and growth opportunities to ensure StarHub's future competitiveness and relevance.

As at 31 December 2020, we have executed 82% of this cost optimisation programme. We continue to identify other areas of growth opportunities and cost efficiencies, and we remain confident of exceeding our \$210 million target announced when we first commenced our D.A.R.E. transformation in late 2018. We have seen these results through a 11.8% year-on-year ("YoY") reduction of operating expenses in FY2020 as we transform our operating models.

We made headway in **Delivering** market-leading customer experiences during the year. In an industry first, we collaborated with another Mobile Network Operation ("MNO") to form a

50-50 joint venture company to secure one of Singapore's 5G licences and spectrum rights. Subsequently, StarHub was the first to bring 5G non-standalone services to Singapore with the widest nationwide coverage¹. Our integrated, experiential 5G Mobile+ plans continue to gain traction with consumers seeking greater speed and lower latency, exceeding internal targets.

The introduction of StarHub TV+ marked a significant leap forward for our Pay TV content transformation, combining traditional linear TV and over-the-top ("OTT") services onto a single hybrid platform, providing customers with a breadth of entertainment options. Our efforts continue to gain positive traction in the market, and we will look to bring on more OTT partners to our platform in 2021.

Our heightened focus on **Accelerating** value creation from core businesses through digitalisation and simplification of processes elevated operational efficiencies across the Group, reaped greater procurement savings, and made further inroads to convert our Pay TV content providers from a fixed-fee model to a variable per-user fee model, affording greater flexibility and scalability.

Realising growth from new opportunities continues to be an area of focus. In July 2020, we completed the acquisition of Strateq, a leading data-driven IT solutions provider, strengthening our portfolio to ensure our competitiveness and relevance for long-term sustainable growth in Singapore and the region. Meanwhile, our Cybersecurity business that was a product of several Mergers and Acquisitions ("M&A") has sustained its strong growth momentum to record a 51.4% YoY revenue growth in FY2020. We will continue to seek growth and diversification opportunities through M&A, as we pursue more strategic partnerships and trials to develop the Enterprise 5G ecosystem.

¹ As at September 2020.

CHAIRMAN'S MESSAGE

In **Enhancing** our efforts to transform digitally, we continue to pursue a more automated and seamless product and customer journey, which will be empowered by the IT Transformation programme. The use of digital channels to engage customers has allowed us to not only lower our operating costs but to deepen and personalise our engagement with customers. Our digital fighter brand, giga!, has maintained the highest Net Promoter Score ("NPS") in the market and grown its subscriber base by about five times over the past year.

TRANSFORMING FOR A NEW GENERATION

FY2021 marks the final year of the D.A.R.E transformation programme. As we forge ahead to complete the programme, we are confident that StarHub now has the right building blocks to embark on further transformation to safeguard our competitiveness and sustainable growth.

We are cognisant of evolving customer needs in an increasingly digital world, expedited by the effects of COVID-19 that have influenced the way we work, live and play. This has reinforced the need for a digital transformation of our business models and processes to ensure our leadership in the new

era, and secure our position as the preferred provider of communications, entertainment, and digital solutions.

To this end, we had in 3Q2020 commenced the multi-year IT Transformation programme that will optimise StarHub's IT operations, lower costs and accelerate our digital transformation. These digital strategies running on streamlined IT architecture will transform StarHub into a customer-driven performance engine powered by data analytics; empowering us to deepen our engagement with customers at every touchpoint and provide us with greater agility to respond to changes in a dynamic and competitive market. We continue to implement lean and automated processes, as well as agile operating and delivery models, to accelerate our transformation to a leaner, faster and smarter organisation.

BUSINESS REVIEW & OUTLOOK

Consumer – Creating Value Through Innovation

Over the course of the year, our Mobile business was impacted by the loss of roaming, IDD and Prepaid revenues due to COVID-19 related travel restrictions. Looking ahead, we expect a gradual recovery as borders re-open, albeit uncertain in time frame.

Although competition continues to be intense, we are able to differentiate our service and product offering with our superior network quality, customer experience and innovation that drives greater value to customers.

Apart from being the first to offer customers access to 5G, we have taken a different approach in introducing this new technology to the market. To allow customers an early glimpse into the 5G experience that offers high speed and low latency, our Mobile+ plans integrated entertainment and gaming offerings. This demonstrates StarHub's commitment to customer-focused innovations, beyond selling pure connectivity services, as we continue to seek more of such content and gaming partnerships to differentiate our 5G services. We are heartened by the encouraging take-up of our Mobile+ plans, the migration of which was accelerated by the launch of several popular 5G-enabled handsets in 2H2020.

The Pay TV business has made big strides in its cost and content transformation journey. Most of our content providers have been converted to a variable per-user cost model, and the new StarHub TV+ hybrid platform integrates customers' favourite StarHub programmes with popular OTT options on an intuitive interface powered by a



Network Quality:

Fastest 4G and 3G Network

Infocomm Media Development Authority - IMconnected H1 2020 report

Winner – Download Speed Experience

Opensignal Singapore - Mobile Network Experience Report (November 2020)

Highest Score – Excellent Consistent Quality and Core Consistent Quality

Tutela Singapore - Singapore Mobile Experience Snapshot Report (January 2021)



Customer Experience:

Gold – Innovation in Customer Service Management, Planning & Practice (Telecommunications)

2020 Asia Pacific Stevie Awards

Highest-ever Customer Satisfaction Scores for Mobile & TV Services

Customer Satisfaction Index of Singapore (CSISG) - 2020 Q1 Info-Communications Sector



plug-and-play android box. The Pay TV segment has evolved tremendously over the last two years; and while the industry continues to face headwinds from disruption, we are confident that the business is now operating on a more margin-efficient model that will allow us to compete more effectively.

Our Broadband business remained stable during the year as we cast our sights on the higher-value gaming segment with our differentiated broadband technology and leveraged the use of new technologies, such as WiFi mesh solutions, to enhance our customers' broadband experience. We will consider the viability of new technologies such as WiFi 6 and 5G Fixed Wireless Access, which when deployed will enhance our product offering.

Enterprise – Drive The Core, Accelerate Our Growth

Our Enterprise business continued to deliver growth in FY2020 as we looked to pivot and serve new customer needs arising from distributed working, consumption and engagement in the new normal.

Our key strategies for the Enterprise group include increasing our share of wallet from enterprise customers in high-spend and/or fast growing industries such as Government, Financial Services, Hospitality, IT and Manufacturing, Healthcare, Information & Media, Life Sciences and Manufacturing. We will tap into the underserved SME and mid-market space, augmenting our product offering with digital touchpoints and providing an enhanced customer experience.

In the 5G space, we have seen encouraging take-up of the Biz+ plans that enables enterprise customers to take their office with them, wherever they go, by combining 5G connectivity, SmartUC softphone capabilities and popular productivity applications in a single Mobile Office bundle.

Concurrently, we are actively building a 5G ecosystem, engaging with customers who are early adopters of 5G solution trials, and collaborating with partners to explore the rich possibilities the new technology will unlock. We will focus on providing advanced 5G solutions and Next-Generation Network that complement distributed working arrangements,

and create meaningful applications for enterprise customers seeking focused solutions for specific verticals.

The onset of the pandemic resulted in numerous deferments of enterprise IT-related projects and tenders into FY2021. We believe that while customers are more careful with their spending, they continue to be committed to digitalise their business and operations. Capitalising on our core competencies in communications and seeing growth in adjacent verticals, StarHub remains well-placed to capitalise on this digitalisation wave in a post-COVID-19 world.

Our Cybersecurity business continues to deliver strong growth, and it has contributed an operating profit of \$7.1 million, a vast improvement from the loss recorded in the previous year. Ensign seeks to further expand its topline by deepening existing customer relationships, pursuing larger and more complex projects, diversifying its customer base, and exploring new opportunities in regional markets. Meanwhile, it will strengthen its suite of capabilities and partner collaborations, as it confidently rides on the 5G wave that will give rise to an increased need for cybersecurity services.

CHAIRMAN'S MESSAGE

During the year, our income streams were broadened with the addition of Regional ICT Services following the completion of the Strateq acquisition in July 2020, which contributed \$33.2 million of revenue in FY2020. Strateq is pursuing growth in four key pillars – capturing greater market share for Petrol Retail Solutions; expanding its Healthcare Solutions presence; bolstering its cloud and data centre capabilities and reach; and focusing on data analytics and software engineering for its Enterprise Business Solutions.

ALIGNED INTERESTS WITH SHAREHOLDERS

The Board of Directors has proposed a final dividend of 2.5 cents, in line with prior guidance declared in August 2020. Together with the interim dividend of 2.5 cents, total dividend for FY2020 is 5.0 cents, representing a dividend payout of 80%, consistent with our dividend policy to distribute at least 80% of net profit attributable to shareholders (adjusted for one-off, non-recurring items) on a semi-annual basis.

While we remain committed to enhance shareholder value, we continue to exercise prudence and maintain a balanced and sustainable approach to dividends. In determining the dividend levels for FY2021, we will take into consideration the ongoing effects of COVID-19, as well as our ongoing investments in, and returns from transformation initiatives.

A HOLISTIC APPROACH TO SUSTAINABILITY

Sustainability is an integral part of our strategy and operations. As an info-communications company, we are in a unique position to leverage technology to drive positive change. Our commitment and transformation to become a more responsible and sustainable business began in 2008 and it continues today.

Subsequent to FY2020, StarHub received honour for being Asia's most sustainable telecommunications company and achieving 80th position globally in the latest 2021 Corporate Knights Global 100, placing us in the top 1% of the over 8,000 large corporations that were rigorously evaluated. We had also achieved an A- leadership score for the CDP Climate Change 2020 – our best performance since 2012, scoring higher than the Asia regional average of D, and higher than the media, telecommunications and data centre services sector average of C.

Our unwavering dedication to sustainable practices drives us to formulate strategies and initiatives that maintain a harmonious balance between our economic, social and environmental imperatives, and this commitment permeates across the organisation.

To support our stakeholders during the challenging COVID-19 period, we have raised and disbursed over \$1 million from the newly created StarHub Cares COVID-19 Fund to finance community support programmes to help cushion the impact on vulnerable groups in society. StarHub Cares COVID-19 Fund comprises contributions from across the company – with the StarHub Board of Directors giving up to 10% of FY2019 director fees, the StarHub Senior Leadership Team injecting up to one month of salary, and voluntary donations from StarHub employees. StarHub matched all contributions dollar-for-dollar. We also launched a whole host of initiatives to support both Consumer and enterprise customers, and ensured the safety and well-being of our employees. *(Please refer to page 136 of the Annual Report for full details.)*

Although the pandemic put distances between people, StarHub remained active in its community outreach programmes. In 2020, we supported organisations that equip underprivileged

youths and families, and people with disabilities with digital, employability and essential life skills. Surmounting COVID-19 restrictions, two of our charity partners Nurture and Care Corner Youth Services had gone digital to bring their activities online, maintaining outreach and engagement with their service users. Our donations were recognised at the annual Community Chest Awards with Community Spirit Gold and Charity Gold awards.

During the year, our subsidiary, Malaren International Sdn. Bhd., entered into a RM270 million sustainability-linked term loan facility agreement with CIMB Bank Berhad, marking StarHub's maiden loan linked to sustainability performance targets. We will actively participate in sustainability-linked financing to proactively drive a sustainable business and enhance the performance of the company.

ACKNOWLEDGEMENTS

On behalf of the board, I am delighted to welcome Nikhil Eapen who takes over as Chief Executive with effect from 1 January 2021. Nikhil comes with 20 years of experience in the global ICT sector working with senior executive teams to drive growth and make synergistic investments in infrastructure and enterprise communications and technology, most recently building and acquiring cloud-centric platforms in IT, cybersecurity and enterprise software.

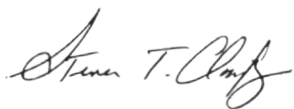
I would also like to thank Peter Kaliaropoulos, who retired as Chief Executive on 31 October 2020, for his invaluable contributions to the Group. He initiated a sweeping strategic transformation programme to accelerate StarHub's digital evolution, improve customers' experience, optimise efficiencies, redefine and ignite a cultural transformation for staff, and identify growth opportunities. We wish Peter well in his future endeavours.

The Board and I would also like to extend our appreciation to Dr Nasser Marafih who will not be offering himself for re-election. Over the last 13 years, we have benefited from Dr Nasser's service; his global experience and input have been invaluable to StarHub.

I would also like to thank our employees for their dedication and invaluable contributions during this challenging period, adapting to a new way of working and virtual collaboration. Their continued focus on delivering our strategic transformation whilst maintaining a high level of product and service satisfaction will be paramount to the Group's future competitiveness and creation of shareholder value.







The Board would like to extend our sincere gratitude to the Group's customers, business partners and suppliers for their continued support and loyalty. Finally, to our faithful shareholders, the Board and management would like to extend our heartfelt thanks for your continued trust and support.

In closing, I would like to assure our stakeholders of our firm commitment to transform for a new generation. Fuelled by our relentless Challenger Spirit which is today synonymous with the StarHub brand, we continue to transform and innovate to strengthen our position as the preferred provider of communications, entertainment, and digital solutions.



STEVEN TERRELL CLONTZ
 Chairman

KEY GROWTH LEVERS & PRIORITIES:

 Optimise value from core assets, continually review operating and cost models	 5G: Efficient SA rollout; Encourage migration to 5G plans; Harness 5G Enterprise for innovative use cases
 ENTERPRISE: Deepen market penetration; Capture greater market share	 REGIONAL ICT SERVICES: Seek synergistic growth; Pursue new opportunities in adjacent verticals
 CYBERSECURITY: Maintain strong growth trajectory	 M&A for diversification & new growth opportunities

STARHUB AT A GLANCE

As at FY2020, unless otherwise stated.

>20 Years
Solid Track
Record

>15 Years
Listed Since
2004

\$2.3B
Market
Capitalisation¹

\$2.03B
Total Revenue

\$157.9M
Net Profit

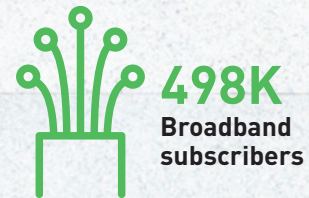
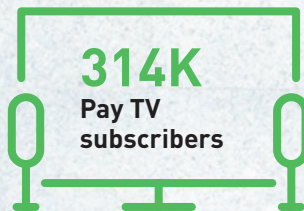
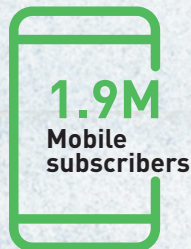


CONSUMER

Embracing Innovation as Singapore's Favourite Challenger Brand

Singapore's Fastest Network

(IMDA, IMconnected H1 2020 report)



MOBILE

A full suite of mobile services powered by Singapore's fastest network, driving greater value to customers through first-in-market innovations such as Singapore's first 5G non-standalone network.

giga!

giga! is StarHub's SIM-only digital brand launched in 2019. Its seamless end-to-end digital experience, including e-KYC, has consistently achieved the highest NPS scores in the market.

PAY TV

A rich entertainment experience for all demographics, seamlessly integrating international and local TV channels with a growing portfolio of OTT content, including Netflix and iQiyi.



With StarHub TV+, customers have access to more than 100,000 hours of content and 8 popular OTT brands at their fingertips – anytime, anywhere, and on any device.

BROADBAND

Superfast, reliable high-speed fibre-optic network for customers seeking modern living conveniences with smart homes and mesh solutions, and unsurpassed gaming experiences.

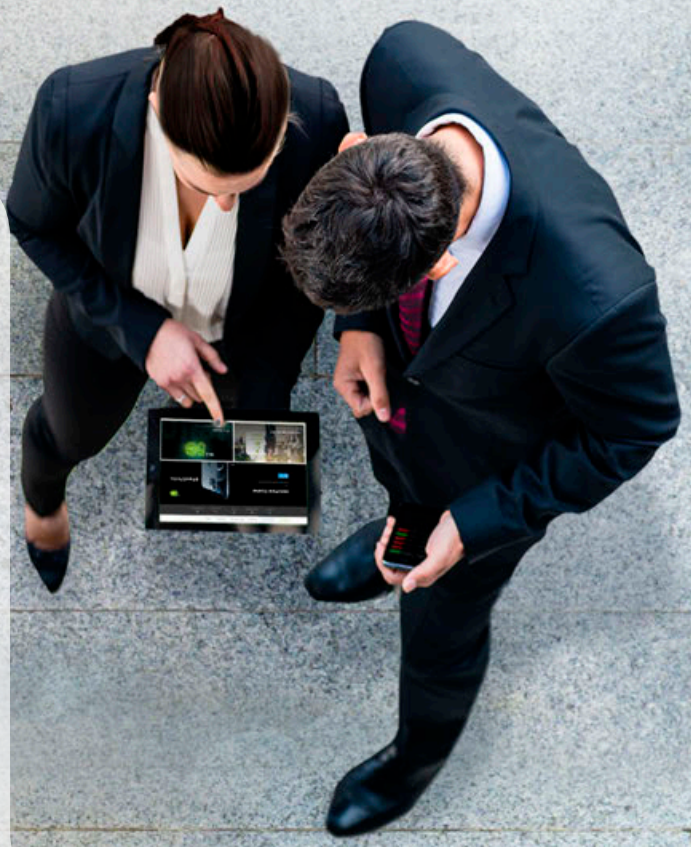


With faster speeds and wider coverage, StarHub's Smart WiFi mesh solutions eliminates dead spots and enhances the home Broadband experience.

¹ As at December 2020

\$387.7M
Free Cash Flow

1.41x
Net Debt To EBITDA



ENTERPRISE
Enabling Digital Businesses Of Tomorrow

Fastest Local Connection

<1ms Round Trip Delay (RTD) Low Latency Ethernet Lease Line

7

Data centre facilities island-wide

5

CONTINENTS
StarHub's extensive international subsea cable systems

>95%

Connected commercial buildings in Singapore

STARHUB ENTERPRISE
Connectivity & Managed Services

With an extensive fibre and mobile infrastructure, global partnerships and commitment to spur innovation, StarHub is the partner of choice for enterprise customers building hyper-connected offices and workforce to be sustainable and thrive in the digital economy.

Our end-to-end value chain ranges from reliable local and international connectivity solutions, to innovative cloud and data centre Managed Solutions and cutting-edge technology including 5G, Internet of Things ("IoT") and data analytics. 5G delivers capabilities designed to support mission-critical internet of things deployments. Our purpose-built 5G solutions, like the 5G IoT platform service, allow organisations the flexibility, instant scalability and financial prudence to accelerate digital transformation at scale.



CYBERSECURITY SERVICES

Ensign is the largest pure-play end-to-end cybersecurity service provider in Asia. Headquartered in Singapore, Ensign offers bespoke solutions and services to address their clients' cybersecurity needs. Their core competencies are in the provision of cybersecurity advisory and assurance services, architecture design and systems integration services, and managed security services for advanced threat detection, threat hunting, and incident response. Underpinning these competencies is in-house research and development in cybersecurity. Ensign's businesses have two decades of proven track record as a trusted and relevant service provider, serving clients from the public and private sectors in the Asia Pacific region.



REGIONAL ICT SERVICES

StarHub's subsidiary, Strateq Sdn Bhd, is a leading end-to-end data-driven IT solutions provider. With a strong presence in Malaysia backed by over 20 years of proven track record, Strateq has a growing network in international markets including Singapore, Hong Kong, Thailand, China and the United States. With proprietary products driven by in-house R&D capabilities, Strateq continues to create advanced and customised digital solutions for its wide range of customers.

IN DISCUSSION WITH STARHUB'S EXECUTIVES

CHIEF EXECUTIVE

NIKHIL EAPEN



Q It has been a couple of months since you assumed your new role as CEO of StarHub. What are your top priorities, and should we expect a major shift in strategy for the company?

A It is my honor to take on this role and lead StarHub. We have an exceptional, driven team that is passionate about our company, our customers and our community, and I am privileged to work with them to take StarHub to the next level.

We do not intend to change our strategy significantly – our transformation strategy is the right strategy and our team has delivered on our transformation targets. My goal is to drive our execution and roadmap, accelerate our delivery cadence and raise the bar on our aspiration.

We have built our strategy across all lines of our business centered around digitalisation. We have moved forward on every metric across digital sales, digital conversions and digital processes. We intend to accelerate and double down on our digital initiatives.

On the Consumer side of our business, we want to empower our customers with a unique digital gateway through which they access StarHub's rich portfolio of connectivity, content and lifestyle products and build the packages that match their wants and needs. We are applying a similar approach for our Enterprise business, empowering our large corporate and mid-market customers to digitally manage their own virtualised network, driving their own cloud and digital transformations.

Concurrently, we continue to evaluate and explore synergistic M&A opportunities that accelerate this strategy, expand our markets and enable greater innovation and diversification for StarHub.

In summary, we will build upon the strong momentum to continue executing our strategy with digital at the core of our roadmap. This will allow us to accelerate our transformation and expand our growth aspirations. We look forward to share more about our next phase of this strategy at an opportune time.

Q You have background in global ICT and investment banking. How do you intend to drive growth for the business, through an M&A strategy or otherwise?

A The last year has been difficult across countries and communities, but a milestone year for technology adoption. COVID-19 has accelerated digitalisation across markets, with customers dramatically onboarding cloud-based solutions that enable digital workspaces and agile and distributed work practices, with efficiency, security and connectivity being paramount. We launched 5G non-standalone (“NSA”) services in 2020 and we expect to swing into full 5G adoption in 2021. In combination, cloud technology and 5G will truly enable enterprises to harvest value from concrete Internet of Things (“IoT”) strategies, and IoT devices and platforms across their businesses.

We intend to leverage momentum from these growth drivers – cloud, 5G, IoT – all of which are interlinked. Enterprises need to connect to their Cloud and SaaS service provider from remote locations, with a distributed workforce, harvesting data from thousands of edge devices, in turn creating demand for new cloud workloads and data-driven solutions. This makes ultra high-speed connectivity and high-quality network infrastructure so important. We intend to deliver our network connectivity via a digital platform that is effectively virtualised, with propositions and solutions that enable enterprises to fulfil and control and bring together their cloud workloads, applications, devices and people.

Our journey is underway. We launched our 5G IoT proposition in early 2021, in partnership with Software AG, designed for mass adoption and delivered as a service. With the multiplicity of connected devices and the capabilities and efficiencies 5G brings, we expect enterprises to move to the next phase of gathering and applying data to drive business growth. We intend to do much more with partners and customers in the evolving 5G ecosystem.

Our M&A strategy is supported by a rigorous research-driven selection and evaluation process delivered by a strong and experienced team. Our Cybersecurity and Regional ICT Services segments have added revenue focus with new capabilities and broader addressable market. A case in point is our acquisition of Strateq in July 2020. Strateq is a data-driven business solutions and information and communications technology (ICT) company, which plays to higher growth data-driven trends across larger regional markets. Strateq’s addition strengthened our internal capabilities in the areas of cloud, data centers and data analytics. We would like to realise more acquisitions like Strateq; adding companies which establish growth beachheads for our Enterprise aspirations in Singapore and the region.



We have built our strategy across all lines of our business centered around digitalisation. We have moved forward on every metric across digital sales, digital conversions and digital processes. We intend to accelerate and double down on our digital initiatives.



IN DISCUSSION WITH STARHUB'S EXECUTIVES

FINANCE

DENNIS CHIA



Q Is StarHub being overly-conservative with its FY2021 guidance, given the expectation of a year-on-year decline in Service EBITDA margin? What are StarHub's views on the pace of recovery in FY2021?

A While we see some early signs of recovery, we remain cautious about the pace of recovery in FY2021. We expect higher contribution from our Cybersecurity and Regional ICT Services segments, offset by lower revenues from Network Solutions, Mobile and Pay TV. With the ongoing travel restrictions, we have factored in some roaming recovery in late-FY2021, compared to one quarter of roaming revenue recorded in 1Q2020. In consideration of the prevailing business environment, we expect FY2021 service revenue to remain stable.

Our expectation of a year-on-year decline in FY2021 Service EBITDA margin is a result of a change in revenue mix; lower Job Support Scheme (JSS) payouts; and initial investments related to our IT Transformation, 5G infrastructure and data centre rollouts in FY2021 to fuel future growth. We continue to drive greater cost efficiencies in the last year of our D.A.R.E. transformation programme and identify further cost optimisation from our ongoing investments in transformation initiatives. We expect our operating margins to improve in the medium term.

Despite a challenging year, we have generated strong cash flow, maintained low leverage and kept our funding costs low while maintaining adequate liquidity for financial flexibility to fund growth initiatives. Regarding our dividend guidance for FY2021, we continue to maintain a sustainable and sensible approach to optimising the level of our dividend payout to optimise shareholder value. For FY2021, we will take into consideration factors including the impact of the ongoing COVID-19 pandemic, our ongoing investments in our digital transformation, and returns from our transformation initiatives.

Q StarHub's FY2021 capex guidance excludes 5G and spectrum. Could you provide some guidance on the expected 5G capex required for FY2021? How will the joint venture company with another operator ("JVCo") be accounted for in StarHub's books?

A In mid-FY2020, we guided that StarHub expects to invest approximately \$200 million in 5G over the five-year rollout period. This includes (i) StarHub's 50% share of investments into the JVCo; (ii) StarHub's 50% share of the 3.5GHz spectrum fee; and (iii) StarHub's own investments beyond the JVCo. Additional 5G investments beyond the guidance may be considered, and will be driven by business demand.

In terms of the pace of our investments, 5G Capex will be front-end loaded, alongside the pace required to meet regulatory obligations of attaining 50% nationwide 5G standalone coverage by FY2022. We have paid our 50% share of the 5G spectrum fee in 4Q2020 and will continue to invest in 5G over the next few years.

In terms of the accounting treatment for the JVCo, we will apply the equity method. Hence, we will incur a wholesale fee to the JVCo (Opex) instead of consolidating the JVCo's Capex into our books. StarHub's share of profit and/or loss from the JVCo will be reflected in the profit and loss statement under the "Share of gain/(loss) of joint ventures" line item.

For more information, please refer to note 3.1(v) in the Notes To The Financial Statements of this Annual report.

FY2021 GUIDANCE

**SERVICE
REVENUE**

Stable

**SERVICE
EBITA**

24% - 26%
(margin)

**CAPEX
COMMITMENT¹**

9% - 11%
(Of Total Revenue)

**DIVIDEND
PER SHARE**

**Higher of
5.0 Cents or
Dividend
Policy²**

¹ Excluding 5G Capex and spectrum rights.

² Dividend Policy: At least 80% of net profit attributable to shareholders (adjusted for one-off, non-recurring items), payable on a semi-annual basis.

IN DISCUSSION WITH STARHUB'S EXECUTIVES

ENTERPRISE

CHARLIE CHAN



Q What is StarHub's 5G Enterprise strategy or focus areas?
When can the Enterprise business meaningfully monetise 5G?

A StarHub's early-mover advantage in Singapore's emerging 5G market provides us with a competitive edge to realise new business opportunities in the high-growth enterprise market.

We have been actively engaging customers to discuss and explore the potential of 5G, and we are observing increasing interest from early adopters of 5G solution trials alongside the rollout of our standalone ("SA") network in 2021.

We have signed MOUs with companies in the education and events sectors to develop 5G use cases, and will continue to work closely with industry partners and solution providers to develop 5G solutions and enable customers to operate, manage and monitor digital assets more efficiently.

The industry expects millions of smart sensors and connected devices to come online in the next few years as Internet of Things ("IoT") becomes a must-have resource in the digital world. It is predicted that by 2025, the number of connected devices worldwide will increase to 56 billion, 75% of which will be connected to an IoT platform¹. To manage these devices, the low latency, and high connectivity capabilities of a 5G network connection is required.

To this end, we launched our 5G IoT solution in February 2021, uniquely designed for massive IoT and delivered as a service. Our 5G IoT platform service intelligently connects, manages and monitors millions of IoT devices deployed for different applications, creates customisable analytics, and provides APIs to integrate with existing and new systems. We want to bring 5G IoT platform to businesses, acting as a key enabler for decision making, and allowing full flexibility, instant scalability and financial prudence. We are seeing emerging opportunities in industries such as construction, logistics and manufacturing that require solution partners to manage the complexities of integration between devices and enterprise systems. Our 5G IoT solution is well-positioned to serve these needs.

With the 5G SA network well underway, we are looking forward to the immense potential brought forth by this new technology. We believe 5G will play a critical role in the future of work and enterprise networking will be transformed in the coming years.

¹ Source: IDC Asia Pacific, July 2020.

CONSUMER

JOHAN BUSE



Q What is the traction of StarHub's 5G Mobile+ plans? Do you think the ARPU uplift for 5G is sustainable?

A 5G is a new-to-market technology, and we are confident that the industry will price 5G products and services that commensurate with the incremental capex required to roll-out and operate 5G effectively. We have observed encouraging signs confirming appropriate and viable pricing trends, giving us the confidence as we continue with our 5G build-out.

Our 5G strategy is based on differentiation and innovation. To this end, we will market our 5G product and service offering through cross-product bundling. This is a similar approach we employed for the successful roll-out of our Mobile+ plans, packaging together content and gaming services to enable consumers to reap the full experience, potential and advantages of the 5G technology that will enable enhanced experiences – such as enhanced video quality, augmented reality, mixed reality and cloud gaming.

We recently announced our exclusive Disney+ offers on our higher-tier 5G plans and are working on solidifying other first-in-market content and gaming partnerships that we will introduce to the market at the appropriate time. StarHub remains committed to driving greater value to our customers through innovation as Singapore's favourite challenger brand.

IN DISCUSSION WITH STARHUB'S EXECUTIVES

NETWORK

CHONG SIEW LOONG



Q What is the status of the 5G SA rollout since commencement in 4Q2020? Is there anything you are doing differently from past network rollouts?

A Our 5G standalone ("SA") network rollout is well underway and will cover the 5G SA core, radio, security, and monitoring services. We are on track to launch a 5G SA data service for our customers in 2021 and to meet our regulatory obligations to achieve 50% nationwide coverage by 2022.

Looking back at the rollout of our 4G service, a key difference in the rollout of our 5G network is our 5G Next Generation Core ("5G NGC") that is based on Cloud Native technologies and architecture. The 5G NGC allows new services to be created faster with increased extensibility, leveraging the service-based interfaces to enable innovative new use cases. Utilising Cloud Native technology simplifies network operations significantly through orchestration of workflows, such as in the case of software upgrades required.

The 5G SA upgrade will allow us to run 5G technology independent of existing 4G network technology. With a consistent and elevated user experience, the 5G SA technology will enable Enterprise use cases and is able to simultaneously connect a large number of devices and offer game-changing mobility solutions that thrive on ultra-high speed, low-latency, secure campus networking capabilities. We are excited by the new possibilities and are eager to tap the vast potential of the new technology that offers elevated capabilities.

Utilising the 3.5GHz spectrum, customers will enjoy new digital services powered by our new 5G SA architecture, such as augmented reality for entertainment, education and healthcare. The industry will be able to deliver massive Internet of Things, allowing interconnection of many devices and applications for a smarter society. Businesses will be able to leverage the technology to deliver e-sports, augmented reality/virtual reality live feeds, and host AI-based solutions such as facial recognition services and to deploy other advanced IoT solutions.

CUSTOMER EXPERIENCE

CHRIS LIPMAN



Q What are the key areas of focus for Customer Experience in 2021 and beyond?

A At StarHub, customer experience is everything. All our business units across the organisation are fully aligned to earn the trust and affinity of customers and become a brand that they truly deserve. In today's crowded and hyper-competitive market, we believe that the quality and authenticity of customer experience is the key differentiator that will ensure sustainable growth in the years to come.

Our commitment to customer experience, begins in the way we scientifically approach how we measure, track and quantify our progress. We have refined and applied the Net Promoter Score ("NPS") across all of StarHub's products and services, which we monitor in real-time to provide valuable and actionable feedback to our businesses, which aids in our responsiveness and competitiveness.

Having established a direct correlation between NPS and long-term business value, we have identified three interconnected focus areas to drive market-leading customer experience:

Firstly, we aim to continuously fine-tune our metrics, including NPS, to reflect customer sentiments more accurately. This will also offer rich data points that will add value and drive meaningful innovation as we continue making strategic investments in new touchpoints and a digitalised customer journey.

Secondly, our digitalisation and automation initiatives will bring us closer to a customer-centric, zero-touch customer experience. This empowers customers to proactively manage their needs through future modes of operation, such as chatbots, and in turn increases internal efficiencies for StarHub.

Finally, the aforementioned focus areas will allow us to optimise our service channels and redefine processes to offer a seamless and hyper-personalised experience for our customers.

The gears have been set in motion and we have started to yield results. This year, we recorded a 24.5% year-on-year incremental improvement in NPS, and the redesign of our processes has led to a market-leading 99% on-time arrival rate for our Hubtroopers. This gives us the confidence that this strategy is the right one, as we continue to raise the bar for a best-in-class customer experience.

IN DISCUSSION WITH STARHUB'S EXECUTIVES

DIGITAL

ADAM STEWART



Q There has been a lot of emphasis on StarHub's digital transformation. How will these digital strategies impact customers?

A Our brand promise is to deliver a world-class personal digital experience and we are doing that through three key focus areas in combination with our transformation plans: customer-centered experience design, AI-powered personalisation, and Agile delivery.

The core mission of our customer-centered experience design teams is to create frictionless digital experiences that makes customer interactions as seamless and convenient as possible. This is no mean feat – with hundreds of journeys and screens to optimise across multiple touchpoints, a thorough analysis to simplify takes place continuously towards this goal. We obsess about our customers' digital experiences and review key customer satisfaction signals to continuously surprise and delight them.

We take this a step further by embedding AI-powered personalisation into our digital interactions. This allows us to anticipate our customers' needs and bring to the forefront any action they need to take. Think of this as our virtual sixth sense, working hard in the background to deliver automated intelligent personal experiences.

Finally, how we deliver to our customers is more akin to how digital native companies operate, in an Agile way. This means cross-functional teams come together to focus on addressing customer pain points and iteratively deliver towards solving those points. This allows StarHub to adapt and deliver at scale in a nimble manner to exceed the needs of our customers by faster speed to value.

This is an exciting journey for StarHub – our customer-first focus, powered by digitalisation – continue to deliver a bold transformation of our customer experience.

SIGNIFICANT EVENTS

2020 ACHIEVEMENTS

JANUARY



- First to offer Amazon Prime membership to all Mobile customers
- Launched NYP-StarHub Application & Experience Centre for 5G (APEX 5G) to advance 5G technological solutions

MARCH

First to bundle Broadband, TV entertainment and Netflix subscription all-in-one with HomeHub Plus, offering unlimited entertainment with over 100,000 hours of shows at home and on the go

Hello StarHub TV+
Your favourite streaming services, apps and TV shows, in one place.



APRIL

Unveiled multi-year IT Transformation programme that will accelerate StarHub's digital strategies



JUNE

Highest-ever customer satisfaction scores for StarHub's Mobile and TV services according to the Customer Satisfaction Index of Singapore 2020 national study on the info-communications sector

JULY

Successful acquisition of Strateq, a Malaysia-based data-driven business solution and ICT company with a growing international presence



AUGUST

First to launch 5G services in Singapore for consumers and businesses to enjoy early 5G experiences



SEPTEMBER

Bold transformation of the Pay TV entertainment offering with the launch of the StarHub TV+ hybrid platform, integrating streaming services, apps and TV programmes



OCTOBER

Successful multi-party roaming video conference call over 5G standalone technology, in partnership with U Mobile

VALUE CREATION

Value creation through innovation is at the core of the StarHub culture. It is inherent in every aspect of our business and in every decision we make, from first-in-market innovations to delight customers and delivering unsurpassed experiences, to travelling the extra mile to connect with the community meaningfully. This year, our journey of transformation continues with the introduction of our IT and Digital Transformation, which will enable a sustainable digital future for the creation of stakeholder value over the long-term.

OUR COMPETITIVE ADVANTAGE

OUR RESOURCE



FINANCIAL CAPITAL

Our strong financial position is underpinned by a robust Consumer business, a growing Enterprise business and a proactive capital and cost management approach.



PHYSICAL CAPITAL

Our 5G standalone rollout in 2021 via a 50-50 joint venture provides us with a cost-efficient way to enhance our physical infrastructure and digital architecture to exceed the rapidly evolving needs of our customers for increased connectivity, speed and security.



INTELLECTUAL CAPITAL

Our intellectual capital is underpinned by our established household brand, which is today synonymous with best-in-class customer experience and network quality. Our ability to innovate and enhance the experience for customers will strengthen our brand equity for differentiation in a crowded market.



HUMAN CAPITAL

Our challenger spirit is at the core of our corporate culture and how we engage our human capital. We recognise that our employees are integral to the success of our business as their drive and tenacity allows us to innovate and grow the business.



SOCIAL CAPITAL

Our sustainable business is built on social relationships. The trust and partnerships which we have established with our customers, stakeholders, suppliers and community over the past two decades, have allowed us to build strong brand equity.



NATURAL CAPITAL

Our natural capital includes the natural resources we depend on to create value for our customers and stakeholders. We remain committed to reducing our carbon footprint and engaging in more sustainable processes and responsible citizenship.

OUR VALUE CREATION STRATEGY

Optimisation + Efficiency = Enhance Throughput

Phase
1

D.A.R.E. TRANSFORMATION



D

DELIVERING

Market-Leading Customer Experiences



A

ACCELERATING

Value Creation from Core Businesses



R

REALISING

Growth from New Opportunities



E

ENHANCING

Efforts to Transform Digitally

Launched in FY2019, our D.A.R.E. Transformation strategy is based on our sustained commitment to drive efficiencies and value creation across the organisation.

Read about our D.A.R.E. Transformation on page 10.

OUR BUSINESSES

CONSUMER BUSINESS

Mobile



We differentiate ourselves by driving greater value to customers through innovative services and products. We were the first to offer Singapore access to 5G services, leading the adoption of the latest technology by the widest non-standalone ("NSA") coverage across the country.

Read about our Mobile business and 5G leadership on pages 35 to 37.

Pay TV



We offer a fully-integrated entertainment experience providing our Pay TV customers the best of both worlds: StarHub TV content and popular over-the-top streaming options on a single seamless, intuitive and immersive platform.

Read about our Pay TV business transformation on pages 37 to 38.

Broadband



Our broadband customers are assured of the reliability and quality of our world-class networks, enhanced by the adoption of the latest technology. We continue to focus on strengthening our foothold in the higher value gaming market by offering market leading speeds and low latency.

Read about the latest developments of our Broadband business on pages 38 to 39.

OUR PROGRESS ►

IT TRANSFORMATION & DIGITALISATION

Phase
2

DIGITAL TRANSFORMATION

- Simple Digital-First Products
- Leading Digital Customer Experiences
- Lean & Automated Processes
- Data & AI-Driven Monetisation
- Increase Speed To Value



IT TRANSFORMATION

Backbone of StarHub's Digital Strategies

- Streamlined Architecture
- Product-Driven Design
- Scalability & Flexibility
- Centralised Product Catalogue
- Agile IT & DevOps (software development and IT operations)

Our IT and Digital Transformation that commenced in 3Q2020 seeks to deliver greater customer experience, competitive advantage and agility.

Read about our IT and Digital Transformation on page 11.

ENTERPRISE BUSINESS

Enterprise Fixed



We provide fully-integrated network infrastructure capabilities to connect businesses seeking to adopt agile and efficient modes of working in the new era. We empower our customers with cutting-edge technologies, innovative digital solutions and seamless 24x7 connectivity, allowing our customers to embrace the future of work in the digital space.

Read about our Enterprise business on pages 40 to 45.

Cybersecurity Services



Anchored by Ensign, our Cybersecurity business continues to gain momentum in the high-growth industry. Supported by one of the region's largest teams of skilled and experienced Cybersecurity specialists, we offer a full-suite of cybersecurity solutions to enterprises, industries and governments.

Read more about our Ensign and our fast-growing Cybersecurity business on page 44.

Regional ICT Services



Through Strateq, we offer data-driven business solutions and end-to-end Enterprise digital services to organisations in the region and the United States. We redefine industries with proprietary digital products, with an immediate focus to seek regional growth in the areas of enterprise business solutions, data centre and cloud solutions, and solutions for the petrol retail and healthcare markets.

Read more about Strateq on page 45.

VALUE CREATED IN FY2020

In an unprecedented time and amidst a challenging operating environment, we continued to deliver positive outcomes for our stakeholders. The strategies and transformation programmes that we have implemented enhance our competitiveness and drive our ability to create value over the long-term.

OUR INVESTORS

- **\$2.03B** in FY2020 Revenue
- **\$494.6M** in FY2020 Service EBITDA
- Exceeded guidance and achieved Service EBITDA margins of **31.1%**
- Declared dividend of **5.0 cents** in FY2020, representing a payout ratio of 80%
- Lowered Net Debt to EBITDA ratio to **1.41x** with no refinancing required until 2022
- **77.3% growth** in FY2020 free cash flow to **\$387.7M**

OUR CUSTOMERS

- **24.5%** incremental YoY improvement in Net Promoter Score
- **First** to offer 5G services to customers in Singapore, with widest NSA nationwide network
- Market leading network speeds (IMDA IMconnected H1 2020 report)
- Unique integrated Pay TV experience on hybrid StarHub TV+ platform
- **5x growth** in giga! subscriber base with highest NPS in the market

OUR EMPLOYEES

- Despite the challenging environment StarHub did not conduct any layoffs as our employees are a core asset and integral to our long-term success
- **16,857** hours of training provided to employees, reaching **77%** of StarHub's workforce

OUR SOCIETY AND OTHER STAKEHOLDERS

- Raised and distributed **>\$1M** for COVID-19 causes
- Reached **>8,000** beneficiaries through StarHub's corporate social responsibility programmes
- **18%** reduction in direct fuel consumption from non-renewable sources
- **171 tonnes** of electronic waste collected through RENEW

AWARDS AND INDUSTRY HONOURS

Advertising/ Branding/ Marketing



“
Our Building Blocks for the Future are Geared Towards Re-Imagining Customer Experience in a Sustainable and Digital Way.
”

Asia eCommerce Awards 2020

- 1 Silver:** Best Use of AI [giga!]
- 3 Bronze:** eCommerce Team of the Year [StarHub];
Best eCommerce Fulfilment [giga!];
Best Use of UI / UX Design [giga!]

2020 Asia Pacific Stevie Awards

- Gold:** Award for Innovation in Customer Service Management, Planning & Practice - Telecommunications Industries
- Bronze:** Award for the Innovative Use of Technology in Customer Service - Telecommunications Industries

Customer Contact Week Asia Excellence Award 2020

- Gold:** Best Customer Service

2020 Customer Experience Asia Excellence Awards

- Silver:** Best Contact Centre 2020
- Bronze:** Best Customer Experience 2020

Corporate

ASEAN Capital Markets Forum's 2019 ASEAN Corporate Governance Scorecard

- **ASEAN Asset Class Award:** StarHub
- Ranked among the publicly listed companies in ASEAN which scored at least 75% in the assessment

CDP Climate Change 2020

- A- leadership score for implementing current best practices in climate stewardship and governance
- StarHub's best performance since 2012, scoring higher than the Asia regional average of D, and higher than the media, telecommunications and data centre services sector average of C

Community Chest Awards 2020

- **Charity Gold Award:** StarHub
- **Community Spirit Gold Award:** StarHub

People's Association Community Spirit Awards 2020

- **Excellence Award for Community Partnership:** StarHub

Data Protection Trustmark Certification

- Awarded the Data Protection Trustmark certification by Infocomm Media Development Authority
- The Data Protection Trustmark is a voluntary certification for organisations to demonstrate accountable data protection practices

IDG CIO50 ASEAN Awards 2020

- StarHub Chief Information Officer Kee Yaw Yee recognised as one of the top 50 CIOs in Southeast Asia and Hong Kong
- The CIO50 awards were judged on three core pillars of innovation, leadership, and resiliency, honouring transformational, inspiring, and enduring CIOs

Singapore Apex Corporate Sustainability Awards 2020

- **Sustainable Business winner:** StarHub
- The company was conferred the same title in 2016 and 2018

Expat Living Readers' Choice Awards 2020

Silver: Best Internet Service Provider [Services category]

Graphis Design Annual 2021

Silver: StarHub Integrated Report 2018
Only annual report from Singapore to be featured

HWM+HardwareZone.com Tech Awards 2020

Winner: Best Pay TV Service Provider (Singapore)

RunnerUp: Best Telco (Singapore), Best Video Streaming Service Provider (Singapore), and Best Fibre Broadband Service Provider (Singapore)

Loyalty & Engagement Awards 2020

2 Gold: Best Loyalty Programme - Telecommunications [StarHub Rewards] & Most Innovative Loyalty Programme [StarHub Rewards]

4 Silver: Best Use of Rewards & Incentives [StarHub Rewards]
Best Use of Mobile [StarHub Rewards];
Best Engagement Strategy - B2B [StarHub Online Store]
Best Use of Relationship Marketing - B2B [StarHub Online Store]

Marketing Excellence Awards 2020

1 Gold: Excellence in Loyalty Marketing [StarHub Rewards]

2 Silver: Excellence in Gamification [StarHub Rewards]
Excellence in Social Media Marketing [giga!]

Mob-Ex Awards 2020

1 Gold: Best User Experience [StarHub Rewards]

Silver: Best Use of Mobile - Customer Engagement [StarHub Rewards]
Most Innovative Use of Mobile [StarHub Rewards]
Most Innovative Use of Mobile Technology [StarHub Rewards]
Best Mobile Growth Strategy [giga!]

2 Bronze: Best Insight-Driven Mobile Campaign [giga!]
Best Use of Mobile - Government, Utility & Services [giga!]

NXT Awards 2019

Runner Up: Best Telco of the Year

Promax Asia Awards 2020

Silver: Best Online / VOD Service Promo [Westworld FreeView]

2020 Stevie Awards for Sales & Customer Service

1 Gold: Contact Centre of the Year (Over 100 Seats)
- All Other Industries

3 Silver: Award for Innovation in Customer Service
- Telecommunications
Customer Service Department of the Year
- Telecommunications
Front-Line Customer Service Team of the Year
- Technology

Singapore Board Diversity Index 2020

- Ranked 9th out of 704 SGX-listed companies
- This inaugural index benchmarks corporate board diversity based on eight areas: gender, age, tenure, board independence, cultural ethnicity, international experience, domain expertise and industry knowledge

Singapore Chief Legal Officer Awards 2020

- Winner for Singapore Business Category: StarHub Chief Corporate Officer Veronica Lai
- Presented by the Singapore Corporate Counsel Association, the Awards recognises significant achievements of outstanding legal professionals in Singapore

Singapore Governance and Transparency Index 2020

- Ranked 38th out of 577 companies

The Edge Singapore Billion Dollar Club 2020

- Three-year Weighted Return on Equity (Software & IT Services; Technology Equipment; Telecommunications Services) Award

Technology

Infocomm Media Development Authority IMconnected H2 2019 report

- Fastest 4G and 3G networks: StarHub
- Peak 4G speed 40% faster than the runner-up
- Topped the speed charts for the second consecutive report

Opensignal's Singapore Mobile Network Experience Report (November 2020)

- Winner in Download Speed Experience
- Joint winner in 4G Coverage Experience, Upload Speed Experience, Video Experience, Games Experience, and Voice App Experience

Tutela's Singapore - State of Mobile Networks (February 2020) Report

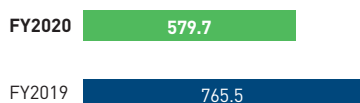
- Winner in two categories: Excellent Consistent Quality and Upload Throughput as well as equal first in Latency
- StarHub delivered the highest percentage of Excellent Consistent Quality in Tutela's tests

BUSINESS REVIEW

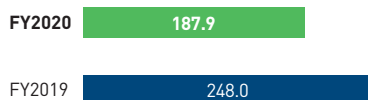
CONSUMER



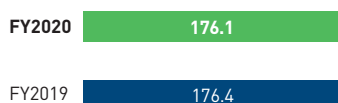
Mobile Revenue (\$'m)



Pay TV Revenue (\$'m)



Broadband Revenue (\$'m)



At StarHub, everything we do is driven by a strong resolve to deliver superior value and unsurpassed satisfaction to customers.

In FY2020, we made commendable strides with our transformation for a new generation seeking quality communication, unsurpassed entertainment and next-level digital solutions. Our innovation and digital strategies continue to pave the way for new cost-effective and efficient ways of working in a digital world.

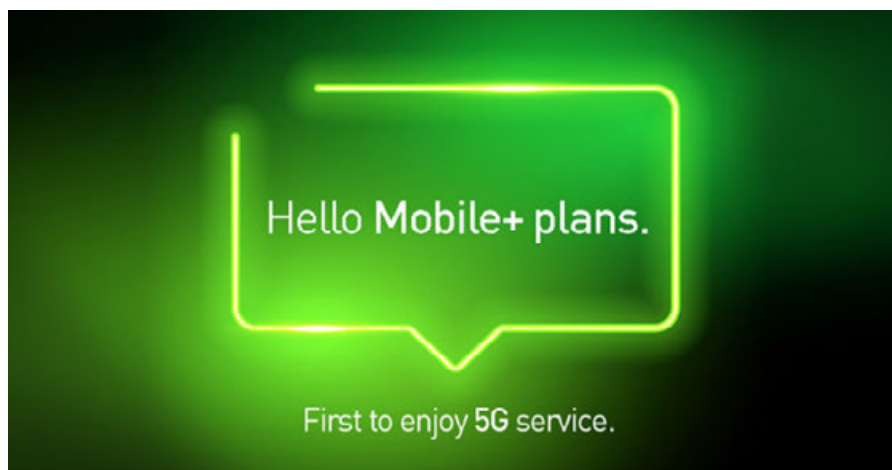
Leading with our foresight on new technologies and emerging trends, we marked our place in history as the first telco to offer 5G Non-Standalone ("NSA") services across Singapore in August 2020. With the introduction of 5G, we have sparked the technology revolution of our era, ushering in unprecedented speed and improved efficiency to support the creation of new user experiences.

We made further inroads for our Pay TV transformation with the launch

of StarHub TV+. Through this first-to-market integrated entertainment solution, our customers are empowered with flexibility of choice over streaming services, apps, TV programmes and popular OTT options on a single hybrid platform.

Our focus on innovation and transformation continues to elevate StarHub's customer experience, an important attribute vital to the competitiveness of our businesses. Reinforced by a necessity brought about by COVID-19, we continued to enhance the customer journey and experience on our digital touchpoints. During the year, we saw over 12% growth in monthly active users on the My StarHub App, and a 32% increase in digital sales transactions. We also achieved over 80% accuracy as we continued to mature our chatbot as an online touchpoint to automate customer support. Through the simplification of the consumer digital sales journey, we achieved up to 60% improvement in sales conversion rate.

Our endeavour to raise customer satisfaction at every touchpoint has positioned us as the provider of choice for quality and customer service. Having charted a significant improvement in FY2019, we continued to achieve 24.5% year-on-year incremental improvement in NPS in FY2020. In the most recent Customer Satisfaction Index of Singapore (CSISG) study, satisfaction scores for StarHub's Mobile and TV services rose in 2020 and are at the highest levels of any operator to-date. With this accolade, we have clinched top spot in Mobile as well as led in TV for seven consecutive years.



MOBILE

Our Mobile business continues to be the largest revenue contributor. Although the market is becoming increasingly competitive, our position remains resilient, supported by more than 1.4 million mobile subscribers who have chosen to stay with us for a differentiated customer experience and quality offering.

With the onset of the COVID-19 pandemic in early FY2020, international business travel and tourism dissipated overnight as Singapore closed its borders. Postpaid ARPU declined from \$40 in FY2019 to \$31 in FY2020 due to lower roaming revenue, VAS and excess data usage while Prepaid revenue was impacted by a decrease in subscriber base due to overall drop in tourist arrivals and declines in ARPU from \$13 to \$11 year-on-year. As a result, FY2020 mobile revenues declined from \$765.5 million in FY2019 to \$579.7 million in FY2020.

Our Mobile business roadmap is built on three primary strategies: Capture emerging 5G opportunities; Drive digital innovation; and Optimise network experience for customers. Effective

delivery of these key strategies will allow us to prudently manage ARPUs and improve the performance of our mobile business in an increasingly competitive market.

5G: A New Realm of Opportunity

At the launch of our 5G services in September 2020, we were touted to have the widest nationwide NSA network coverage of over 70%. We are pleased to share that the take-up rate for Mobile+ has exceeded internal expectations, accelerated by the launch of popular 5G smartphones in 2H2020 and the value-add brought to consumers via our differentiated 5G plans.

To differentiate our Mobile+ integrated plan and provide customers with an early teaser of the potential of the new technology, we tapped on our ability to provide customers with cross-product bundling, offering Mobile+ customers access to StarHub TV+ and Antstream Arcade to enable customers to experience supercharged entertainment with zero lag on StarHub's first-to-market 5G service. We will continue to seek more innovative partnerships with entertainment and gaming providers to differentiate our 5G offerings.

Moving forward, we are focused on the roll out of our ultra-fast, ultra-responsive 5G standalone service that is expected to launch in FY2021, delivering unprecedented speed, simplicity and instantaneity to consumers across Singapore.

We expect consumer adoption of this new technology to grow in tandem with the maturity of the 5G ecosystem, driven by the release of 5G handsets and creation of unique 5G digital solutions that will significantly enhance the way we work, play, browse, game, watch and create on this new frequency.

We have seen encouraging interest as StarHub continues to play a vital role in educating the industry and community about the potential of 5G technology. During the year, we entered into an exclusive 2-year partnership with NTUC, whose members comprise 30% of Singapore's workforce, to provide 5G services and conduct webinars and seminars to educate and equip union members on the new technology. StarHub's Union specials have been well-received among members since the start of the partnership in 2017, and we count close to 70,000 NTUC union members as our customers.

BUSINESS REVIEW

CONSUMER



Creating Value Through Digital Innovation

Launched in FY2019, our giga! mobile digital brand delivers a simple and seamless end-to-end digital experience for customers. We designed the product from a customer experience perspective in the first instance, and the technology development ensued. This customer-driven approach has provided us with greater agility to respond quickly and maintain a deep engagement with customers.

giga! continues to appeal to the digital community with first-in-market innovations such as fuss-free e-KYC process and data rollover. Furthermore, we leveraged data analytics to strike a balance between value and price, allowing us to compete effectively in a crowded and fragmented SIM-only market. For these reasons, our giga! subscriber base has grown five times over the past year, with a majority from port-in subscribers.

To increase app engagement and user retention, giga! had 40 app enhancements during the year. We are encouraged that our drive to continuously improve giga! was recognised by the community with remarkable app ratings achieved on Google Play, App Store, and Seedly. giga! continues to hold the highest NPS rating in the market.

Our focus on digital innovation continues to guide our engagements with customers. During the year, we thanked 12 of our most loyal customers for their longstanding support, with an unprecedented Augmented Reality 'meet-and-greet' delivery of the iPhone 12 that was powered by 5G technology. Being amongst the first in the world to receive the iPhone 12, these customers were greeted with a warm StarHub "Hello!" by 3D on-screen avatars of StarHub's Chief of Enterprise Business Group and Vice President of Mobile Marketing.



This one-of-a-kind experience was the first in Singapore's telecommunications industry, and exemplifies our ability to demonstrate the potential of our advanced technologies and introduce new-to-market product and services to enrich customers' digital lifestyle.

In January 2020, we became the first info-communications company in Singapore to offer Amazon Prime membership to our entire mobile customer base. The membership allows users to enjoy shopping and delivery, entertainment and gaming, enhancing customer experience. To enjoy the perks of membership, customers are required to activate their My StarHub App, a key digital touchpoint that we continue to invest in and use to engage customers.

Bringing digital innovation, convenience and greater value to StarHub customers, we partnered Pay2Home, a Singapore fintech and licensed major payment institution to enable our mobile prepaid customers to remit funds to over 40 countries using the StarHub Prepaid app.

Optimising Network Experience

During the year, we continued to invest in and optimise our award-winning network, a vital communication infrastructure, which drives mobile customer experience.

In a November 2020 market report¹, StarHub was named market leader in providing Video, Voice, Gaming, 4G Coverage and Upload speed experience. We were also named winner of the Download Speed Experience award having achieved average overall download speed which was 8.6% or 4.5 Mbps above our previous high, providing us with an impressive margin of 7 Mbps over our nearest competitor.

1 "Singapore Mobile Network ExperienceReport", Opensignal.com, November 2020
2 "IMDA IMConnected H1 2020", Infocomm Media Development Authority, Singapore

Hello StarHub TV+

Your favourite streaming services, apps and TV shows, in one place.

Our high-performance network was again recognised when we were named Singapore's fastest Telco in IMDA's IMConnected report². We clocked the fastest mobile data speed with 23.4 Mbps median throughput compared with 22.8 Mbps for our nearest competitor and provided nationwide outdoor service coverage in excess of 99.78% in 1H2020.

Looking into FY2020, we will continue to create value for our customers through innovation and digital transformation. With our 5G first-mover advantage, we are poised to benefit from the expected accelerated adoption of 5G in Singapore's Smart Nation ambition.

PAY TV

Our Pay TV Transformation continues with a strategic focus on improving margins through transformations in two core areas.

In the first phase, StarHub's cable-to-fibre migration in FY2019 has provided a catalyst for our cost transformation. We have transitioned from a fixed-fee cable model to a variable-fee fibre model, providing greater flexibility with most of our content providers on a per-connection variable cost structure.

FY2020 had focused on the second phase of our Pay TV Transformation – enhancing content delivery and the customer experience.



StarHub TV+: Value in Flexibility and Selection

In September 2020, we took a big step forward in our transformation with the launch of StarHub TV+. A unique and first-to-market entertainment option, StarHub TV+ affords customers greater flexibility with an all-in-one simplified offer of quality streaming services, TV programmes and popular OTT options integrated on a single platform.

We consolidated our pricing and plans across Fibre TV and streaming platforms to unlock flexibility and provide a unified viewing experience for customers. In addition, we simplified the set-up process for customers by introducing plug-and-play Android set-top boxes. These enhancements

have seen an improvement in customer satisfaction and allowed us to further our cost transformation objectives by reducing installation costs and realising economies of scale.

StarHub TV+ is a testament to our ability to reimagine entertainment via a refreshed and more intuitive interface. One which has allowed us to deliver greater simplicity, accessibility, rich content and an improved user experience.

Immersive Content for an Unsurpassed Entertainment Experience

We recognise that new immersive content and experiences is vital to the sustainable growth of our Pay TV business. Consequently, we signed-on eight popular OTT platforms in FY2020 and integrated their content on our hybrid platform, providing customers with a unified experience across big and small screens.

We curated and partnered with top OTT players to deliver quality content, including the highly anticipated Disney+ when we signed an exclusive agreement with The Walt Disney Company in January 2021. Our customers are among the first in the world to enjoy all six Disney content brands through their TVs or on the go over StarHub 5G ultra-fast networks.



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Amongst our portfolio of OTT content providers, we also teamed up with Netflix in March 2020, the world's leading streaming entertainment provider, to deliver the best of entertainment and superb connectivity to our customers. To ensure the diversity of our offerings, we also have on our platform China-based iQIYI, which owns one of the largest Chinese content libraries in the world; as well as Hotstar, India's leading video streaming app, bolstering the variety of programmes available on our platform.

Concurrently, we have broadened our channel options to customers, launching Singapore's first 24/7 dedicated Tennis channel, beIN SPORTS 2, which will feature over 900 live matches from the ATP1000, ATP500, ATP250 and Next Gen Finals tournaments throughout the year. StarHub also signed a multi-year deal to broadcast 306 Bundesliga football matches per season, of which over 200 live matches will be available on StarHub's platform.

To cater to the needs of Singapore's multi-cultural society, we were the first in Singapore to launch three brand new quality Indonesian channels - Citra Entertainment, Karisma and Pawagam Indonesia. We also strengthened our Tamil programming with the addition of channels such as ADITHYA TV and KTV HD to afford our Tamil viewers unsurpassed entertainment across 10 Tamil channels.

Lighter Operating Model; Robust Digital Product

We had sought to stabilise the segment's performance in FY2020 following the considerable churn and impact brought about by the cable-to-fibre migration in FY2019. We are pleased to report that the subscriber base has remained relatively stable since the completion of the cable-to-fibre migration in September 2019, declining at a rate of 0.6% on average per month.



The segment was not spared from COVID-19 impact in FY2020, recording lower commercial revenue and advertising due to prudent cost management by commercial clients. Overall, Pay TV revenue declined from \$248.0 million in FY2019 to \$187.9 million in FY2020 while ARPU declined to \$39 in FY2020 from \$44 in FY2019.

Looking ahead, we are encouraged by early signs of stabilisation in several Pay TV indicators in the last quarter of FY2020. ARPU was \$40 in 4Q2020, unchanged from 3Q2020; and 4Q2020 segment revenue was \$47.1 million, also unchanged from the preceding quarter.

The segment's performance had been impacted by the necessary changes to its operating model and the ongoing headwinds in the competitive landscape. Moving forward, we believe that our efforts will provide the segment with a stronger footing to compete in an increasingly competitive landscape, and a more robust digital product that will position us well to engage an increasingly discerning consumer market.

BROADBAND

Our Broadband business remained stable in FY2020 with ARPU at \$29, unchanged from FY2019 due to reduced subscription incentives extended to customers. Accordingly, Broadband revenue remained relatively stable at \$176.1 million in FY2020 compared to \$176.4 million in FY2019.

In a similar vein to our Pay TV business, our Broadband business saw early signs of stability in late FY2020. 4Q2020 revenue increased to \$45.7 million from \$45.5 million in 3Q2020, with ARPU unchanged at \$30 over the period.

Our Turbo Gamer 2Gbps plan continues to gain traction in the gaming market, offering two dedicated 1GB fibre connections and a state-of-the-art ROG Rapture GT-AC2900 gaming router. The gaming experience is further enhanced with lower-latency and smoother gameplay with Garena's games.

Customers are increasingly discerning when it comes to the home broadband experience – this is even more pronounced with the shift in

consumer behaviour driven by the global pandemic. During the year, we introduced the StarHub Smart WiFi, a new mesh WiFi networking system to provide an unrivalled WiFi coverage and reliability for customers to enjoy the best video streaming and broadband experience in any corner of their home.

We strive to leverage our superior network as well as the latest technologies and connectivity solutions to enhance the home broadband experience for our customers, which will in turn drive growth for the segment. Concurrently, we seek to deepen our penetration in higher-value niche segments such as gaming, where the performance differentiation of our quality network provides us with a fertile platform to establish a niche with gamers.

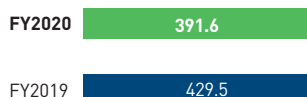


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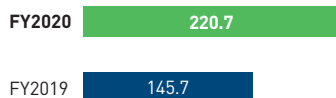
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Network Solutions (\$'m)



Cybersecurity Services (\$'m)



Regional ICT Revenue
\$33.2M

[30 July 2020 to 31 December 2020]

ENTERPRISE BUSINESS GROUP

At StarHub, we prepare forward-thinking enterprises to excel in tomorrow's digital world by empowering them with leading-edge services and products, backed by our top-notch network capabilities, to realise their digital transformation today.

Despite a challenging year, our Enterprise business continued to deliver sustained growth in FY2020 recording revenue of \$645.5 million, a 12.2% increase from \$575.2 million in FY2019. The improvement was driven primarily by the strong performance of our Cybersecurity business and consolidation of our new Regional ICT Services segment following the completion of the Strateq acquisition on 30 July 2020.

Charting Our Growth

Moving into FY2021, while the macro-economic backdrop is still uncertain, this brings us both opportunities and

headwinds. We intend to leverage our core strength and capability in connectivity, to maximise the returns on our core asset, supported by a comprehensive value chain of Enterprise solutions to maintain our growth trajectory. We have identified three focus areas that we will pursue with laser-sharp focus:

First, we are leveraging on opportunities in key sectors such as Government, Financial Services, Hospitality, IT and Manufacturing, Healthcare, Information & Media, Life Sciences and Manufacturing, allowing us to capture a greater share of the growing Enterprise market. We will engage businesses seeking to expedite digitalisation in the underserved SME segment and mid-market space, by expanding our digital touchpoints and enhancing customer experience.

Secondly, we will focus on increasing our share of wallet by targeting high-growth industries such as financial services, education government and professional services. Concurrently,



World's first 5G standalone roaming trial, in collaboration with U Mobile Malaysia.

We are also collaborating with players in a number of industries to develop case studies based on our 5G technology and solutions to enhance operational efficiencies and elevate customer experience for their respective industries. These case studies will allow us to build interests and early momentum for the adoption of 5G and grow our business in this segment over the longer term.

During the year, we partnered with Malaysia's U Mobile to complete a multi-party roaming video conference call over 5G standalone technology to pave the way for businesses to enjoy crystal-clear and lag-free communication and entertainment across borders. Rigorous tests yielded positive results, achieving download speeds of over 1.3Gbps and latency of under 5ms on average. This is almost 10 times faster when compared to existing 4G technologies. Important performance insights gleaned from the successful trial also allows both companies to foster collaboration to establish the optimal network experience when 5G rolls out commercially in both countries.

As part of our ongoing 5G trials, we partnered a key player in the aviation industry to provide 5G coverage to support mission critical communications (MCC) for emergency situations. We will continue to pursue growth opportunities through 5G and

we will continue to strengthen our partnership ecosystem, allowing us to enhance our service and product offering with best-in-class solutions.

Thirdly, we will pursue new growth opportunities through new technologies such as 5G and strategic acquisitions which will strengthen our enterprise capabilities and provide revenue diversification.

5G for Enterprise

Offering ultra high-speed, larger bandwidth and low latency, 5G technology promises to unlock new possibilities and applications for the Enterprise sector. Our early-mover advantage in the emerging 5G market provides us with a strong and unique competitive edge to engage early 5G adopters and play a key role in the build out of Singapore's digital future.

We are encouraged by the positive market response to our 5G Biz+ plans, which enable enterprise customers to implement distributed working arrangements, increasing productivity and business agility. Our Biz+ plans combine 5G connectivity, SmartUC softphone capabilities and popular productivity applications in a single Mobile Office Bundle, allowing users to work 24x7 at any given location.

To lay the ground for future growth, we are currently engaging with customers who are early adopters through 5G solution trials and collaborating with partners to explore the rich possibilities the new technology will unlock in emerging industries such as private networks and edge computing.

With the aim of creating disruptive 5G innovation and solutions for the Singapore market, StarHub and Nanyang Polytechnic established the NYP-StarHub Application & Experience Centre for 5G (APEX 5G) in January 2020. Innovative and practical 5G technologies and applications developed through the APEX 5G centre will extend our portfolio of smart 5G solutions for the healthcare, retail, urban solutions and advanced manufacturing sectors.



A demonstration at the APEX 5G centre launch in January 2020, utilising 5G to enable new applications for the healthcare sector.

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ENTERPRISE

IoT in industries such as Construction, Logistics, and Manufacturing to develop innovative solutions for smart facilities management, robotics and logistics to drive incremental revenue streams.

We will continue to expand and harness our 5G partnership ecosystem to collaborate and innovate solutions underpinned by the convergence of fixed and wireless platforms and technologies, and ultra high-speed connectivity.

Digital At The Core

Our Enterprise digital strategies revolve around two primary initiatives: the digitalisation of our customer journey and the strengthening of our portfolio of Enterprise digital solutions.

To provide enterprise customers with a leading and differentiated experience,

we are digitalising the customer journey to enhance our ability to be more responsive to the needs of the market. Our Business Manager App was revamped in FY2020 to deliver a simplified and consistent user experience across desktop and mobile platforms. Value is extracted from data to afford enterprise customers a more efficient and personalised service and reduced time-to-market product and services.

We enhanced our online store experience with a wider range of enterprise products tailored for SME customers. Focusing on enhancing productivity and business flexibility, our improved SME product range includes 5G Biz+ plans, SIM-only mobile plans, Broadband, and Smart UC Mobile.

During the year, one of the key achievements for StarHub was the acquisition of Strateq, a data-driven business solutions and information and communications technology (ICT) company. The benefits of this acquisition are multi-fold. With this acquisition, we are able to tap on Strateq's digital capabilities to bolster our portfolio of Regional ICT services and creating greater value for our customers on their digitalisation journey. Strateq's growing presence in the region also opens the door to new opportunities for StarHub in other geographies, while Strateq gains access to StarHub's stronghold in Singapore to deepen its footprint in Singapore.

Contributing \$33.2 million in revenue since the acquisition completed in July 2020, Strateq is working closely with StarHub to uncover collaborative growth opportunities for both parties over the mid-term. Concurrently, Strateq has mapped a growth path of its own, identifying four growth pillars that seeks to build upon its 30 years of proven track record and in-house capabilities to build proprietary and customised digital solutions for customers.



Moving forward, Strateq intends to capture greater share of the Petrol Retail solutions market in five countries across Asia with its proprietary applications. For its Healthcare Solutions segment, Strateq intends to expand its presence in the US and Malaysia with a focus on cloud-based systems.

To grow its Enterprise Business Solutions business segment, Strateq will enhance its expertise to deliver solutions for data analytics, software engineering, artificial intelligence, AI chatbots and eCommerce. It will also enhance its cloud and data centre capabilities to engage SMEs with a total cloud solution and upsell its data centre business-continuity offering.

The Evolution of Managed Services

The data centre industry continues to evolve from hosting simple servers to enabling hybrid digital infrastructure for enterprises. With this change, there is an increasing regional demand from e-commerce, gaming, video and live streaming companies requiring multiple redundancy options with low-latency connections. Buttressed by our high-tech data centre and robust 5G advantage, we are poised to benefit from this nascent industry trend.



StarHub Hyperscale Data Centre @ Loyang located in the AirTrunk SGP1 campus was established in partnership with AirTrunk, a leading hyperscale data centre (HDC) specialist. Coming online in December 2020, our data centre affords enterprise customers access to HDC services that caters to the increasing demands from enterprises and hyperscalers such as e-gaming, e-sports and e-commerce providers. In an encouraging sign, the phase one release of StarHub Hyperscale Data Centre was warmly received by the market.

In an uncertain and challenging operating environment, COVID-19 has

provided a window of opportunity for us to transform and tap into business paradigm shifts. As a case in point, with IT projects and tender delays continuing to impact the industry in the near term, we have pivoted to seize opportunities presented by dispersed work arrangements that have increased the importance of connectivity. This is especially so for enterprise customers seeking solutions to streamline the management of networks across multiple locations and data centres. On this front, we partnered Silver Peak to introduce a global SD-WAN product to the market, providing customers greater control and visibility over their network operations.

We also announced a partnership with ADVA to harness ADVA's FSP 3000 ConnectGuard™ Optical Layer 1 encryption technology to power StarHub SDS Secured Service. With StarHub SDS Secured Service, enterprise customers managing highly confidential and mission-critical information can be assured that all data transfers between their offices, disaster recovery sites and data centres are fully encrypted, down to the fibre network level, which is operated and fully owned by StarHub. To support enterprise customers in their bid to deliver efficient AI-powered solutions by bridging organisational data with infrastructure and technology, we intend to be the digital partner for enterprises to enable their digital



Launched in December 2020, the StarHub Hyperscale Data Centre @ Loyang located in the AirTrunk SGP1 campus provides flexibility, interconnected ecosystem, one-stop managed services and power efficiency.

BUSINESS REVIEW

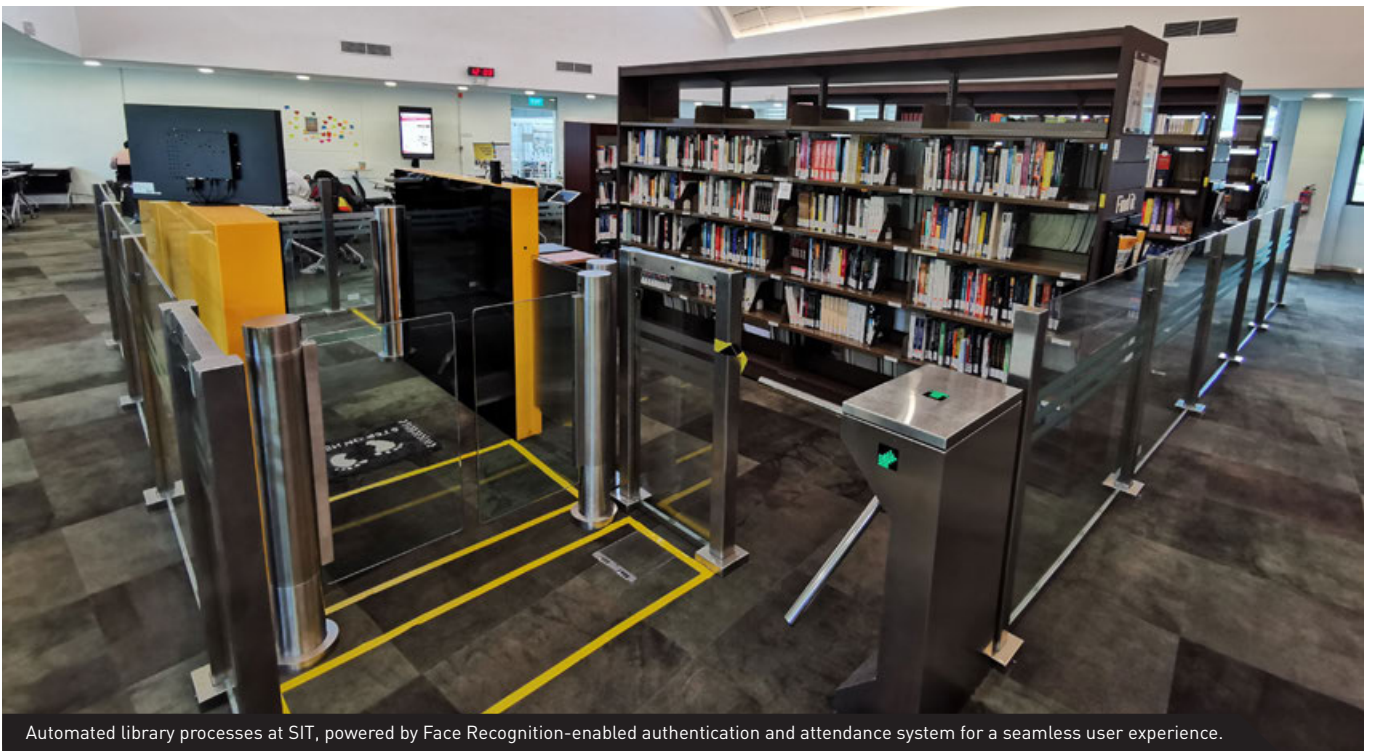
ENTERPRISE

transformation journeys. With superior network quality and reliability, we will deliver secure services that are accessible on-demand. StarHub had won a tender by the Singapore Institute of Technology ("SIT"), which was seeking an innovative and efficient way to improve its library operations. We worked closely with a team of global solution partners to facilitate a Facial Recognition Authenticated Library Loan Service for the university. The first of its kind in Singapore, the solution was operational in an accelerated span of two months, attesting to the effective working relationship between SIT, StarHub

operational efficiencies and enable business insights. The bespoke mobile app simplified and automated daily work processes for bus captains, reducing time spent on paper-based administrative and reporting tasks.

Cybersecurity's Sustainable Growth

Since the founding of Ensign in October 2018, we have charted rapid progress, recording double-digit annual revenue growth and achieving an estimated 16% share of Singapore's security services market in our first year of operation. Given the small number of pure-play



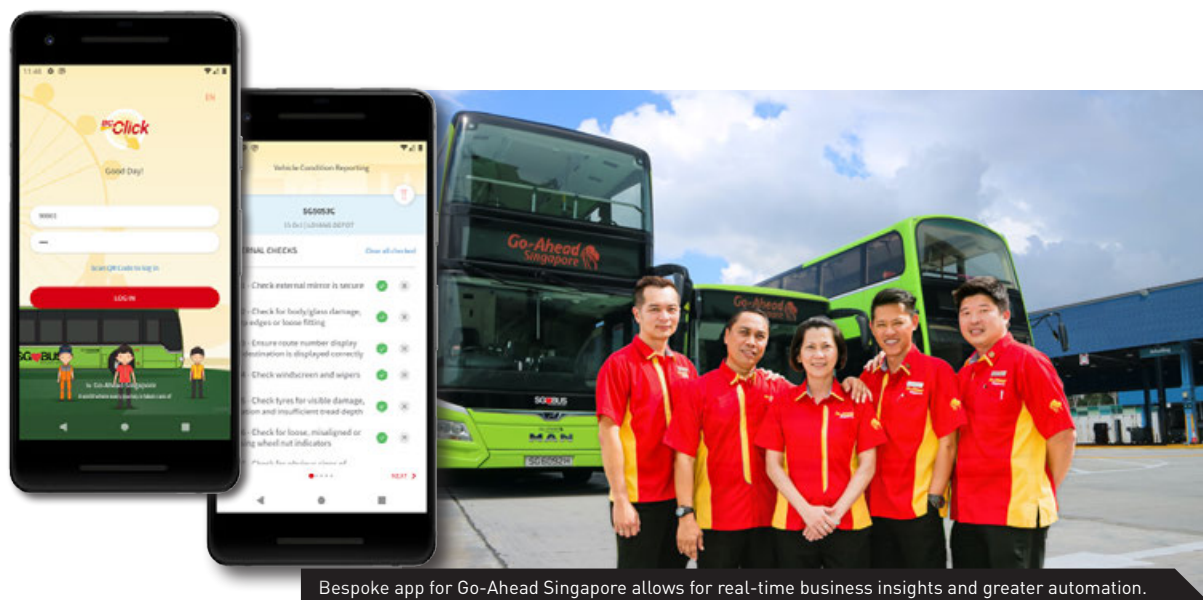
Automated library processes at SIT, powered by Face Recognition-enabled authentication and attendance system for a seamless user experience.

and its partners. With this innovative solution, students can now loan books quickly and seamlessly without the need to tap access cards through the use of Facial Recognition and Radio-Frequency Identification (RFID) technology.

Demonstrating our ability to create innovative solutions, we developed BC Click for Go-Ahead Singapore, a bespoke mobile app to improve the public transport operator's

cybersecurity specialists in the region, there is a significant opportunity for us to capture a larger share of the high-growth cybersecurity market.

Our cybersecurity business contributed \$220.7 million in FY2020 revenue, up 51.4% from \$145.7 million in FY2019, driven largely by our subsidiary, Ensign, the region's largest pure-play, end-to-end cybersecurity services provider.



Bespoke app for Go-Ahead Singapore allows for real-time business insights and greater automation.

The segment also contributed an operating profit of \$7.1 million in FY2020, a turnaround from a loss recorded a year ago.

In a bid to maintain its strong revenue growth trajectory, Ensign will pursue larger and more complex projects, which it has quickly built a strong reputation for. It will also continue to invest in its suite of capabilities and bolster partner collaborations to bring greater innovations to its broadening customer base, in which Ensign has identified sectorial opportunities in Industrial, Manufacturing and Healthcare.

Despite the operating challenges brought about by COVID-19, Ensign has set its sights on new regional opportunities, while concurrently deepening their footprint in existing markets. The 5G roll outs by various countries in the region will also spur demand for Cybersecurity services.

Meanwhile, Ensign's cryptography expert, D'Crypt, has deployed over 500,000 units of enterprise IoT devices for contact tracing. This large-scale project is expected to contribute positively to Ensign's performance in FY2021.



The Way Ahead

While the business climate continues to change rapidly with a degree of uncertainty, our IT and digital transformations have positioned us well for the demands of the new generation and digital disruptions. We continue to augment our expertise and capabilities to support our enterprise customers in their endeavour to remain agile and competitive.



BluePass – D'Crypt's response to COVID-19 – has been deployed in Singapore and other countries such as Indonesia.

GROUP FINANCIAL REVIEW

1.1 REVENUE

	Year ended 31 December					
	2020 \$m	2020 %	2019 \$m	2019 %	Incr/(Decr) \$m	
Mobile revenue	579.7	28.6	765.5	32.8	(185.8)	(24.3)
Pay TV revenue	187.9	9.3	248.0	10.6	(60.1)	(24.2)
Broadband revenue	176.1	8.7	176.4	7.6	(0.3)	(0.1)
Enterprise Business	645.5	31.8	575.2	24.7	70.4	12.2
- Network solutions ⁽¹⁾	391.6	19.3	429.5	18.4	(37.9)	(8.8)
- Cybersecurity services ⁽²⁾	220.7	10.9	145.7	6.3	75.0	51.4
- Regional ICT services ⁽³⁾	33.2	1.6	-	-	33.2	nm
Total service revenue	1,589.2	78.3	1,765.1	75.7	(175.9)	(10.0)
Sales of equipment	439.6	21.7	565.5	24.3	(125.9)	(22.3)
Total	2,028.8	100.0	2,330.6	100.0	(301.8)	(13.0)

Numbers may not add up due to rounding

(1) Includes Data & Internet, Managed services and Voice services

(2) Includes service revenue from Ensign and D'Crypt

(3) Includes service revenue from Strateq

The Group's total revenue of S\$2,028.8 million in 2020 was S\$301.8 million or 13.0% lower year-on-year (YoY), mainly due to lower contributions from Mobile, Pay TV and Sales of Equipment, partially offset by higher revenues from Enterprise Business.

Mobile service revenue was 24.3% lower YoY in 2020, due to lower postpaid and prepaid revenues. The decrease in postpaid revenues was mainly due to lower IDD, lower excess data usage, lower voice usage, lower VAS (value-added services) revenues and lower roaming due to ongoing global travel restrictions resulting from COVID-19, partially offset by the increase in SMS usage and higher plan subscriptions. The decrease in prepaid revenues was mainly due to lower inbound and outbound travel as a result of tightened border controls resulting from COVID-19, lower data subscriptions, prepaid expired credit and IDD.

Pay TV service revenue decreased 24.2% YoY in 2020, mainly due to a lower subscriber base, the cable-to-fibre migration in the prior year as well as the impact from COVID-19 on commercial TV revenue and lower spending on advertising on the back of a more cautious business outlook by enterprise customers.

Broadband service revenue was 0.1% lower YoY in 2020, mainly due to a one-time 20% rebate on Home Broadband monthly fee extended to customers as a result of a service disruption in April 2020, partially offset by overall higher ARPU. Excluding the one-time rebate, revenue would have been \$1.2 million or 0.7% higher YoY.

Enterprise Business revenue increased 12.2% YoY, mainly due to higher revenues from Cybersecurity services and the consolidation of Strateq under Regional ICT services, following the completion of the acquisition on 30 July 2020. This was partially offset by lower revenues from data and internet, managed services and voice services.

Revenue from Sales of Equipment decreased YoY by 22.3% in 2020, mainly due to lower volume of handsets sold and delays in the launch of new premium handset models.

1.2 OPERATING EXPENSES

	Year ended 31 December			
	2020 \$m	2019 \$m	Incr/(Decr) \$m	%
Cost of sales ⁽¹⁾	847.7	1,058.3	(210.7)	(19.9)
Other operating expenses ⁽¹⁾	733.0	858.0	(125.0)	(14.6)
Cybersecurity services ⁽²⁾	224.7	169.4	55.3	32.6
Regional ICT services ⁽³⁾	33.4	-	33.4	nm
Total	1,838.9	2,085.8	(246.9)	(11.8)

nm - not meaningful

Numbers may not add up due to rounding

(1) customer acquisition costs reclassified from Marketing and Promotions under Other operating expenses to Cost of sales.

(2) includes cost of sales and other operating expenses from Ensign and D'Crypt.

(3) includes cost of sales and other operating expenses from Strateq.

The Group's total operating expenses in 2020 was lower YoY by S\$246.9 million, mainly due to lower cost of sales and other operating expenses, partially offset by the increase in operating expenses relating to Cybersecurity services and the consolidation of Strateq under Regional ICT services.

As a percentage of the Group's total revenue, total operating expenses for 2020 was at 90.6%, compared to 89.5% last year.

Cybersecurity services⁽¹⁾

	Year ended 31 December			
	2020 \$m	2019 \$m	Incr/(Decr) \$m	%
Cost of sales	123.4	78.5	44.9	57.3
Other operating expenses	101.3	91.0	10.4	11.4
Total	224.7	169.4	55.3	32.6

Numbers may not add up due to rounding

(1) includes cost of sales and other operating expenses from Ensign and D'Crypt

As a percentage of Cybersecurity services revenue, Cybersecurity services' operating expenses in 2020 was at 101.8%, compared to 116.3% last year.

Regional ICT services⁽¹⁾

	Year ended 31 December			
	2020 \$m	2019 \$m	Incr/(Decr) \$m	%
Cost of sales	15.9	-	15.9	nm
Other operating expenses	17.6	-	17.6	nm
Total	33.4	-	33.4	nm

nm - not meaningful.

Numbers may not add up due to rounding.

(1) includes cost of sales and other operating expenses from Strateq.

As a percentage of Regional ICT services revenue, Regional ICT services' operating expenses in 2020 was at 100.5%, which includes the one-off M&A transaction costs for the acquisition of Strateq in 3Q2020. Excluding the above, the operating expenses as a percentage of revenue in 2020 would have been 97.3%.

GROUP FINANCIAL REVIEW

A breakdown of total operating expenses is as follows:

(i) Cost of sales

	Year ended 31 December			
	2020 \$m	2019 \$m	Incr/(Decr) \$m	%
Cost of equipment sold	396.4	507.1	(110.7)	(21.8)
Cost of services	361.3	403.0	(41.7)	(10.4)
Traffic expenses	54.8	85.2	(30.4)	(35.7)
Customer acquisition costs ⁽¹⁾	35.2	63.1	(27.8)	(44.1)
Cost of sales (excluding Cybersecurity services and Regional ICT services)	847.7	1,058.3	(210.7)	(19.9)
Cost of sales (Cybersecurity services)	123.4	78.5	44.9	57.3
Cost of sales (Regional ICT services)	15.9	-	15.9	nm
Total	987.0	1,136.8	(149.8)	(13.2)

nm - not meaningful

Numbers may not add up due to rounding

(1) customer acquisition costs reclassified from Marketing and promotions under Other operating expenses to Cost of sales

Cost of Sales (excluding Cybersecurity services and Regional ICT services)

Cost of sales in 2020 decreased YoY by S\$210.7 million, mainly due to lower cost of equipment sold, lower cost of services, lower traffic expenses and lower customer acquisition costs.

Cost of equipment sold decreased 21.8% YoY in 2020, primarily due to lower volume of handsets sold.

The 10.4% YoY decrease in cost of services in 2020 was mainly due to lower prepaid Mobile costs, lower Broadband costs, the absence of a one-off cable-to-fibre migration cost incurred in the prior year, lower Network Solutions business costs and lower Pay TV advertising and content costs. Excluding the one-off cable-to-fibre migration costs of S\$10.6 million incurred in the prior year, cost of services in 2020 would have decreased 7.9% YoY.

The YoY decrease of 35.7% for traffic expenses in 2020 was mainly due to lower domestic and international traffic volumes, coupled with lower roaming cost in line with lower roaming revenue.

The YoY decrease of 44.1% for customer acquisition costs in 2020, was mainly due to lower dealer commission as a result of lower commission rates and higher sales transacted online for postpaid Mobile, coupled with lower prepaid Mobile revenues.

Cost of Sales (Cybersecurity services)

The increase in cost of sales in 2020 was in line with higher Cybersecurity services revenue generated.

Cost of Sales (Regional ICT services)

The increase in cost of sales in 2020 was due to the consolidation of Strateq under Regional ICT services.

(ii) Other operating expenses

	Year ended 31 December			
	2020 \$m	2019 \$m	Incr/(Decr) \$m	%
Staff costs	185.3	224.1	(38.8)	(17.3)
Operating leases	26.0	35.8	(9.8)	(27.4)
Marketing and promotions ⁽¹⁾	23.2	34.7	(11.5)	(33.2)
Loss allowance for trade receivables	13.1	17.8	(4.7)	(26.6)
Repairs and maintenance	106.8	113.6	(6.9)	(6.0)
Other expenses	97.5	89.3	8.1	9.1
Depreciation and amortisation	281.2	342.6	(61.3)	(17.9)
Other operating expenses (excluding Cybersecurity services and Regional ICT services)	733.0	858.0	(125.0)	(14.6)
Other operating expenses (Cybersecurity services)	101.3	91.0	10.4	11.4
Other operating expenses (Regional ICT services)	17.6	-	17.6	nm
Total	851.9	949.0	(97.0)	(10.2)

nm - not meaningful

Numbers may not add up due to rounding

(1) customer acquisition costs reclassified from Marketing and promotions under Other operating expenses to Cost of sales

The Group's total other operating expenses in 2020 was S\$97.0 million lower YoY. As a percentage of total revenue, other operating expenses was 42.0% in 2020, compared to 40.7% last year.

Other operating expenses (excluding Cybersecurity services and Regional ICT services)

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

Staff costs

Staff costs was 17.3% lower YoY in 2020, mainly due to the reversal of provisions for certain staff compensation and restructuring costs relating to the IT transformation that are no longer required. Excluding the reversals, staff costs would have been S\$15.0 million or 6.9% lower in 2020, due to lower headcount.

Operating leases

Operating leases was 27.4% lower YoY in 2020, mainly due to rental rebates received for qualifying commercial and industrial properties under the COVID-19 stimulus package, reversal of base station rental accruals that are no longer required and a one-off refund from a landlord for previous overbilling. Excluding the above, operating leases would have been S\$4.4 million or 12.2% lower in 2020 due to lower shared underground base stations facilities, capacity and circuit leases.

GROUP FINANCIAL REVIEW

Marketing and promotions

Marketing and promotions expenses were 33.2% lower YoY in 2020, as a result of more targeted promotional efforts.

Loss allowance for trade receivables

Loss allowance for trade receivables was 26.6% lower YoY in 2020, mainly due to a decrease in general allowance as a result of lower trade receivables and lower bad debt written off.

Repairs and maintenance

Repairs and maintenance expense was 6.0% lower YoY in 2020, mainly due to lower maintenance costs for network infrastructure and novation of certain IS contracts to PCCW, following the commencement of the IS Transformation in 3Q2020. A provision for contracted maintenance costs for submarine cables that are no longer in use, was further increased by S\$9.4 million from S\$10.9 million last year as a result of more current information. Excluding this provision, repairs and maintenance expense would have been lower YoY by 5.2% in 2020.

Other expenses

Other expenses in 2020 was S\$8.1 million higher YoY mainly due to higher licence fees, higher IT outsourcing costs, including manpower and repairs and maintenance expense that were previously classified under staff costs and repairs and maintenance expense categories, higher foreign exchange loss and higher impairment of contract asset, partially offset by lower professional services fees, lower occupancy costs and higher miscellaneous income.

Depreciation and amortisation

Depreciation and amortisation expense was S\$61.3 million lower YoY in 2020, mainly due to lower depreciation of ROU assets due to cessation of a large domestic wholesale network leasing agreement in 4Q2019 and cable duct lease contract in 1Q2020, coupled with lower depreciation of property, plant and equipment (PPE) due to shutdown of the HFC network in 3Q2019, partially offset by higher amortisation of intangible assets.

Other operating expenses (Cybersecurity services)

The other operating expenses in 2020 increased YoY, primarily due to higher staff costs and higher depreciation and amortisation, partially offset by lower other expenses for Cybersecurity services.

Other operating expenses (Regional ICT services)

The increase in other operating expenses in 2020 was due to the consolidation of Strateq under Regional ICT services.

1.3 PROFITABILITY

	Year ended 31 December			
	2020 \$m	2019 \$m	Incr/(Decr) \$m	%
Total revenue	2,028.8	2,330.6	(301.8)	(13.0)
Operating expenses	(1,838.9)	(2,085.8)	(246.9)	(11.8)
Other income	41.4	11.0	30.3	nm
Profit from operations	231.3	255.9	(24.6)	(9.6)
Finance income	1.9	1.6	0.3	17.2
Finance expenses	(40.8)	(38.3)	2.5	6.6
	192.3	219.1	(26.8)	(12.3)
Share of gain/(loss) of associate, net of tax	0.6	(0.5)	1.2	nm
Share of loss of joint venture, net of tax	(0.1)	-	(0.1)	nm
Profit before taxation	192.8	218.6	(25.8)	(11.8)
Taxation	(32.7)	(40.0)	(7.3)	(18.2)
Profit for the year	160.1	178.6	(18.5)	(10.4)
Service EBITDA	494.6	558.7	(64.1)	(11.5)
Service revenue	1,589.2	1,765.1	(175.9)	(10.0)
Service EBITDA as a % of service revenue	31.1%	31.7%	-0.6% pts	

nm - not meaningful
Numbers may not add up due to rounding

Profit from operations in 2020 declined S\$24.6 million YoY to S\$231.3 million. Operating profits from Cybersecurity services of S\$7.1 million in 2020 was a S\$29.0 million improvement compared to last year. Operating loss from Regional ICT services was S\$0.2 million in 2020 due to the consolidation of Strateq. Excluding Cybersecurity services and Regional ICT services, profit from operations would have been S\$224.3 million, which is S\$53.4 million or 19.2% lower YoY. This is due to lower revenues from Mobile, Pay TV, Broadband and Network Solutions and lower margin from Sales of Equipment, partially mitigated by lower operating expenses and higher other income due to JSS payouts recognised, offset by lower TPG tunnel fees cost recovery.

In 2020, service EBITDA margin at 31.1% was 0.6% points lower, compared to last year.

Finance income was stable in 2020, compared to last year. Finance expenses was higher YoY in 2020, mainly due to interest on higher borrowings and higher finance cost on financial liabilities measured at amortised cost with the consolidation of Strateq.

Share of results of associate was a gain in 2020 compared to a loss last year.

Share of results of joint venture was a loss in 2020, primarily due to the incorporation of a new JV company, Antina Pte. Ltd., on 3 September 2020 with another MNO.

Profit before taxation of S\$192.8 million in 2020 was S\$25.8 million lower YoY as a result of lower profit from operations. Taxation expenses was lower at S\$32.7 million.

Profit for the year in 2020 was S\$160.1 million.

GROUP FINANCIAL REVIEW

1.4 LIQUIDITY AND RESOURCES

	Year ended 31 December	
	2020 \$m	2019 \$m
Profit before taxation	192.8	218.6
Non-cash items & net finance expenses adjustments	349.4	402.5
Operating cash flow before working capital changes	542.2	621.1
Changes in operating assets and liabilities	95.8	(101.1)
Income tax paid	(59.1)	(71.9)
Net cash from operating activities	578.9	448.2
Net cash used in investing activities	(256.7)	(222.9)
Net cash used in financing activities	(35.4)	(273.7)
Net change in cash and cash equivalents	286.8	(48.4)
Cash and cash equivalents at beginning of the year	116.9	165.3
Cash and cash equivalents at end of the year	403.7	116.9
Free Cash Flow⁽¹⁾	387.7	218.6

Numbers may not add up due to rounding

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

Net cash from operating activities of S\$578.9 million in 2020 was S\$130.7 million higher YoY. The increase recorded in 2020 was mainly due to lower working capital needs and lower income tax paid due to the automatic three-month deferment of income tax payments granted by IRAS as part of COVID-19 stimulus package, partially offset by lower cash flow from operations.

The positive working capital changes of S\$95.8 million in 2020, were primarily attributed to lower inventories, lower contract assets and lower trade receivables, partially offset by higher other receivables, deposits and prepayments, lower trade and other payables, lower contract liabilities and lower net balances due to related parties.

Net cash used in investing activities increased by S\$33.8 million to S\$256.7 million in 2020, mainly due to the acquisition of Strateq in July 2020, investment in the 5G joint venture and absence of net proceeds received from the dilution of interest in D'Crypt in September 2019, partially offset by lower CAPEX payments, repayment of loan from an associate and higher interest income earned.

The Group's CAPEX payments amounted to S\$191.2 million in 2020, representing 9.4% of total revenue. CAPEX payments were S\$38.3 million lower in 2020, mainly due to a decrease in purchase of plant, property and equipment (PPE), offset by an increase in intangible assets.

Free cash flow of S\$387.7 million in 2020 was S\$169.0 million higher YoY, primarily due to higher cash from operating activities coupled with lower CAPEX payments.

Net cash from financing activities was lower at S\$35.4 million in 2020, mainly due to lower repayment of lease liabilities, lower dividends declared and paid, proceeds of capital contribution from a minority shareholder in relation to Ensign investment and higher net proceeds from bank loans (after repayment of bank loans), partially offset by higher purchase of Treasury Shares.

The resulting net cash generated was a surplus of S\$286.8 million in 2020, leading to a higher cash and cash equivalents balance (excluding restricted cash) of S\$403.7 million as of 31 December 2020.

1.5 FINANCIAL POSITION

	As at 31 December	
	2020 \$m	2019 \$m
Non-current assets	1,771.7	1,792.1
Current assets	1,159.6	941.8
Less: Current liabilities	772.9	1,176.3
Less: Non-current liabilities	1,532.0	977.5
Net assets	626.5	580.1
Shareholders' equity	626.5	580.1
Attributable to owners of the Company	538.3	518.1
Non-controlling interests	88.2	62.0

Numbers may not add up due to rounding

As at 31 December 2020, the Group's total non-current assets of S\$1,771.7 million was S\$20.4 million lower compared to S\$1,792.1 million as at 31 December 2019. The decrease was primarily due to lower PPE, lower investment in fair value through other comprehensive income, lower contract assets, lower contract costs and lower amount due from related parties as a result of repayment of loan from associate, partially offset by higher intangible assets, investment in the 5G joint venture as Antina Pte. Ltd. was formed on 3 September 2020 and higher prepayments, due mainly to prepayment for 5G spectrum right.

Total current assets as at 31 December 2020 increased by S\$217.8 million to S\$1,159.6 million, mainly from higher cash and cash equivalents, higher contract costs and higher other receivables, deposits and prepayments, partially offset by lower balances in inventories, contract assets and trade receivables.

Total current liabilities decreased by S\$403.4 million to S\$772.9 million as at 31 December 2020, mainly due to the reclassification of S\$407.5 million from current borrowings to non-current borrowings post refinancing, lower contract liabilities, lower provision for taxation and lower amounts due to related parties, partially offset by higher trade and other payables and higher lease liabilities.

The increase in total non-current liabilities by S\$554.5 million to S\$1,532.0 million as at 31 December 2020 was primarily due to the reclassification of S\$407.5 million from current borrowings to non-current borrowings (as explained above) coupled with new loans taken for the acquisition of Strateq and working capital requirement in 3Q2020, and higher trade and other payables, partially offset by lower contract liabilities, lower deferred income and deferred tax liabilities.

The Group's shareholders' equity increased by S\$20.2 million to S\$538.3 million as at 31 December 2020 (excluding non-controlling interests of S\$88.2 million). The increase was mainly due to higher retained profits, partially offset by the recognition of liability to acquire non-controlling interests in Strateq and higher fair value losses on a quoted investment.

The Group had recently issued a 10-year fixed rate notes of S\$200.0 million at a coupon rate of 2.48% on 8 January 2021. The proceeds from the bonds would be used for general corporate funding requirements or investments of the Group (including financing new acquisitions and investments, refinancing of existing borrowings, working capital, capital expenditure and other general funding requirements).

Following the disposal of D'Crypt in September 2019 to Keele, D'Crypt became an indirect subsidiary of Ensign as a result of the rights accorded to Ensign through the purchase of Preference Shares of Keele. The Group now holds 58.38% of the economic interest in D'Crypt through its shareholding and interest in Ensign.

The non-controlling interests represent the balance of 41.62% effective economic interest in Ensign attributable to minority shareholders.

Gearing

The Group's secured and unsecured borrowings was higher by S\$124.0 million as of 31 December 2020.

On account of a higher cash and cash equivalent balance, net debt was S\$173.8 million lower at S\$757.0 million as of 31 December 2020 compared to S\$930.8 million as of 31 December 2019. As a ratio of the past 12 months' EBITDA, the Group's net debt was lower at 1.41 times as of 31 December 2020 compared to 1.51 times as of 31 December 2019.

BOARD OF DIRECTORS



Steven Terrell Clontz

Non-Executive Chairman
Member: **S** **N**

Paul Ma Kah Woh

Independent Director
Member: **A** **R**

Stephen Geoffrey Miller

Non-Executive Director
Member: **R** **S** **E**

Nihal Vijaya Devadas Kaviratne CBE

Lead Independent Director
Member: **N** **A** **S**

Michelle Lee Guthrie

Independent Director
Member: **E** **S**

Nayantara Bali

Independent Director
Member: **S** **R**

Ng Shin Ein

Independent Director
Member: **A** **S**

Lionel Yeo Hung Tong

Independent Director
Member: **N** **E**

Teo Ek Tor

Non-Executive Director

Lim Ming Seong

Non-Executive Director
Member: **A** **S**

Nasser Marafih

Non-Executive Director

Naoki Wakai

Non-Executive Director

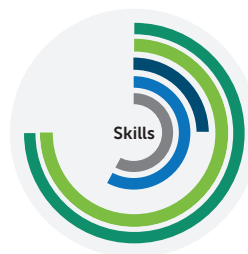


An Effective and Diverse Board

Our Board provides strategic leadership and guidance for sustainable growth and long-term success.

Key to Committee Membership

- A** Audit Committee
- S** Strategy Committee
- R** Risk Committee
- N** Nominating and Governance Committee
- E** Executive Resource and Compensation Committee
- Committee Chairman



- 75%** Financial Expertise
- 75%** M&A/Business Development/Entrepreneurship
- 25%** Cybersecurity
- 58%** Digital Economy
- 58%** Business Enterprise Relationship



- 50%** Independent Directors
- 50%** Non-independent Directors

BOARD OF DIRECTORS

Steven Terrell Clontz

Non-Executive Chairman

Date of Appointment:

8 December 1999 and Chairman on 15 July 2015

Last Re-elected:

22 May 2020

Chairman, Strategy Committee
Member, Nominating and Governance Committee

Terry is Senior Executive Vice-President, International, at Singapore Technologies Telemedia Pte Ltd (ST Telemedia). He is the Chairman of Cloud9 Technologies, LLC and a Director of STT GDC Pte. Ltd., Armor Defense Inc., Commerce Parent, Inc, Commerce Topco, LLC and Lumen Technologies, Inc. (formerly known as CenturyLink, Inc.). He served as the CEO of StarHub for 11 years before retiring on 1 January 2010. Terry is a well-regarded veteran in the telecommunications and media industry with over 47 years of extensive experience. He brings with him invaluable knowledge of the telecoms and media industry and extensive management expertise. During his 11 years at the helm of StarHub, Terry led StarHub in a number of major milestones including the transformation of StarHub from being Singapore's third mobile player in 2000 to a fully-integrated "quad-play" service provider; merging StarHub with the then Singapore Cable Vision in 2002; bringing StarHub public in 2004 on the Main Board of the Singapore Exchange; and advancing StarHub's market position to become Singapore's second largest mobile operator in 2005. Terry began his career in the USA. From 1996 to 1998, he served as the President and CEO of IPC Information Systems Inc., based in New York. Prior to that, Terry held senior executive positions at BellSouth International, Inc. He was the President of BellSouth International (Asia-Pacific), Inc. between 1991 and 1994. Terry holds a Bachelor of Science [Physics Major] from the University of North Carolina, USA.

Paul Ma Kah Woh

Independent Director

Date of Appointment:

23 September 2015

Last Re-elected:

30 April 2019

Chairman, Audit Committee
Member, Risk Committee

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

Stephen Geoffrey Miller

Non-Executive Director

Date of Appointment:

1 January 2017

Last Re-elected:

22 May 2020

Chairman, Risk Committee
Member, Strategy Committee
Member, Executive Resource and Compensation Committee

Stephen is the President & Group Chief Executive Officer of ST Telemedia and is also a member of ST Telemedia's Board of Directors. He also serves on the Board of TeleChoice International Limited. Stephen joined ST Telemedia in 2005 and held various senior positions including Chief Financial Officer and President & Chief Operating Officer. He played a crucial role in enhancing ST Telemedia's business competitiveness and asset portfolio while simultaneously maintaining prudent financial management. Prior to joining ST Telemedia, Stephen was Financial Advisor to the company on the combination of its data centre business with Equinix and Pihana Pacific, creating one of the world's largest carrier-neutral data centre network. Stephen has more than 25 years of global investment, financial management, strategic planning and Communications, Media and Technology (CMT) industry experience. He spent over 14 years of his career in investment banking with Credit Suisse, primarily heading its telecommunications and media group throughout Asia and the Pacific. Stephen holds a Bachelor's Degree in Commerce, with First Class Honours in Economics and Finance, from the University of New South Wales, Australia.

Nihal Vijaya Devadas Kaviratne CBE
Lead Independent Director

Date of Appointment:

16 August 2004

Last Re-elected:

19 April 2018

Chairman, Nominating and Governance Committee
Member, Audit Committee
Member, Strategy Committee

Nihal serves on the boards of Olam International Limited in Singapore and GlaxoSmithKline Pharmaceuticals Limited in India. He is the Chairman of Caraway Pte. Ltd., a subsidiary of Olam International Limited. He is also a Senior Advisor of Bain & Company for SEA and the Chairman of the Advisory Panel for Indonesia, SATS Ltd. He was appointed a member of the Global Corporate Resilience Advisory Council of McKinsey & Company, Inc. effective January 2018. Nihal held various senior level management positions in the Unilever group across Asia, Europe and Latin America over forty years. Nihal was cited in the Queen's 2004 New Year Honours List in the UK and was awarded the CBE (Commander of the Order of British Empire) for services to UK business interests in Indonesia. He was chosen by Business Week in 2002 for the Stars of Asia Award as one of the "25 leaders at the forefront of change". Nihal holds a Bachelor of Arts (Honours) with a major in Economics from Bombay University, India and has attended various management development programmes in India, Australia, the UK and the USA, including the Advanced Executive Programme conducted by Kellogg School of Management, Northwestern University and the Advanced Management Program at the Harvard Business School, USA.

Michelle Lee Guthrie
Independent Director

Date of Appointment:

25 August 2017

Last Re-elected:

19 April 2018

Chairman, Executive Resource and Compensation Committee
Member, Strategy Committee

Michelle is non-executive Chairman of Mighty Kingdom Limited, an unlisted public company registered in Australia. She is also a Director of Catapult Group International Limited, an Australian company listed on the Australian Securities Exchange and Hoppr Ltd, an unlisted public company in Australia. She has extensive experience and expertise in media management, content development, and a detailed knowledge of both traditional broadcasting and the new digital media landscape. Over the last 26 years, Michelle has worked for a range of broadcasting and media organisations in Australia, Europe and Asia, including the Australian Broadcasting Corporation, BSKyB, Star TV and Google. She is well placed to guide StarHub's strategic development, with her extensive knowledge of the Asian media market, digital technology and digital disruption. Michelle holds a Bachelor of Arts and Law (Honours) from Sydney University.

Nayantara Bali
Independent Director

Date of Appointment:

6 August 2018

Last Re-elected:

30 April 2019

Member, Strategy Committee
Member, Risk Committee

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

BOARD OF DIRECTORS

Ng Shin Ein

Independent Director

Date of Appointment:

17 September 2018

Last Re-elected:

30 April 2019

Member, Audit Committee
Member, Strategy Committee

Shin Ein is the Co-founder of Gryphus Capital Management Pte Ltd, a fund management firm focused on private equity and special situations investments. She also serves on the boards of other listed companies and Grab Holdings Inc. She has been Singapore's Non-Resident Ambassador to Hungary since 2013. From 2002 to 2006, she was Director (Listings) and a member of the Singapore Exchange ("SGX") IPO Committee at SGX. Shin Ein served on the Board of NTUC Fairprice Cooperative Limited from 2008 to 2017, and was a corporate lawyer at Lee & Lee from 1997 to 2002. She holds a Bachelor of Laws (Honours) from Queen Mary and Westfield College, University of London, and a Postgraduate Diploma in Singapore Law from the National University of Singapore.

Lionel Yeo Hung Tong

Independent Director

Date of Appointment:

10 January 2019

Last Re-elected:

30 April 2019

Member, Nominating and Governance Committee
Member, Executive Resource and Compensation Committee

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

Teo Ek Tor

Non-Executive Director

Date of Appointment:

16 August 2004

Last Re-elected:

22 May 2020

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

Lim Ming Seong

Non-Executive Director

Date of Appointment:

14 December 2000

Last Re-elected:

30 April 2019

Member, Audit Committee
Member, Strategy Committee

Ming Seong is the Chairman of CSE Global Limited and First Resources Limited and serves on the boards of several non-listed private companies. Ming Seong was with the Singapore Technologies ("ST") group from 1986 to 2002, where he left as Group Director. Prior to joining the ST group, Ming Seong served as the Deputy Secretary with the Ministry of Defence of Singapore. Ming Seong 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. Ming Seong also participated in the Advanced Management Programs conducted by INSEAD and the Harvard Business School, USA.

Nasser Marafih

Non-Executive Director

Date of Appointment:

9 July 2007

Last Re-elected:

19 April 2018

Dr Nasser is a Member of the Ooredoo Group Board. He was the CEO of Ooredoo Group from 2006 until November 2015. He also served as CEO of Ooredoo Qatar from 2002 to 2011, a subsidiary of Ooredoo Q.P.S.C. (formerly known as Ooredoo Q.S.C.). Dr Nasser began his professional career at Ooredoo Qatar (then known as Qatar Telecom) 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.

Naoki Wakai

Non-Executive Director

Date of Appointment:

30 August 2017

Last Re-elected:

19 April 2018

Wakai-san is the President and Chief Executive Officer of NTT Singapore Pte. Ltd., the regional headquarters of NTT Communications Corporation for the Asia Pacific region, since 1 July 2017. He is also the Head of NTT Singapore Solutions Pte. Ltd. Wakai-san joined Nippon Telegraph and Telephone Company (NTT) in 1989 and has more than 21 years' experience in international telecommunications and IT business. He was involved in the establishment of subsidiaries and branch offices in China, Taiwan and Korea, and played a major role in the construction of international submarine cable systems. After serving as Senior Manager of IP Transit Business at NTT Com Asia (Hong Kong) and Director of International Business at Verio (USA), he became Head of Server Hosting Team in 2006, Head of Carrier Relations in 2008, and VP of Global IP Network in 2009. Prior to becoming the President and Chief Executive Officer of NTT Singapore, he served as Deputy Managing Director and COO of NTT Europe Limited for five years. Wakai-san holds a Bachelor of Laws from the Keio University, Japan and a Master of Economics from the International University of Japan.

DIRECTORS' PARTICULARS

Steven Terrell Clontz, 71

Non-Executive Chairman

Principal Commitments

- Commerce Parent, Inc. (Director)
- Commerce Topco, LLC (Director)
- Armor Defense Inc. (Director)
- Virgin Mobile Latin America, Inc. (Director)
- Cloud9 Technologies, LLC (Chairman)
- STT GDC Pte. Ltd. (Director)
- Singapore Technologies Telemedia Pte Ltd (Senior Executive Vice President, International)
- Temasek International (USA) (Advisor)
- U Mobile Sdn Bhd (Executive Committee Chairman)

Listed Company Directorships

- Lumen Technologies, Inc. (formerly known as CenturyLink, Inc.) (Director)

Paul Ma Kah Woh, 74

Independent Director

Principal Commitments

- Mapletree Investments Pte Ltd (Director)
- Mapletree North Asia Commercial Trust Management Ltd (Non-Executive Chairman)

Listed Company Directorships

Nil

Stephen Geoffrey Miller, 58

Non-Executive Director

Principal Commitments

- Singapore Technologies Telemedia Pte Ltd (President & Group CEO and Director)
- Asia Mobile Holdings Pte. Ltd. (Director)
- STT GDC Pte. Ltd. (Director)
- Antina Pte. Ltd. (Director)
- Armor Defense Inc (Director)
- 2nd Watch, Inc. (Director)

Listed Company Directorships

- TeleChoice International Limited (Director)

Nihal Vijaya Devadas Kaviratne CBE, 77

Lead Independent Director

Principal Commitments

- Bain & Company South East Asia (Senior Advisor)
- Caraway Pte. Ltd. (Chairman)
- McKinsey & Company, Inc. (Member of the Global Corporate Resilience Advisory Council)
- The Bombay Mothers and Children Welfare Society (Governing Board Member)
- St Jude India ChildCare Centres (Founder)
- SATS Ltd, Singapore (Chairman of the Advisory Panel for Indonesia)

Listed Company Directorships

- Olam International Limited (Director)
- GlaxoSmithKline Pharmaceuticals Limited (Director)

Michelle Lee Guthrie, 56

Independent Director

Principal Commitments

- Hoppr Ltd (Director)
- Mighty Kingdom Limited (Chairman)

Listed Company Directorships

- Catapult Group International Limited (Director)

Nayantara Bali, 55

Independent Director

Principal Commitments

- ANV Consulting Pte Ltd (Director)

Listed Company Directorships

- Torrent Pharmaceuticals Ltd. (Director)

Ng Shin Ein, 47

Independent Director

Principal Commitments

- Gryphus Capital Management Pte Ltd (Co-founder and Advisor)
- Grab Holdings Inc. (Director)

Listed Company Directorships

- Yanlord Land Group Limited (Director)
- Avarga Limited (Director)

Lionel Yeo Hung Tong, 49

Independent Director

Principal Commitments

- SportsHub Pte. Ltd. (CEO and Director)

Listed Company Directorships

Nil

Teo Ek Tor, 68

Non-Executive Director

Principal Commitments

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

Listed Company Directorships

Nil

Lim Ming Seong, 74

Non-Executive Director

Principal Commitments

- Singapore Technologies Telemedia Pte Ltd (Director)
- STT Communications Ltd (Director)
- Amplus Communications Pte Ltd (Director)
- U Mobile Sdn. Bhd. (Director)
- CSE Global (Asia) Pte Ltd (Director)
- CSE Global (Americas) Pte. Ltd. (Director)
- CSE (Americas) Pte. Ltd. (Director)

Listed Company Directorships

- CSE Global Limited (Chairman)
- First Resources Limited (Chairman)

Nasser Marafih, 60

Non-Executive Director

Principal Commitments

- Ooredoo Group (Vice Chairman)

Listed Company Directorships

- Ooredoo Q.P.S.C. (Director)

Naoki Wakai, 56

Non-Executive Director

Principal Commitments

- NTT Singapore Pte Ltd. (President & CEO)
- NTT Singapore Solutions Pte. Ltd. (Head)

Listed Company Directorships

Nil


SENIOR EXECUTIVES



Nikhil Eapen
Chief Executive



Johan Buse
Consumer



Veronica Lai
Corporate Services



Chris Lipman
Customer Experience



Catherine Chia
Human Resource

Dennis Chia
Finance



Charlie Chan
Enterprise



Chong Siew Loong
Network



Kee Yaw Yee
Information Services

Tim Goodchild
Government & Strategic
Affairs and International
Business



Adam Stewart
Digital



SENIOR EXECUTIVES

Nikhil Eapen

Chief Executive

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

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

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

Nikhil holds a Bachelor of Science (Honours) in Economics from University College London. He is a Singaporean and married with two daughters and a son.

Dennis Chia

Finance

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

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

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

Charlie Chan

Enterprise

Charlie leads the Enterprise Business Group, which provides services and solutions to help enterprise customers build a hyperconnected workplace with an empowered workforce.

Charlie brings along more than 28 years of experience in the IT, professional services, systems integration and communications solution businesses, with comprehensive understanding of Singapore's enterprise market and deep corporate relationships. He was most recently with IBM as the Industry & Enterprise Lead of Global Technology Services (Asia Pacific). He was also with the BT Group, and last held the position of General Manager of Trading Systems & Head of Sales and Global Finance Services (Southeast Asia).

Charlie has a Bachelor of Science in Physics from the National University of Singapore. He has completed the Asian International Executive Program at INSEAD.

Johan Buse

Consumer

Johan leads the Consumer Business Group and is responsible for the development, marketing and delivery of consumer-market mobile and fixed products and services including Pay TV. He also charts StarHub's brand evolution.

Prior to joining StarHub, Johan's 19 years of experience in the telecommunications industry has brought him across Europe, Asia and the Middle East. Most recently, he was the Chief Commercial Officer of Ooredoo Oman, where he was responsible for marketing, sales and customer experience for mobile, fixed and new businesses. Before that, he held senior positions in Deutsche Telekom (T-Mobile), Axis (STC) and Singtel.

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

Veronica Lai

Corporate Services

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

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

Veronica serves as the Assistant Treasurer of the Management Committee of the Global Compact Network Singapore and is a member of the Global Reporting Initiative (GRI) Singapore Advisory Committee. Veronica is appointed as a specialist mediator by the Singapore International Mediation Centre. In 2020, she was conferred the Chief Legal Officer award by the Singapore Corporate Counsel Association, and is listed in Legal 500's GC Powerlist for 2017, 2018 and 2019. She also received the Asian Company Secretary 2013 Award for Singapore by Corporate Governance Asia and was recognised as one of Asia Legal Business' Top 25 in-house counsels in Asia for 2010. Veronica holds a Bachelor of Laws (Honours) from the National University of Singapore.

Chong Siew Loong

Network

Siew Loong provides leadership to maintain a robust and efficient network to support StarHub's multiple lines of business. He is also responsible for establishing the company's technical vision and leading all aspects of technology development.

Siew Loong was one of the pioneers in StarHub's formative years when the company won the licence to operate as a telco in 1998. He also set up and managed the Network and Systems Division at StarHub's wholly-owned subsidiary Nucleus Connect, where he now serves as General Manager.

Siew Loong received the 40 Under 40 award from the Global Telecoms Business in 2011. He holds a Bachelor of Electronics Engineering from the University of Southampton, United Kingdom.

SENIOR EXECUTIVES

Kee Yaw Yee

Information Services

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

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

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

Chris Lipman

Customer Experience

Chris leads the company's end-to-end customer experience, to drive StarHub's transformation to a consistently customer-centric brand.

Prior to joining StarHub, Chris was Vice President for Customer Experience, Insights & Operations (Southeast Asia) at HOOQ Digital, where he set the overall strategic direction of the customer experience team, managed vendor partnerships and built a pipeline of customer insights to assist the business. Before HOOQ Digital, Chris was Head of Customer Service & Experience at Globe Telecom, Philippines. Chris has also held similar senior roles in Telstra, Optus and Virgin Mobile.

Chris holds a Bachelor of Applied Science, Land Economics from the University of Technology Sydney, Australia.

Catherine Chia

Human Resource

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

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

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

Tim Goodchild

Government & Strategic Affairs

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

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

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

Adam Stewart

Digital

Adam is responsible for developing and driving StarHub's overarching digital vision in line with the company's strategy, integrating digital efforts into all aspects of the business. He also oversees the implementation of innovative solutions through digital channels, services and new business models to build a strong digital presence in the market to enable the business to grow and improve customer experience.

Adam brings with him a wealth of experience from various multinational companies across multiple industries, including banking, telecommunications, consumer health, e-commerce and technology. Before joining StarHub, Adam was Chief Digital Officer of The Commonwealth Bank of Australia and United Kingdom-based Reckitt Benckiser. He has also held senior executive positions with responsibilities in digital transformation and digital marketing with the Vodafone Group, Rakuten and the Royal Bank of Scotland.

Adam has a Bachelor of Business in Management and Marketing, from Monash University, Australia.

CORPORATE GOVERNANCE

MAXIMISING LONG-TERM
VALUE AND SUSTAINING
GROWTH WITH RESPONSIBLE
BUSINESS PRACTICES.

REGULATIONS

CORPORATE GOVERNANCE REPORT 2020

This report describes our corporate governance framework, practices and policies for the financial year ended 31 December 2020 (FY2020) with reference to the principles and provisions of the Code of Corporate Governance (Code) issued by the Monetary Authority of Singapore on 6 August 2018. We are pleased to confirm that StarHub has complied in all material respects with the principles and provisions of the Code for FY2020.



As a testament to our continual efforts in this area, StarHub has received recognition for exemplary corporate governance and sustainability practices. In FY2020, StarHub was ranked 9th out of 704 SGX-listed companies on the inaugural Singapore Board Diversity Index 2020, and achieved a 38th ranking out of 577 companies on the Singapore Governance and Transparency Index 2020. In addition, StarHub received the ASEAN Asset Class Award in the 2019 ASEAN Corporate Governance Scorecard and the Three-year Weighted Return on Equity (Software & IT Services; Technology Equipment; Telecommunications Services) award at The Edge Singapore Billion Dollar Club 2020.

1. BOARD MATTERS



A. THE BOARD'S CONDUCT OF AFFAIRS










Board Duties

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

CORPORATE GOVERNANCE STATEMENT

StarHub is committed to upholding the highest standards of corporate governance. We firmly believe that a robust and sound governance framework is vital in providing a solid foundation for our long-term sustainability, enhance business performance, create value for our stakeholders and solidify investor confidence. Transparency, accountability and integrity continue to be the cornerstones of all we do, and are reflected in our focus on robust stewardship, effective risk management and internal controls, and meaningful engagement with shareholders and stakeholders.

The Board's key roles and responsibilities are:

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

CORPORATE GOVERNANCE

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

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

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

Access to Management, Advisers and Information

In furtherance of their duties, the Directors are given access, when necessary, to independent professional advice at StarHub's expense. At least once a year, non-executive Directors (NED) meet to discuss, *inter alia*, Management's performance without the presence of Management. In FY2020, a NED meeting and an independent Directors' meeting were held, as chaired by the Chairman and the lead independent Director (ID) respectively.

All Directors have direct access to the StarHub Board Portal, which allows the Directors to securely access and read Board and Board Committee materials electronically at their convenience. The Board Portal also provides relevant information and up-to-date policies that will help them discharge their duties, including:

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

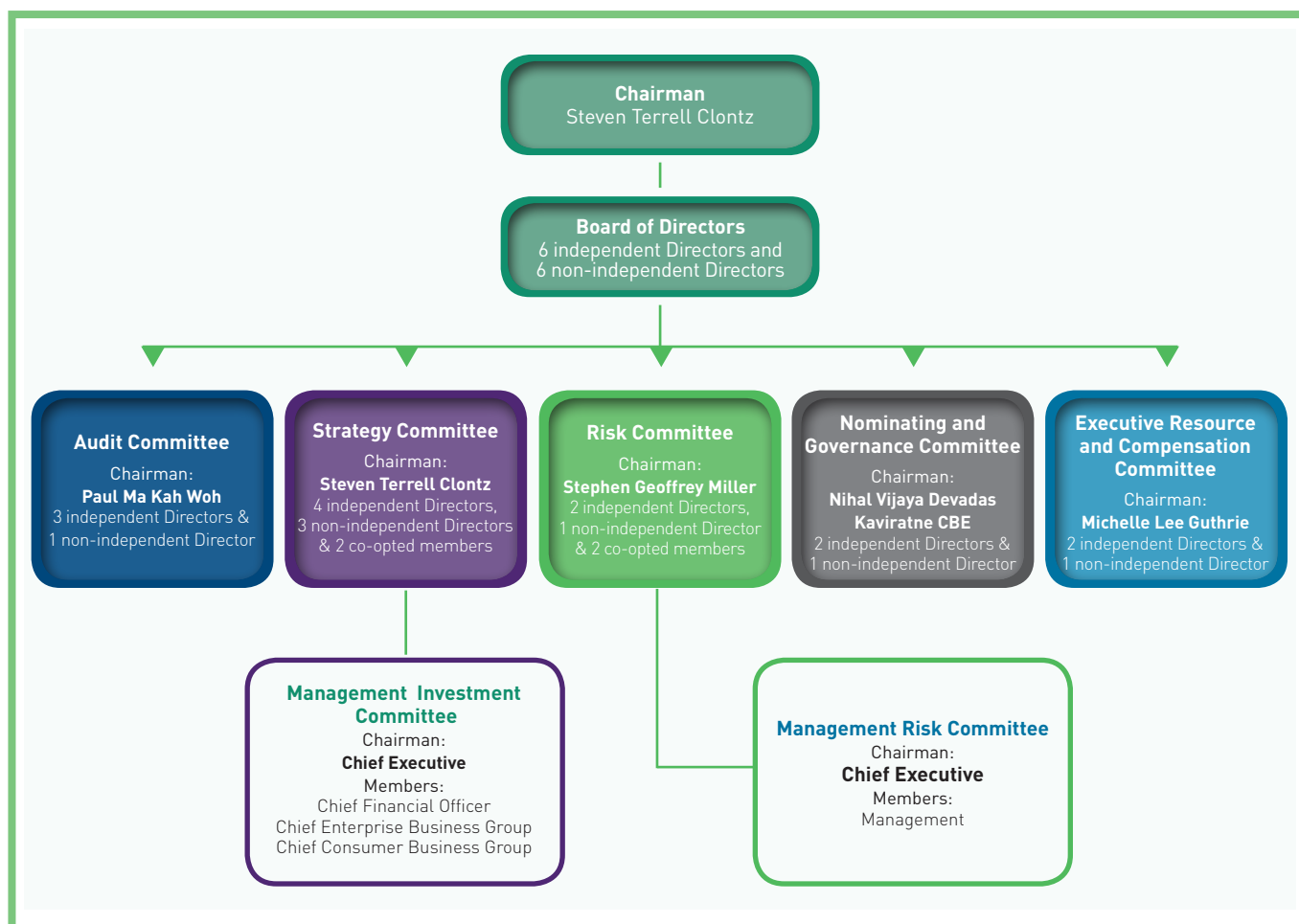
At least five business days prior to each Board or Board Committee meeting, Management provides the Directors with timely and relevant information pertaining to matters on the agenda, save for sensitive matters to be tabled at the meeting itself. All sensitive Board materials that are communicated electronically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

Quarterly reports by the Chief Executive on the state of the business, as well as regular analysts' reports and media articles on StarHub and the industry, are circulated to the Board for their information. In respect of the Group's budgets, any material variance between projections and actual results are disclosed and explained. Other related business reports and updates are also provided to the Board regularly and upon request by the Board. Collectively, this enables the Directors to keep abreast of key issues and developments in the business and the industry as well as challenges and opportunities for the Group, thereby facilitating sound decisions.

Management is available at all times to answer any queries raised by the Directors and to provide additional information as needed. Frequent dialogue and interactions take place between Management and the Directors. Consequently, the Directors are able to gain a deeper understanding of StarHub's operations and related information, allowing them to better focus, strategise and guide StarHub in their role as Directors.

Delegation to Board Committees

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



Note: Composition reflected is as at 9 March 2021.

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

Additional Board Committees may be formed to undertake specific duties if necessitated by business requirements. Upon receipt of Mr Peter Kaliaropoulos' letter of retirement as Chief Executive in July 2020, an ad-hoc Board Executive Committee (Board ExCo), chaired by Mr Stephen Geoffrey Miller, was established to provide close support to Management during the Chief Executive transition period. The Board ExCo comprised Mr Miller, Mr Steven Terrell Clontz, Mr Nihal Vijaya Devadas Kaviratne CBE and Ms Nayantara Bali. It was subsequently dissolved on 1 April 2021 after Mr Nikhil Eapen was appointed as Chief Executive on 1 January 2021.

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

Board Meetings

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

CORPORATE GOVERNANCE

For FY2020, the Board held a total of 6 meetings, including the annual Board Strategy meeting to review and discuss in detail the Group's strategic direction, and to consider the Group's budget for the upcoming financial year. It provided a key opportunity to discuss, challenge and develop the Group's strategy, alongside Management. Additional Board meetings were also convened to consider urgent proposals or matters which required the Board's approval. In view of the COVID-19 situation, all Board and Board Committee meetings for FY2020 were held using video-conferencing facilities, as allowed under StarHub's Constitution, to facilitate the decision-making process.

Directors' attendance at Board and Board Committee meetings, the Annual General Meeting (AGM) and the Extraordinary General Meeting (EGM) held in FY2020, is set out in the table below:

Table 1 (Directors' Attendance at Board/General Meetings During FY2020)

	AGM & EGM	Board Meetings	Board Committee Meetings					Board ExCo ^(a)
			AC	SC	NGC	ERCC	RC	
No. of Meetings Held	1	6	4	4	2	4	2	1
Steven Terrell Clontz	1	6	-	3	2	-	-	1
Paul Ma Kah Woh	1	6	4	-	-	-	2	-
Stephen Geoffrey Miller	1	6	-	4	-	4	2	1
Nihal Vijaya Devadas								
Kaviratne CBE	1	6	4	4	2	-	-	1
Michelle Lee Guthrie	1	6	-	4	-	4	-	-
Nayantara Bali	1	6	-	4	-	-	2	1
Ng Shin Ein	1	6	4	4	-	-	-	-
Lionel Yeo Hung Tong	1	6	-	-	-	4	-	-
Teo Ek Tor	1	6	-	-	2	4	-	-
Lim Ming Seong	1	6	4	4	-	4	-	-
Nasser Marafih	1	6	-	-	-	-	-	-
Naoki Wakai	1	6	-	-	-	-	-	-

(a) The Board ExCo held one meeting in FY2020.

Board Orientation and Continual Training & Development

All newly-appointed Directors participate in a comprehensive orientation programme that is bespoke for the Group's business and operations, including the opportunity to meet with the Chief Executive and Management, to be given an overview of the Group's business activities, strategic directions, financials, policies, governance practices, corporate culture as well as key regulatory, legal and industry developments which affect the Group. The Company Secretaries assist to facilitate the newly appointed Directors' understanding of their Board and Board Committee membership details, director fees, statutory and other duties and responsibilities. Arrangements are also made for newly-appointed Directors without prior experience as a director of a listed company on the SGX-ST, to undergo mandatory training conducted by the Singapore Institute of Directors on their roles and responsibilities.

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

and accounting updates which affect the Group. In FY2020, the professional development programmes attended by the Directors included the following:

- Temasek Trust Conversation 2020; and
- Stewardship & Sustainability: Moving from Intent to Impact.

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

Company Secretaries

The Directors have separate and independent access to the Company Secretaries, who are qualified lawyers and trained in company secretarial practices. The Company Secretaries administer, attend and prepare minutes of all Board and Board Committee meetings (except for the ERCC) and are responsible for ensuring that board procedures are adhered to, and that the Group's Constitution and applicable laws and regulations are complied with. Under the direction of the Chairman, they advise the Board on all legal and corporate governance matters, and facilitate good communication within the Board and Board Committees, as well as between the Board and Management. The Company Secretaries are the primary channel of communication between StarHub and the SGX-ST and the Accounting and Corporate Regulatory Authority (ACRA). They also facilitate the orientation of new Directors and assist in arranging training for the Directors. The appointment and removal of the Company Secretaries are subject to the Board's approval.

B. BOARD COMPOSITION AND GUIDANCE



Independent, Non-Executive Directors	Non-Independent, Non-Executive Directors
Mr Nihal Vijaya Devadas Kaviratne CBE (NGC Chairman and Lead Independent Director)	Mr Steven Terrell Clontz (Chairman and SC Chairman)
Mr Paul Ma Kah Woh (AC Chairman)	Mr Stephen Geoffrey Miller (RC Chairman)
Ms Michelle Lee Guthrie (ERCC Chairman)	Mr Teo Ek Tor⁽¹⁾
Ms Nayantara Bali	Mr Lim Ming Seong
Ms Ng Shin Ein	Dr Nasser Marafih⁽²⁾
Mr Lionel Yeo Hung Tong	Mr Naoki Wakai

(1) Mr Teo Ek Tor was an ID from 1 January 2020 to 31 August 2020, and was subsequently re-designated as a NED on 1 September 2020 upon his appointment as the non-executive Chairman of Singapore Technologies Telemedia Pte Ltd (ST Telemedia), a related corporation of StarHub.

(2) Dr Nasser Marafih will be retiring by rotation after the 2021 AGM, and will not be offering himself for re-election.

CORPORATE GOVERNANCE

Board Size, Composition and Diversity

The Board comprises 12 NEDs, half of whom are IDs from 1 September 2020. From 1 January 2020 to 31 August 2020, the Board comprised a majority of IDs. The change was due to the re-designation of Mr Teo Ek Tor as non-independent NED of StarHub, upon his appointment as non-executive Chairman of ST Telemedia. Prior to that, Mr Teo had been an ID of StarHub since 2004. From 1 May 2021, the Board will comprise a majority of IDs.

The Chairman of the Board, Mr Steven Terrell Clontz, is not regarded an ID within the meaning of the Code and SGX-ST Listing Rule 210(5)(d)(i), given his executive position at ST Telemedia.

The Board, through the NGC, reviews the size and composition of the Board annually to ensure its overall effectiveness. Given the scope and nature of the Group's operations and considering the complexity and requirements of the Group's business, the Board is of the view that its current size of 12 is conducive and facilitates effective discussion and decision-making.

The Board consists of Directors who are business leaders and professionals of high calibre and integrity, with a broad range of core competencies and experience in enterprise and banking, accounting and finance, investment, risk management, legal, regulatory, technology, cybersecurity, business and industry knowledge, management and strategic planning experience, as well as customer-based experience and knowledge. Collectively, the Board constantly seeks to identify areas of focus and maintain an optimal mix of expertise, experience (both local and international), knowledge and diversity of gender, age, background, geography and ethnicity. In this regard, the NGC has developed a skills matrix as one criterion for Director appointments, which is reviewed by the Board on an annual basis. In FY2020, the skills matrix was updated to include skills pertaining to innovation, challenging the norms, enabling technology, new agile ways of working and integrating sustainability into the business.

StarHub firmly believes that a well-balanced and diverse Board will contribute positively in overseeing the delivery of the Group's strategy, bringing fresh perspectives and providing constructive challenges to Management. The immense network of contacts across various industries has proven invaluable to StarHub. Diversity is a key consideration in the appointment or re-election of Directors. Since FY2018, the Board has a 25% female representation on the Board. The continual Board refresh also reflects an improved age diversity, with Directors' ages ranging from 47 to 77.

Lead Independent Director

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



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



The individual profiles of the Directors can be found in the Board of Directors and Directors' Particulars sections on pages 54 to 59 and pages 60 to 61 of the Annual Report respectively.

C. CHAIRMAN AND CHIEF EXECUTIVE

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

The Chairman, Mr Steven Terrell Clontz, is a NED and unrelated to the Chief Executive. He:



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

The former Chief Executive, Mr Peter Kalioropoulos, who retired on 31 October 2020, led the Management and had full executive responsibility for the day-to-day running of the Group's business operations as well as the effective implementation of the Group's strategies and policies. Mr Nikhil Eapen was appointed as the Chief Executive of StarHub with effect from 1 January 2021.

D. BOARD MEMBERSHIP

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

Nominating and Governance Committee	
Membership	Key Responsibilities
<p>Mr Nihal Vijaya Devadas Kaviratne CBE, NGC Chairman and lead ID</p> <p>Mr Steven Terrell Clontz, non-executive Chairman of the Board</p> <p>Mr Lionel Yeo Hung Tong, ID⁽¹⁾</p> <p>The NGC comprises three NEDs, with the majority (including the NGC Chairman) being IDs. During FY2020, the NGC held two meetings.</p>	<ul style="list-style-type: none"> • Lead and facilitate a formal and transparent process for the selection, appointment and re-appointment of Directors to the Board • Regularly review the size, structure and composition (including the skills, qualification, experience and diversity) of the Board and Board Committees, and recommend changes to the Board • Conduct an annual review of the independence of individual Directors • Implement and oversee the annual evaluation of the performance and effectiveness of the Board and Board Committees, including the communication of the results of such evaluations to the Board • Review the adequacy of the Group's corporate governance policies and where appropriate, recommend to the Board any proposed changes to such policies from time to time

(1) Mr Lionel Yeo Hung Tong was appointed as an NGC member with effect from 28 January 2021, in place of Mr Teo Ek Tor who ceased to be an NGC member.

CORPORATE GOVERNANCE

Process and Criteria for New Board Appointment and Re-election

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

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

Board Independence

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

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

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

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

The NGC also has the discretion to consider that a Director is not independent even in the absence of specific relationships or circumstances described in the Code and SGX-ST Listing Rule 210(5)(d), and similarly provides its views to the Board for the Board's determination. The NGC has considered and is of the view that as of 31 December 2020, all the IDs are sufficiently independent and are able to objectively exercise their judgement in the best interests of the Group.

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

Where a Director's tenure exceeds nine years, their independence is carefully reviewed and monitored. As of 31 December 2020, one ID, namely Mr Nihal Vijaya Devadas Kaviratne CBE, has served on the Board for more than nine years. After careful rigorous review, the NGC recommends, and the Board is of the firm view that (a) Mr Kaviratne has demonstrated the essential independence of mind and objectivity of judgement to act honestly and in the best interests of the Group in the discharge of

his Director's duties, and (b) his independence is not compromised due to his long service history, and no other factors or circumstances have been identified that could impair his independence. Therefore, the NGC and the Board have considered Mr Kaviratne to be independent. Mr Kaviratne abstained from participating in the NGC and Board discussions and voting on his status of independence in view of his conflict of interest.

In compliance with the SGX-ST Rules (Transitional Practice Note 3 – Transitional Arrangements Regarding Code of Corporate Governance 2018), Mr Kaviratne's continued appointment as an ID shall be sought for approval in separate resolutions at the upcoming AGM in the financial year ending 31 December 2021 (FY2021) by (a) all shareholders, and (b) all shareholders excluding shareholders who also serve as the Directors or Chief Executive (and their associates).



The individual independent status of the Directors can be found in the Board of Directors section on pages 54 to 59 of the Annual Report.

Board's Time Commitment

Directors with multiple board representations and/or other principal commitments (as defined in the Code) must ensure that they are able to devote sufficient time and attention to the affairs of StarHub to adequately carry out their duties as Directors of StarHub. The NGC has reviewed the individual performance of each Director and is satisfied that all Directors have dedicated adequate time to the affairs of StarHub and have properly discharged their duties in FY2020, and will continue to do so in FY2021. Although no maximum limit has been formally set by the Board on the number of listed company board representations a Director may hold, the NGC is of the view that all Directors have fully discharged their duties as Directors of StarHub based on the time and attention devoted by each Director, their individual abilities and their respective contribution of skills, knowledge and experience as well as their commitment to the affairs of StarHub.

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



The attendance record can be found on page 72 of this report and the principal commitments and directorships in any listed companies currently held by the Directors can be found in the Directors' Particulars section on pages 60 to 61 of the Annual Report.

E. BOARD PERFORMANCE

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

For FY2020, the Board engaged the assistance of Aon Hewitt Singapore Pte Ltd (Aon) as independent external consultants to facilitate the annual evaluation of the performance of the Board and the Board Committees. The evaluation process identifies key issues pertaining to the effectiveness, efficiency and functioning of the Board and the Board Committees, in particular the following:

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

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- Chief Executive performance and succession planning;
- Director development and management, including training and evaluation; and
- Reviewing the Group’s risk management processes and addressing new or disruptive risks.

As part of the evaluation process, detailed questionnaires were completed by each Director, with feedback on the key areas. One-on-one Director interviews are also conducted every two years.

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



2. STRATEGIC MATTERS



The SC supports, advises and provides direction to the Group on the formulation, review and execution of the Group’s strategies.

Strategy Committee	
Membership	Key Responsibilities
<p>Mr Steven Terrell Clontz, SC Chairman and non-executive Chairman of the Board Mr Stephen Geoffrey Miller, NED Mr Nihal Vijaya Devadas Kaviratne CBE, lead ID Ms Michelle Lee Guthrie, ID Ms Nayantara Bali, ID Ms Ng Shin Ein, ID Mr Lim Ming Seong, NED Mr Peter Kaliaropoulos, co-opted SC member Mr Nikhil Eapen⁽¹⁾, Chief Executive and co-opted SC member</p> <p>During FY2020, the SC held four meetings.</p>	<ul style="list-style-type: none"> • Identifying and assessing significant intermediate and long-term opportunities (in terms of new frontiers of organic and inorganic growth) as well as threats in the Group’s business areas and operations (including technology, competition, regulatory and financial) and the industry • Providing constructive input and recommendations to the Board on any strategic matter reviewed by the SC which requires the Board’s approval

(1) Mr Nikhil Eapen was appointed a co-opted SC member on 1 January 2021.

The SC members possess deep knowledge of the converging info-communications and media industries in which the Group is operating in, and collectively have relevant expertise and experience in finance, mergers and acquisitions, legal, regulatory, technical, management, consumer enterprise and strategic planning experience. This enables the SC to fulfil its oversight responsibilities relating to the Group's intermediate and long-term strategy development and implementation.

The SC is assisted by the Management Investment Committee, comprising the Chief Executive, CFO, Chief Enterprise Business Group and Chief Consumer Business Group.

As part of the SC's key functions, the SC guides Management on the strategic planning process to ensure that the Group's strategic plan is developed with measurable goals and time targets, and is appropriately implemented. It reviews both organic and inorganic growth opportunities, and evaluates the impact of external developments and factors on the Group's strategy and execution, such as emerging or evolving competitive activities, disruptive technologies and regulatory developments, thereby enabling the Group to adjust its strategic plan as necessary.

The SC tracks the Group's progress against strategic goals and provides constructive challenges and advice on the strategic options. These include the acquisition strategy, capital strategy, market capabilities and resource requirements, as well as the transformation strategy aimed at sustaining growth, competitiveness and innovation into the future.

3. REMUNERATION MATTERS



A. PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

Executive Resource and Compensation Committee	
Membership	Key Responsibilities
<p>Ms Michelle Lee Guthrie, ERCC Chairman and ID⁽¹⁾ Mr Stephen Geoffrey Miller, NED Mr Lionel Yeo Hung Tong, ID</p> <p>The ERCC comprises three NEDs, with the majority (including the ERCC Chairman) being IDs.⁽²⁾ During FY2020, the ERCC held four meetings.</p>	<ul style="list-style-type: none"> Ensuring the implementation of a formal and transparent procedure for developing policies on executive remuneration and determining the remuneration packages of individual Directors Succession planning for the Chief Executive, the CFO and other key management personnel. Potential candidates for immediate, medium and long-term needs are identified each year Assessing and approving restricted stock awards and performance share awards under StarHub's approved share plans, and recommending the grant of share awards to Directors and key management personnel for the Board's approval Assessing and approving candidates for key executive appointments Overseeing the development of Management and reviewing succession plans for key positions in the Group

(1) Ms Michelle Lee Guthrie was appointed as Chairman of the ERCC with effect from 28 January 2021, in place of Mr Teo Ek Tor who ceased to be a member of the ERCC.

(2) Mr Lim Ming Seong ceased to be a member of the ERCC with effect from 16 February 2021.

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

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

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

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

B. LEVEL AND MIX OF REMUNERATION

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

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

No ERCC member or any Director is involved in deliberations in respect of any remuneration, compensation, share-based incentives or any form of benefits to be granted to such individual, or where there are conflicts of interests. The Chief Executive is present at all ERCC discussions on the compensation and incentive policies for StarHub's key staff (such as share awards, bonus framework, salary and other incentive schemes), save for discussions which relate to the Chief Executive's own compensation, terms and conditions of service or the review of his performance, for which he absents himself.

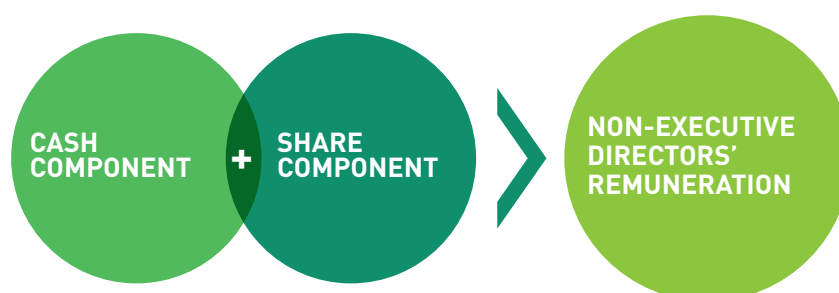
The ERCC has access to expert professional advice on the remuneration policies of the Board and executives. The ERCC has appointed Aon as its remuneration consultant for FY2020 and is satisfied that the independence and objectivity of Aon is not affected by any relationship between StarHub and Aon.

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

C. DISCLOSURE ON REMUNERATION

Non-Executive Directors' Remuneration

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



- **Cash Component**

Each NED receives a basic retainer fee, attendance fee and travel allowance (for overseas Directors only). NEDs who perform additional services in Board Committees receive additional fees. In view of the greater responsibilities of the Board Chairman, the lead ID and the Chairman of each Board Committee, they also receive a higher fee than the other members of the Board and the respective Board Committees.

- **Share Component**

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

The total NEDs' remuneration for FY2020 amounts to S\$1,375,875 and will be subject to shareholders' approval at the upcoming AGM in FY2021.

The annual retainer fees as set out in Table 2 below do not reflect the NED voluntary fee reduction of 10%, as a gesture of the Board's resolve to navigate an unprecedented year with the Group and its stakeholders. The total Directors' remuneration for the NEDs of StarHub for FY2020 as set out in Table 3 below however, takes into account such voluntary fee reduction.

In addition, the annual retainer fees and the total Directors' remuneration below do not reflect the relevant Directors' compensation for membership of the Board ExCo. Pursuant to the Terms of Reference of the Board ExCo, compensation shall be in arrears and only after the Board ExCo has been dissolved. As such, the compensation shall be reflected in FY2021.

Table 2 (Annual Fees for the Board and the Board Committees for FY2020)

Annual Fees for the Board		
Board Chairman		\$165,000
Lead ID		\$78,000
NED		\$65,000
Additional Annual Fees for the Board Committees		
Type of Committee	Chairman	Member
Audit Committee	\$43,000	\$25,000
Strategy Committee	\$30,000	\$16,000
Risk Committee	\$30,000	\$16,000
Nominating and Governance Committee	\$30,000	\$16,000
Executive Resource and Compensation Committee	\$30,000	\$16,000

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Breakdown of Directors' Remuneration

The following shows the composition of Directors' remuneration for FY2020:

Table 3 (Directors' Remuneration for FY2020)

Name of NED ^(a)	NEDs' Remuneration		
	Cash-based (\$)	Share-based (\$)	Total (\$)
Steven Terrell Clontz	143,640	61,560	205,200
Paul Ma Kah Woh	88,830	38,070	126,900
Stephen Geoffrey Miller ^(b)	93,240	39,960	133,200
Nihal Vijaya Devadas Kaviratne CBE	103,635	44,415	148,050
Michelle Lee Guthrie	69,615	29,835	99,450
Nayantara Bali	72,135	30,915	103,050
Ng Shin Ein	79,380	34,020	113,400
Lionel Yeo Hung Tong	58,905	25,245	84,150
Teo Ek Tor	80,640	34,560	115,200
Lim Ming Seong	91,665	39,285	130,950
Nasser Marafih	47,250	20,250	67,500
Naoki Wakai ^{(b)(c)}	48,825	-	48,825
Directorship on Subsidiary			
Teo Ek Tor ^(d)	53,000	-	53,000

(a) The total remuneration of the NEDs takes into account the voluntary fee reduction of 10%.

(b) Cash component of fees are payable to Director's employer company.

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

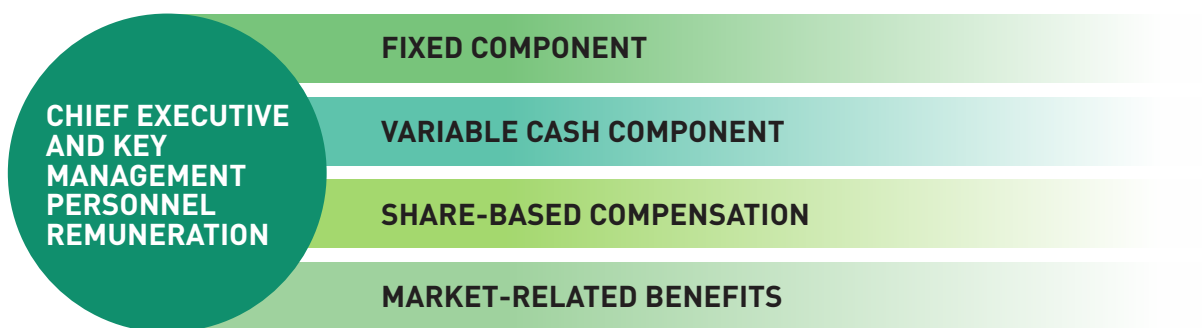
(d) Fees are payable to Mr Teo as a NED of Ensign InfoSecurity Pte. Ltd., a subsidiary of StarHub, in respect of the period from 1 January 2020 to 31 December 2020.

 Details of the share awards granted by StarHub to the NEDs under the StarHub Restricted Stock Plan can be found in the Directors' Statement section on pages 178 to 182 of the Annual Report.

Chief Executive and Key Management Personnel Remuneration

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

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



- **Fixed Component**

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

- **Variable Cash Component**

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

Annual Variable Bonus

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

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

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

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

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

EVA Incentive Plan (EIP)

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

Under the EIP, a notional EVA bank account is set up for each key management personnel, into which the annual EVA performance bonus declared and earned by him for each year is credited. One-third of the accumulated EVA performance bonus, comprising the EVA performance bonus declared for the current financial year and the balance brought forward from preceding financial years, is paid out in cash each financial year. The remaining two-thirds are carried forward

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in each individual's EVA bank account, payable to him upon his resignation or termination of employment (other than for cause), subject to certain conditions being met. The balance in the EVA bank account will increase or decrease depending on StarHub's EVA performance in subsequent years. This mechanism encourages the Chief Executive and key management personnel to work for sustainable EVA generation and adopt strategies that are aligned with the long-term interests of the Group.

Based on the ERCC's assessment that the actual performance of the Group in FY2020 had met the pre-determined targets, the resulting annual payout under the EIP was adjusted accordingly to reflect the performance level achieved.

- **Share-based Compensation**

StarHub Performance Share Plan (PSP)

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

Pursuant to the PSP, the ERCC has decided to grant contingent awards of StarHub shares on an annual basis, conditional on meeting targets set for a three-year performance period. The performance measures used in PSP grants during FY2020 are:

1. Absolute Total Shareholder Return (Absolute TSR) against Cost of Equity hurdles (i.e. measure of Wealth Added);
2. Relative Total Shareholder Return (Relative TSR) against selected peers from the MSCI APAC Telco index; and
3. Transformation KPIs reflective of the strategic growth objectives of StarHub.

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

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

The Group has attained an achievement factor which is reflective of not meeting the pre-determined target performance levels for PSP awards granted in FY2018 based on the performance period from 2018 to 2020. The resulting shares vested were adjusted accordingly to reflect the performance level achieved.

StarHub Restricted Stock Plan (RSP)

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

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

A minimum threshold performance is required for any StarHub shares to be released to the recipient at the end of the performance period. The actual number of StarHub shares released will depend on the achievement of the pre-determined target performance levels over the performance period, to be determined by the ERCC at the end of the performance period and capped at 1.0 times of the conditional award. The StarHub shares will be released in three equal tranches of 33⅓% per tranche over three consecutive years.

The Group has attained an achievement factor which is reflective of meeting the pre-determined target performance levels for RSP awards granted in FY2020 based on the performance period of 2020. The resulting shares vested were adjusted accordingly to reflect the performance level achieved.

- **Market-related Benefits**

The benefits provided are comparable with local market practices.

Remuneration of the Chief Executive and Top Five Key Management Personnel

The details of the remuneration of the Chief Executive and the top five key management personnel (who are not Directors or the Chief Executive) are set out in Table 4 below (in bands of \$250,000 and percentage terms) for the services rendered by them to the Group for FY2020.

Table 4

	Fixed ⁽¹⁾ (\$)	Variable ⁽²⁾ (\$)	Benefits ⁽³⁾ (\$)	Share-based Compensation ⁽⁴⁾ (\$)	Total (\$)
Chief Executive (who retired during FY2020)					
Peter Kaliaropoulos ^(a)	819,850	850,000	88,698	417,690	2,176,238
Total paid, including shares vested based on actual performance					1,909,748

Top 5 Key Management Personnel

	Fixed ⁽¹⁾ (%)	Variable ⁽²⁾ (%)	Benefits ⁽³⁾ (%)	Share-based Compensation ⁽⁴⁾ (%)	Total (%)	Remuneration bands ⁽⁶⁾
Dennis Chia	47	29	4	20	100	D
Johan Buse	49	24	3	24	100	C
Charlie Chan ^(b)	50	23	4	23	100	B
Veronica Lai	50	31	4	15	100	B
Chong Siew Loong	56	19	5	20	100	A
Total including contingent shares granted but not vested, subject to performance ⁽⁵⁾					\$4,936,076	
Total paid, including shares vested based on actual performance					\$4,326,738	

(1) Fixed refers to base salary, annual wage supplement and fixed allowances earned for FY2020.

(2) Variable refers to any applicable one-off incentive payments as well as incentives paid and accrued for the year pursuant to the AVB scheme and EIP for FY2020.

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

(4) Share awards granted under the RSP and the PSP are subject to pre-determined performance targets set over one-year and three-year performance periods respectively. The figures shown are based on the fair value of the StarHub shares at 100% of each of the RSP and PSP conditional awards, which may not be indicative of the actual value at vesting which can range from 0% to 100% of the RSP conditional award and 0% to 150% of the PSP conditional award. Over the last six financial years ended 31 December 2015 to 31 December 2020, the average number of StarHub shares vested to participants of the RSP and the PSP has been less than 100% of the conditional awards granted.

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

(6) Remuneration bands:

"A" refers to remuneration between \$500,001 and \$750,000 per annum

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

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

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

(a) Mr Peter Kaliaropoulos retired as Chief Executive on 31 October 2020. Accordingly, the amount of actual compensation received was based on the period from 1 January 2020 to 31 October 2020.

(b) Mr Charlie Chan joined StarHub with effect from 6 January 2020. Accordingly, the amount of actual compensation received was based on the period from 6 January 2020 to 31 December 2020.

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If any key management personnel of StarHub (including the Chief Executive) is involved in fraud or misconduct, which results in a re-statement of StarHub's financial results or financial loss to StarHub, the Board may reclaim the unvested components of remuneration from such individual under all incentive plans for the relevant period, to the extent such incentive has been earned but not yet released or disbursed. The Board, taking into account the ERCC's recommendation, may decide whether, and to what extent, such recoupment is appropriate, based on the specific facts and circumstances of the case. No such fraud or misconduct occurred in FY2020.

During FY2020, there was no employee of the Group who was a substantial shareholder of StarHub or an immediate family member of a Director, the Chief Executive or a substantial shareholder of StarHub, and whose remuneration exceeds \$100,000 per annum.



4. ACCOUNTABILITY AND AUDIT



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

For FY2020, the Board has received written assurance from the Chief Executive and the CFO that the financial statements give a true and fair view of the Group's operations and finances. For the half year financial statements, the Board provides a negative assurance confirmation to shareholders, in line with the requirements of the SGX-ST Listing Manual. StarHub recognises that prompt and full compliance with statutory reporting requirements is imperative in maintaining shareholder confidence and trust.

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

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

A. RISK MANAGEMENT AND INTERNAL CONTROLS

The Board provides oversight to the governance of risk management and internal controls of the Group. To ensure shareholder interests and Group assets are adequately safeguarded, it reviews the effectiveness of the Group’s risk management system and internal controls with the support from the Risk Committee (RC) and the Audit Committee (AC).

The RC ensures that all identified material risks are within the oversight of at least one Board Committee:

	STRATEGIC	OPERATIONAL	REGULATORY / LEGAL	INFORMATION TECHNOLOGY	HUMAN RESOURCE	FINANCIAL	COMPLIANCE / INTERNAL AUDIT
Risk And Assurance Activities	<ul style="list-style-type: none"> • Business growth in key segments • Best in class customer experience • Growth opportunities in new and adjacent businesses • Competition and technology / Digital disruption • Process and IT Transformation • 5G and its deployment • COVID-19 	<ul style="list-style-type: none"> • Trusted Provider (in areas of network availability, data protection, timely project delivery and reliability of products and services) • Process and IT Transformation • COVID-19 	<ul style="list-style-type: none"> • Cyber-security and Critical Information Infrastructure (CII) • Emerging regulatory landscapes 	<ul style="list-style-type: none"> • Trusted Provider (in areas of IT and OSS capabilities to support a transforming business) 	<ul style="list-style-type: none"> • Attract, refresh and retain talent to drive corporate excellence 	<ul style="list-style-type: none"> • Financial Accounting • Financial Disclosures • Management Accounting • Treasury and Tax 	<ul style="list-style-type: none"> • Compliance with statutory and listing requirements • Business Process and Policy Governance • Internal Controls • Control Self-assessment • Audit Issue Management • Fraud and Whistle Blowing
Board Committee oversight	<p>Strategy Committee</p>	<p>Risk Committee</p>			<p>Executive Resource and Compensation Committee</p> <p>Risk Committee</p>	<p>Audit Committee</p>	


The RC has full capacity to examine and review risk matters within its Terms of Reference, while having full access to and support from Management. It has the discretionary power to extend invitations to any Director or executive to attend its meetings. Furthermore, it requires Management to provide adequate resources to enable it to discharge its functions effectively.

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RISK COMMITTEE	
Membership	Key Responsibilities
<p>Mr Stephen Geoffrey Miller, RC Chairman Mr Paul Ma Kah Woh, ID Ms Nayantara Bali, ID Mr Peter Kaliaropoulos, co-opted RC member Mr Nikhil Eapen⁽¹⁾, co-opted RC member</p> <p>During FY2020, the RC held two meetings.</p>	<ul style="list-style-type: none"> Review 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 StarHub's risks Provide oversight in the design, implementation and monitoring of the risk management framework and the system of internal controls for operations, compliance and information technology, and action plans to mitigate the identified risks are put in place Review the adequacy and effectiveness of StarHub's system of risk management and internal controls for operations, compliance and information technology Review the adequacy and effectiveness of policies and procedures for timely risk identification and remediation, including disclosure requirements for regulatory compliance Provide guidance on sustainability topics to be identified as material to the business and ensure the alignment and integration of our sustainability strategy and approach with our business model Provide guidance on cybersecurity, data ethics and governance to ensure appropriate controls and measures are in place Set and instil in StarHub an appropriate risk-aware culture for effective risk governance Ensure that all Group material risks are identified and responsibility is assumed by at least one Board Committee

(1) Mr Nikhil Eapen was appointed as a co-opted RC member on 1 January 2021.

The RC is assisted by the Management Risk Committee (MRC), which comprises relevant members of Management. The MRC assumes the execution and advisory role in the implementation of the Group's enterprise risk management policies and procedures, including the corporate insurance programme as well as the facilitation of the self-assessment exercise required of significant business units on an annual basis. The MRC actively seeks to identify and understand current and emerging risks that are critical to business, and manages them at all levels across the organisation. It also maintains oversight on cybersecurity, data ethics and governance, and sustainability. The MRC regularly reports to the RC for execution updates and ensures timely actions and decisions are attended to key matters.

 Further details on StarHub's approach to sustainability can be found in the Sustainability Report on pages 108 to 174 of the Annual Report.

Enterprise Risk Management System and Internal Controls

The Group's Enterprise Risk Management (ERM) system integrates a structured and disciplined approach towards risk management into the Group's core business processes and decision-making activities. The programme is established as one being inclusive and multi-disciplinary, focusing on risks and opportunities that are pertinent to the Group's business activities as well as aligning to the Group's strategic priorities. StarHub strives to embed risk management in day-to-day corporate affairs at all levels and adopts a holistic yet pragmatic approach to managing risks.

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

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

StarHub is committed to effective corporate governance within which a sound, enterprise-wide framework of risk management and internal controls operate to safeguard stakeholders' interests and StarHub's assets. To this end, StarHub makes the necessary resources available to assist those accountable and responsible for managing risk, and continually improves the enterprise-wide risk management framework. StarHub seeks to achieve the key outcomes of such a framework, namely having a current and comprehensive understanding of the Group's significant and emerging risks, and that the nature and extent of the Group's significant and emerging risk exposures are within risk tolerances that reflect StarHub's values, objectives and resources.


For FY2020, the Board has received written assurance from:

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

In view of the Group's current risk management system and internal controls, the reviews of Management as supported by internal and external audit findings, together with the relevant written assurance from the Chief Executive, the CFO, MRC members and other key management personnel, the Board (with the concurrence of the RC and the AC) is of the opinion that as at 31 December 2020, the risk management system and internal controls of the Group are adequate and effective to address the financial, operational, compliance, information technology risks as well as the risk management objectives which the Group considers applicable to its present business landscape and operational context.

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

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

 Further details on StarHub's approach to enterprise risk management can be found in the Risk Management section on pages 100 to 105 of the Annual Report.

B. AUDIT COMMITTEE

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

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

CORPORATE GOVERNANCE

AUDIT COMMITTEE	
Membership	Key Responsibilities
<p>Mr Paul Ma Kah Woh, AC Chairman and ID Mr Nihal Vijaya Devadas Kaviratne CBE, lead ID Ms Ng Shin Ein, ID Mr Lim Ming Seong, NED</p> <p>The AC comprises four NEDs, with the majority (including the AC Chairman) being IDs. During FY2020, the AC held four meetings and a private session with the external auditors and internal auditors without Management being present.</p>	<ul style="list-style-type: none"> • Reviewing and approving quarterly business performance updates and half yearly 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 and reporting, including the relevance and consistency of the accounting principles adopted • Providing oversight in the design, implementation and monitoring of the system of internal controls (financial controls, compliance with laws and regulations, and information technology (Financial Controls)) • Reviewing and reporting to the Board at least annually on the adequacy and effectiveness of the Group's Financial Controls • Reviewing the adequacy, effectiveness, scope and results of the external audit, and the independence and objectivity of the external auditors (taking into account the nature, extent and cost of non-audit services provided by the external auditors during the financial year) • Reviewing the scope and results of the internal audit and the independence and objectivity of the internal audit function • Reviewing interested person transactions to ensure compliance with the SGX-ST Listing Manual and the Shareholders' Mandate for Interested Person Transactions that is renewable annually • Making recommendations to the Board on the proposals to shareholders for the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors • Commissioning and reviewing findings of internal investigations into suspected fraud, irregularity, failure of internal controls or violation of any law that is likely to have a material impact on the Group's results • Reviewing reports made under StarHub's Whistle Blowing Policy, and where appropriate, directing the investigation of such matters and any follow-up actions to be taken

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

Key Audit Matters (KAMs)

The significant areas of audit focus in relation to the financial statements for FY2020 are (a) revenue recognition, (b) acquisition of Strateq Sdn. Bhd. (Strateq), and (c) impairment assessment of goodwill and investments in subsidiaries. During FY2020, the AC received updates from Management on the status of these areas, reviewed and discussed with the external auditors on the results of their audit, including their findings on the key areas of audit focus.

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

- Revenue recognition policies and assumptions adopted;
- The key assumptions applied in the provisional fair valuation of identified assets acquired and liabilities arising from the acquisition of Strateq; and
- Assumptions and estimates made in goodwill impairment assessment and valuation of investment in subsidiaries.



Significant matters that were discussed with Management and the external auditors have been included as KAMs in the Independent Auditors' Report on pages 184 to 187 of the Annual Report.

C. EXTERNAL AUDIT

The AC has performed a review of the independence and objectivity of the external auditors, as well as the volume and type of non-audit services provided by the external auditors to StarHub and the Group during FY2020.

The audit and non-audit fees paid/payable to KPMG LLP (KPMG) for FY2020 are \$0.6 million and \$0.2 million respectively, as disclosed in Note 25.3 to the Financial Statements for FY2020. The non-audit fees as a percentage of the total fees paid to KPMG for FY2020 would be 30%. The non-audit services included tax compliance and advisory, and services pertaining to the review of an integrated assurance framework. These constitute permissible non-audit services under the Accountants (Public Accountants) Rules – Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities.

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

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

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

Based on the independence review, the AC is satisfied that the nature and extent of such non-audit services provided to the Group would not compromise the independence and objectivity of KPMG and that Rules 712 and 715 of the SGX-ST Listing Manual have been complied with. Accordingly, and having regard to the adequacy of the resources and experience of the external auditors and the audit engagement partner and staff assigned to the audit, the AC has recommended to the Board that KPMG be nominated for re-appointment as the Group's external auditors at the forthcoming AGM of StarHub. To further maintain the independence of KPMG, the AC ensures that the audit partner in-charge of the Group is rotated every five years. In this regard, in FY2021, the audit partner-in-charge had been changed with effect from 1 January 2021. None of the Directors (including the AC members) or Management is or has in the past two years been a former partner, director or employee of the Group's external auditors.

The AC has also reviewed the appointment of different auditors for its subsidiaries pursuant to Rule 716 of the SGX-ST Listing Manual. The Board and the AC have confirmed that they are satisfied that the retention of Deloitte & Touche LLP (Deloitte) as the auditors of Ensign would not compromise the standard and effectiveness of the audit of the Group. Deloitte, through its member firms, has provided non-audit services to the Group during FY2020. The non-audit services, which are mainly provided to the Group (other than Ensign), included human resource consultancy and CRM system development work, where Deloitte's expertise and experience with the Group were relevant to ensure efficiency and effectiveness. The Audit and Risk Committee of Ensign has carried out a review of Deloitte's independence, and it is satisfied with Deloitte's independence. Deloitte has further confirmed its independence, within the meaning of regulatory and professional requirements. Appropriate safeguards were also established to address any potential independence threats arising from the provision of non-audit services to Ensign as well as the Group. Such safeguards included (a) assigning a separate and different Deloitte team from the audit team for the provision of non-audit services to Ensign and/or the Group, (b) undertaking an independent internal quality control review with respect to the audit of Ensign and (c) obtaining the AC's approval before any engagement of Deloitte to perform non-audit services where the total non-audit fees exceed or may exceed 50% of the Group's total audit and non-audit fees for the relevant financial year.

CORPORATE GOVERNANCE

The Board and the AC have also confirmed that they are satisfied that BDO PLT (BDO) are suitable to act as the auditors of Strateq. BDO has not provided non-audit services to the Group during FY2020. BDO has confirmed its independence, within the meaning of regulatory and professional requirements.

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



Details of the aggregate amount of external auditors' fees paid for FY2020 and the breakdown for the audit and non-audit services are set out in Note 25.3 to the Financial Statements of the Annual Report.

D. INTERNAL AUDIT

The internal audit function of the Group for FY2020 was carried out by PricewaterhouseCoopers Risk Services Pte. Ltd., an independent firm. The internal auditor is guided by the Standards for the Professional Practice of Internal Auditing, prescribed by the Institute of Internal Auditors.

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

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

The AC reviews the adequacy, effectiveness, scope and independence of the internal audit function annually. For FY2020, the AC is satisfied that StarHub maintained an effective internal audit function that is adequately staffed and independent of the audited activities, and that the internal auditor has appropriate standing within StarHub to perform its function effectively.

E. INTERESTED PERSON TRANSACTIONS

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


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

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

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

In FY2020, there were no IPTs or related party transactions that can be classified as financial assistance to entities other than StarHub's subsidiary companies as well as associated company, Shine Systems Assets Pte. Ltd.

StarHub does not provide loans to Directors as a matter of corporate policy and therefore no loans have been provided by StarHub to the Directors in FY2020.

 Further details on StarHub's IPTs for FY2020 can be found in the Interested Person Transactions and Material Contracts section on pages 280 to 281 of the Annual Report.



5. SHAREHOLDER RIGHTS AND ENGAGEMENT



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

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

A. SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

All shareholders are entitled to attend and vote at StarHub's general meetings and are afforded the opportunity to participate effectively in the general meetings. If shareholders are unable to attend, they are allowed to appoint up to two proxies to attend, speak and vote in their place at general meetings. Under StarHub's Constitution and pursuant to the Companies Act, (Cap. 50), shareholders who are nominee companies, custodian banks or Central Provident Fund agent banks may appoint more than two proxies to attend, speak and vote at the upcoming AGM and at subsequent general meetings.

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

CORPORATE GOVERNANCE

StarHub encourages shareholder participation at general meetings. Shareholders present are given the opportunity to seek clarification or direct questions on matters relating to the proposed resolutions before each resolution is voted on. Each specific matter is proposed as a separate resolution. All Directors (in particular the Board Chairman and the respective Chairmen of the Board Committees) together with Management and the external auditors, are present at general meetings to address shareholders' queries.

In FY2020, arising from the COVID-19 situation and in accordance with the various legislative measures passed to allow alternative arrangements for general meetings of companies, the AGM and EGM were convened and held by electronic means. Shareholders were afforded the opportunity to participate by:

- Observing and/or listening to the AGM and/or EGM proceedings via live audio-visual webcast or live audio-only stream;
- Submitting questions in advance; and
- Appointing the Chairman of the AGM and Chairman of the EGM as proxy to attend, speak and vote on their behalf at the AGM and EGM, respectively.

The results showing the number of votes cast for and against each resolution and the respective percentages are announced via SGXNET on the same day of the general meeting. Minutes of general meetings are made available on the StarHub IR website. The minutes record substantial and relevant comments and questions from shareholders, and responses from the Board and Management.

2020-09-23 14:00:00

STARHUB 22ND ANNUAL GENERAL MEETING



B. ENGAGEMENT WITH SHAREHOLDERS

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

StarHub solicits and considers the views of shareholders via (a) regular and timely analyst and media briefings throughout the year, (b) frequent interactions between Management, the StarHub IR team and both retail and institutional investors through investor roadshows and conferences organised by major brokerage firms, the SGX-ST and events organised by StarHub, including an Investor Day on 18 November 2020, and (c) third-party independent perception studies commissioned by StarHub.

Apart from SGXNET announcements and the Annual Report, the regularly updated StarHub IR website at IR.starhub.com, is the main source of information for shareholders. It houses all media releases, financial results, annual reports, SGXNET announcements, presentation materials, archived webcasts and conference calls, as well as other corporate information relating to the Group such as the corporate group structure. Investors may also elect to be notified of any new updates via an

email alert service. New material price-sensitive information such as financial results are released via SGXNET before being posted on the StarHub IR website or the conduct of any media or analyst conferences. This ensures fair and non-selective disclosure of information to all shareholders.

In line with amendments to Rule 705 of the SGX Listing Manual, StarHub had adopted half-yearly announcement of its financial results with effect from FY2020. The half-year and full-year financial results will contain detailed financial statements, key business drivers and management commentaries on the financial performance of the Group. They will be announced within 45 and 60 days from the end of each respective financial period. Voluntary quarterly business updates containing critical financial and operational data will be published for the first and third quarter of the financial year to give investors insight into the Group's interim business performance.

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

Dividends were declared on a half-yearly basis in FY2020, and shareholders were informed of the dividend payments in the respective half year financial results announcements via SGXNET and the StarHub IR website. In determining the dividend, the Board balances the need for a satisfactory return to shareholders against StarHub's investment requirement to ensure sustainable growth. StarHub is committed to its dividend policy to pay out at least 80% of net profit attributable to shareholders (adjusted for one-off, non-recurring items) as dividends, payable on a semi-annual basis. Taking into consideration short-to-mid term business conditions (including the impact of COVID-19), cash flow and investment requirements, as well as results reaped from the ongoing business transformation initiatives, StarHub expects to declare a dividend per share of 5.0 cents for FY2021.



Live broadcast of StarHub's FY2020 results briefing.

6. MANAGING STAKEHOLDERS RELATIONSHIPS



Engagement with Stakeholders

Through effective stakeholder engagement, StarHub gathers insights from our stakeholder feedback, which allows us to offer the right products and services and enable us to create value for all. We have identified our main stakeholders through a stakeholder mapping exercise, based on the potential for StarHub to impact their part of the value chain as well as their potential to impact our business, and this is reviewed annually to assess their potential impact to our operations. We promote and manage our stakeholder relations through regular and proactive engagement with our stakeholders, at the corporate level and functional divisions across the Group. In FY2020, the Group's key areas of focus in relation to the management of stakeholder relationships include translating stakeholder needs into organisational goals for effective strategy development to promptly address our stakeholders' concerns.



Further details on StarHub's communication with our shareholders and other stakeholders can be found in the Investor Relations section and Sustainability Report on pages 106 to 107 and 108 to 174 of the Annual Report respectively.

CORPORATE GOVERNANCE

7. OTHER CORPORATE GOVERNANCE PRACTICES AND POLICIES



A. DEALINGS IN SECURITIES

Insider Trading Policy

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

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

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

Share Trading Policy

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

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

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

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

B. WHISTLE BLOWING POLICY

StarHub adopts a zero-tolerance policy against ethical and legal violations. The Group has instituted a robust procedure which provides accessible channels for employees and external parties (such as our customers, suppliers, contractors and other stakeholders who may have a business relationship with the Group) to report in a responsible manner, anonymously or otherwise, any concern or complaint in relation to any irregularity, inappropriate behavior, legal or ethical violation or other

serious breaches of internal processes. Such reporting channels have been communicated, and include a dedicated whistle blowing email and a direct channel to the AC Chairman and the General Counsel (via email and/or mail).

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

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

C. EMPLOYEE CODE OF CONDUCT AND RULES ON BUSINESS CONDUCT

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

- Employee Code of Conduct and Ethics;
- Corporate Gift and Hospitality Policy;
- Supplier Code of Conduct;
- Responsible Sourcing Policy;
- Purchasing Procedure; and
- Request for Proposal/Tender Procedure.

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

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

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

D. DOCUMENT CLASSIFICATION POLICY

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

CORPORATE GOVERNANCE

E. CYBERSECURITY AND DATA PROTECTION

Cybersecurity and data protection continue to be key strategic priorities for StarHub. Appropriate cybersecurity and data protection frameworks have been put in place to safeguard our networks/systems and customer and employee data and sensitive and/or confidential information from risks of cybersecurity threats and security breaches, as well as to ensure the Group's compliance with all applicable laws, including the Cybersecurity Act 2018, the Personal Data Protection Act 2012 (PDPA) and sector-specific cybersecurity requirements imposed by the Infocomm Media Development Authority such as the Telecommunications CyberSecurity Code of Practice and the Broadcast CyberSecurity Code of Practice.

As part of its best practices relating to cybersecurity, StarHub undergoes periodic audits by third party assessors. The Group has also engaged security monitoring partners to provide round-the-clock detection for security events as an early warning mechanism. In addition, a Cybersecurity Committee has been set up to discuss cybersecurity matters and drive and monitor cybersecurity compliance in the Group.

In February 2020, StarHub was certified with the Data Protection Trustmark (DPTM), which is a voluntary enterprise-wide certification for organisations to demonstrate accountable data protection practices. Adapted from the PDPA, international benchmarks and best practices, the DPTM certification framework requires organisations to have sound data protection policies and practices to manage and protect personal data in accordance to the certification framework. StarHub also conducts regular reviews of its data protection frameworks and awareness programs to ensure the Group's compliance with all applicable data protection laws and regulations.



Further details on StarHub's approach to cybersecurity and data protection can be found in the Cybersecurity and Data Privacy section of the Sustainability Report on pages 138 to 139 of the Annual Report.

F. COMPLIANCE LEAVE POLICY

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

G. WORKPLACE SAFETY AND HEALTH

StarHub is committed to ensuring the health, safety and welfare of all our employees in carrying out business activities and operations. StarHub strives to build a healthy workforce and safe workplace by continually enhancing workplace safety and health (WSH) processes and embracing best practices, in line with applicable laws such as the Workplace Safety and Health Act and regulations.



Further details on StarHub's approach to workplace safety and health can be found in the Employee Health and Safety section of the Sustainability Report on pages 146 to 147 of the Annual Report.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Steven Terrell CLONTZ *(Chairman)*
Paul MA Kah Woh
Stephen Geoffrey MILLER
Nihal Vijaya Devadas KAVIRATNE CBE
Michelle Lee GUTHRIE
Nayantara BALI
NG Shin Ein
Lionel YEO Hung Tong
TEO Ek Tor
LIM Ming Seong
Nasser MARAFIH
Naoki WAKAI

AUDIT COMMITTEE

Paul MA Kah Woh *(Chairman)*
Nihal Vijaya Devadas KAVIRATNE CBE
NG Shin Ein
LIM Ming Seong

STRATEGY COMMITTEE

Steven Terrell CLONTZ *(Chairman)*
Stephen Geoffrey MILLER
Nihal Vijaya Devadas KAVIRATNE CBE
Michelle Lee GUTHRIE
Nayantara BALI
NG Shin Ein
LIM Ming Seong
Nikhil Oommen Jacob EAPEN
Peter KALIAROPOULOS

RISK COMMITTEE

Stephen Geoffrey MILLER *(Chairman)*
Paul MA Kah Woh
Nayantara BALI
Nikhil Oommen Jacob EAPEN
Peter KALIAROPOULOS

NOMINATING AND GOVERNANCE COMMITTEE

Nihal Vijaya Devadas KAVIRATNE CBE
(Chairman)
Steven Terrell CLONTZ
Lionel YEO Hung Tong

EXECUTIVE RESOURCE AND COMPENSATION COMMITTEE

Michelle Lee GUTHRIE *(Chairman)*
Stephen Geoffrey MILLER
Lionel YEO Hung Tong

COMPANY SECRETARIES

Veronica LAI Kwai-Yi
Audra BALASINGAM

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:
ONG Chai Yan (from 1 January 2016 to
31 December 2020)
SIEW Yilin (appointed w.e.f. 1 January 2021)

SUBSIDIARIES

StarHub Mobile Pte Ltd
StarHub Cable Vision Ltd.
StarHub Online Pte Ltd
StarHub Shop Pte Ltd
StarHub, Inc.
StarHub (Hong Kong) Limited
Nucleus Connect Pte. Ltd.
Ensign InfoSecurity Pte. Ltd. and its subsidiaries
Malaren International Sdn. Bhd. and its subsidiaries

ASSOCIATED COMPANIES

Shine Systems Assets Pte. Ltd.
Antina Pte. Ltd.
Vectra Corporation Limited

INVESTOR RELATIONS

For enquiries on the Group's business performance, contact the Investor Relations team at email: ir@starhub.com

RISK MANAGEMENT

Our Approach to Enterprise Risk Management

StarHub's Enterprise Risk Management (ERM) adopts a comprehensive yet pragmatic approach to mitigating our corporate risks. It is centered on being an all-encompassing and multi-disciplinary program, which focuses on risks and opportunities that are pertinent to our business activities aligned to our company's strategic objectives. The Group seeks to embed the concepts of risk management in its decision-making processes and key business processes at all levels.

StarHub's Risk Appetite Statement

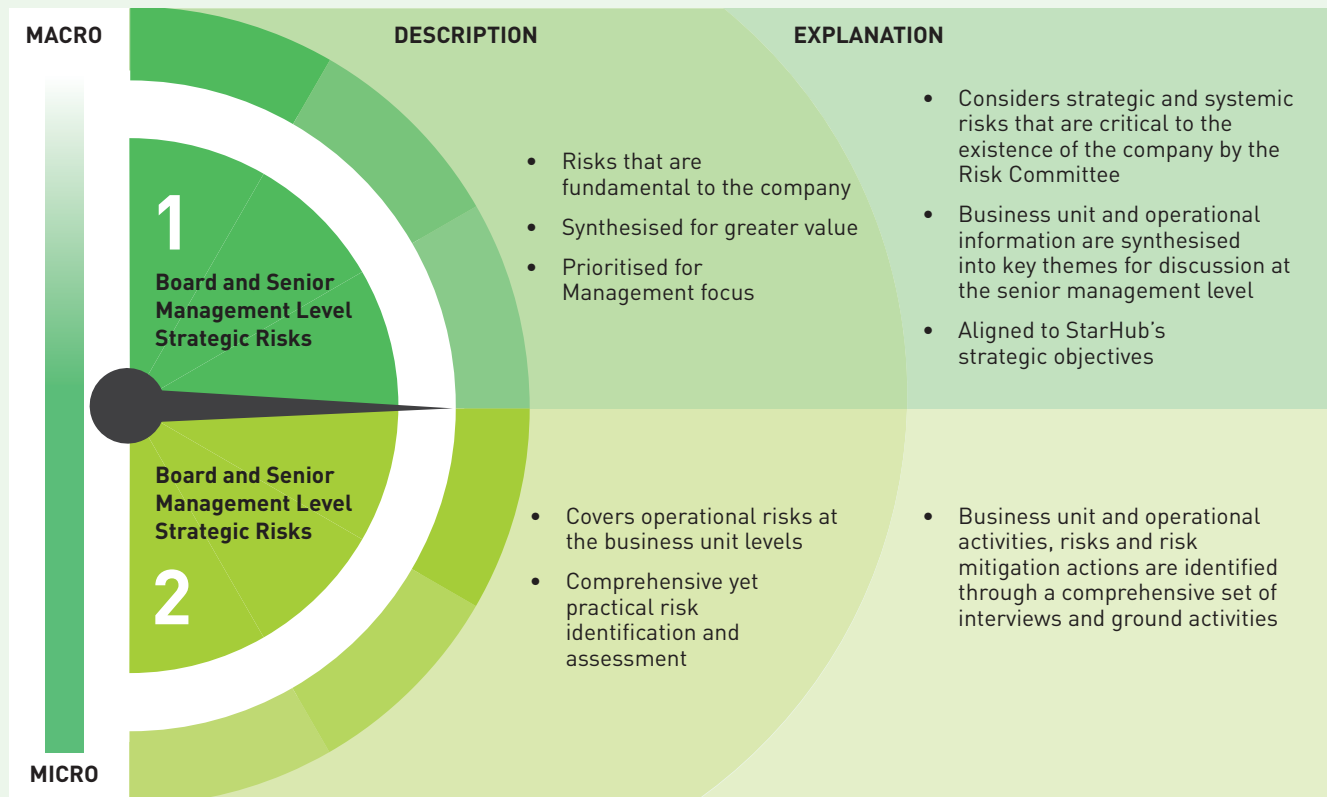
- StarHub operates with an appetite for appropriate risk-taking where there is a preference for conservative options, a practice that is embedded in our operations.
- While StarHub continues to drive business excellence, innovation and growth, it takes a holistic view of the risks involved in doing so, while meeting regulatory and statutory requirements.
- StarHub balances the expectations of stakeholders and the need to take some level of prudent and educated risks in business, which is fundamental to the company's sustainable growth.

StarHub's Enterprise Risk Management Framework

Through our Enterprise Risk Management framework, we seek to:

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

These are illustrated in the diagram below: ▼



StarHub's Top Risks

To improve the management and mitigation of risks, StarHub has identified Top Risks for tracking and monitoring. These risks are aligned with the company's strategic priorities, and were identified and prioritised in consultation with the Board Risk

Committee and Management Risk Committee. They are supported by bottom-up risk assessments conducted at the business level to ensure that the risk information is effectively captured and synthesized into key themes for discussion at the strategic level.

Top risks are also subject to in-depth discussions at quarterly Management Risk Committee Meetings and bi-annual Board Risk Committee Meetings.

StarHub's Risk Management universe can be categorised in the table below (in no particular order):

Key Risk	Risk Description	Mitigation
Best In-Class Customer Experience	<p>StarHub continues to face challenges in retaining and attracting customers in the telecommunications, media and technology space as consumers have rising expectations of network capacity, coverage speeds, superior customer service and overall value for money.</p> <p>StarHub is committed to continuously improve the standards of customer experience across all products and services.</p> <p>As customer expectations continue to rise, StarHub continues to challenge the norm and make strides in providing digital, zero-touch products while improving on network capacity, coverage, speeds, and overall value for money.</p> <p>StarHub continues to strive to provide innovative products and offerings for all customers as a preferred challenger brand.</p>	<p>StarHub's focus is to be a leader in providing a superior customer experience across all service lines.</p> <ul style="list-style-type: none"> StarHub has expanded its Net Promoter Score ("NPS") program to measure customer loyalty and long-term value across all lines of businesses, including select partners to date. StarHub's NPS score has improved year-on-year. StarHub expects this to result in increased customer loyalty and higher expected long-term value. StarHub utilises real-time survey and data collection to gain insights and to better understand customers profile, drivers, customer needs and behaviors to better optimise the design of customer journeys.
Establish credibility as a Trusted Provider	<p>StarHub needs to ensure availability and resilience of its network infrastructure and systems. We are committed to providing the best services to our customers.</p> <p>Additionally, our business relies on information systems. There are threats that StarHub faces such as cybersecurity (DDoS) and threat of Data breaches. StarHub needs to ensure that our Network security is as robust as possible. As custodians of customer data, StarHub needs to ensure adequate and effective data privacy and security measures are in place.</p>	<ul style="list-style-type: none"> StarHub has policies, guidelines and procedures in place to ensure that network infrastructure and information systems are up-to-date, reliable and secure. StarHub ensures strict compliance with Info-Communications and Media Development Authority of Singapore (IMDA) Resiliency Codes of Practices and is subjected to rigorous independent external audits on its network infrastructure. StarHub is also compliant to ISO 23001 to ensure resiliency of our critical network infrastructure. StarHub has a centralised Personal Data Protection Office with defined Personal Data and Protection procedures and guidelines to ensure strict compliance with legislations from the Singapore Personal Data Protection Act and to mitigate breach of data and privacy risks. Our Information System Policy is also benchmarked to international standards such as ISO27001.

RISK MANAGEMENT

Key Risk	Risk Description	Mitigation
Business growth in key segments	<p>Business growth in key segments have been impacted by the economic downturn as a result of the pandemic.</p> <p>The Mobile business has been affected due to the decline in roaming revenue caused by travel restrictions across the region and globally. The reduction in tourist arrivals have also affected the growth in the prepaid business.</p> <p>A number of enterprises have deferred their ICT and advertising spending and delayed IT projects implementations due to the economic slowdown and work-from-home arrangements.</p>	<ul style="list-style-type: none"> StarHub continues to leverage on opportunities in key sectors such as Government, Financial Services, Hospitality, IT and Manufacturing. StarHub has been strengthening our partnership ecosystem, to enhance our product and service offering with best-in-class ICT solutions such as Hybrid Cloud Services. StarHub seeks to expand our digital touchpoints and enhance customer experience to meet the needs of the SME segment and mid-markets. StarHub continues to pursue growth opportunities through new technologies such as 5G and IoT in industries such as Construction, Logistics, and Manufacturing to develop innovative solutions for smart facilities management, robotics and logistics to drive incremental revenue streams. StarHub focuses on customer base management to drive up take in new business revenue.
Opportunities in new and adjacent businesses	<p>The increasingly saturated telecommunications market has seen a need for StarHub to venture out into new business areas to remain relevant and competitive. Such initiatives are challenged by crowded markets, competition from other potential investors, legal and regulatory restrictions, other socio-political factors.</p> <p>With the acquisition of new businesses, StarHub faces the challenge of identifying suitable targets, integrating newly acquired businesses into our operations, and generating synergies from these acquisitions.</p>	<ul style="list-style-type: none"> StarHub has ventured into areas such as cybersecurity, data analytics, digital solutions, Over-The-Top (OTT) and ICT managed services to generate alternative sources of revenue. StarHub is constantly exploring new investment opportunities to augment its existing business and to find new sources of revenue. StarHub has been pursuing strategic partnerships and conducting trials with Enterprise customers, industry and tech partners to develop 5G use cases to differentiate its 5G offerings. To mitigate risks associated with the acquisition of businesses, StarHub has implemented systematic processes in the evaluation and decision-making of investment leads. These are augmented with clear post-integration plans, with business and corporate involvement.

Key Risk	Risk Description	Mitigation
<p>5G and its deployment</p>	<p>Following the award of 5G license in June 2020, StarHub has launched 5G trial on non-standalone (“NSA”) network in August 2020. The trial provided the opportunity for Enterprises to experience 5G and explore potential use cases with StarHub and our industry partners.</p> <p>However, the ecosystem is still nascent and key aspects like customer adoption and device ecosystems are still developing.</p> <p>Furthermore, cyber threats are sophisticated and continually evolving. With 5G being an end-to-end transformation of the wireless network, attacks can make use of thousands or even millions of interconnected and vulnerable nodes. Besides, many demanding new use cases enabled by 5G require built-in security that goes beyond 3GPP standards and encompasses automation, security orchestration, analytics to detect and mitigate threats.</p>	<ul style="list-style-type: none"> StarHub has been engaging with customers who are early adopters, through 5G solution trials and collaborating with partners to explore possibilities like private networks and edge computing. StarHub has established partnerships with academic institutions, such as the collaboration with Nanyang Polytechnic to set up NYP-StarHub Application & Experience Centre for 5G (APEX 5G) in January 2020. Innovative and practical 5G technologies and applications were developed for healthcare, retail, urban solutions and advanced manufacturing sectors. StarHub operates its current 3G/4G/5G NSA Mobile network in Telecommunication Cybersecurity compliance and has established an operational ecosystem of best-in-class vendors and solution to address the increasing security threats emerging in today’s Internet. Security processes are operational and provide a solid foundation for security operations in 5G Standalone (“SA”) networks. StarHub 5G SA security solution is implemented with below features to address the threats evolved in 5G network: <ul style="list-style-type: none"> Utilise the 3GPP (Standard) framework for 5G Security and ensure encryption and authentication is deployed pervasively in its 5G network. Implement Security Gateway for securing RAN communication with IPSec encryption as well as protection of 5G Core using GTP Firewall. Implement 5G Core Security like Perimeter Security, Security Zoning, Defense in Depth, Traffic Separation, Micro-Segmentation & DDoS Protection. StarHub 5G network complies to zero trust environment for trust access, trust communication and trust execution. StarHub builds on its existing ecosystem and expand security sensing, detection, intelligence and response using SIEM and Security orchestration system to achieve end-to-end security operations.
<p>COVID-19</p>	<p>COVID-19 caused major disruptions to work, study and daily lives. Organisations across all sectors were forced to adapt and pivot to new ways of working in order to stay sustainable.</p> <p>Since Circuit Breaker, new working arrangements were adopted and remote working became the new norm. Such distributed working set up require reliable and secure networking and unified collaboration tools.</p>	<ul style="list-style-type: none"> StarHub has put in place solutions to address the challenges faced both by our internal teams and enterprise customers as a result of dispersed working arrangements required since the Circuit Breaker in April 2020. StarHub has deployed new solutions like SmartSIP for Teams which provide seamless communication between our unified voice and collaboration tools. StarHub has also worked with global security companies like ADVA, to provide effective network security solutions. A Covid-19 Taskforce has been set up and meets fortnightly to ensure staff safety, business continuity plans and other business issues are adequately addressed.

RISK MANAGEMENT

Key Risk	Risk Description	Mitigation
Increasing Competition and technological disruption	StarHub operates in an intense and highly competitive environment. It competes with incumbent Mobile Network Operators (MNO), multiple Mobile Virtual Network Operators (MVNO) and Over-The-Top ("OTT") providers in the media distribution space.	<ul style="list-style-type: none"> StarHub differentiates itself by providing best-in-class customer experience and digital, zero-touch products while improving on network capacity, coverage, speeds, and overall value for money. StarHub was the first to launch 5G NSA service in 2020. StarHub also differentiates itself through innovative and simplified product offerings that meet customer needs. To remain versatile in an evolving market, StarHub has simplified its mobile plans; launched giga!, a digital SIM-only brand; and revamped its Pay TV entertainment passes and customer experience to provide greater flexibility and variety to consumers. In 2020, StarHub launched StarHub TV+, a hybrid platform integrating OTT streaming services, apps and TV programmes; and was first to launch Disney+ in 2021. StarHub continues to enhance and refine its enterprise propositions by offering end-to-end digital solutions tailored to customers' unique needs. It is also leveraging a growing demand for emerging technology to capture greater market share in adjacent verticals such as data centre solutions, internet of things and data analytics.
Attract, refresh and retain talents	<p>With the increased pace of digitalisation, StarHub continues to face intensive competition for talent.</p> <p>The company continues to strive to attract, refresh and retain talents with the skill sets and capabilities required to drive the business forward.</p>	<ul style="list-style-type: none"> StarHub benchmarks its Human Resource practices by taking part in multi-industry studies to identify key areas for improvement. StarHub has its continuous employee listening programme to pulse employees to better understand and address employee concerns. StarHub places strong emphasis on attracting, hiring and retaining talent with competitive remuneration packages, recognition awards and talent development programs. StarHub has put in place a robust talent review process to identify high potential talents who will go through a talent accelerator program, placed on critical assignments and be assigned with a coach and development sponsor. StarHub has a learning and development roadmap defined to help employees embrace StarHub's culture markers. Employees are encouraged to take charge of their development through the 3E approach (Education, Exposure, Experience), aligned with their individual development plans.

Key Risk	Risk Description	Mitigation
StarHub as a Critical Information Infrastructure	<p>Being a Critical Information Infrastructure (“CII”) operator, StarHub is exposed to the spectrum of cybersecurity-related threats prevalent in the digital era.</p> <p>A cyber incident on StarHub’s CII could potentially cause:</p> <ul style="list-style-type: none"> ▶ Disruptions to StarHub’s corporate network and/or services provided to customers; ▶ Breach of sensitive and/or confidential information; ▶ Significant regulatory fines and penalties. <p>Like most organisations, StarHub relies on certain key vendors/ suppliers to provide equipment as well as the maintenance of our network to ensure business continuity and data asset protection.</p>	<ul style="list-style-type: none"> • StarHub has implemented security policies, procedures and systems based on international standards such as the ISO 27001, and local statutory requirements such as the Telecommunications Act, Broadcasting Act, and the CyberSecurity Act 2018. We continue to benchmark ourselves against relevant frameworks to enhance our cybersecurity readiness. • StarHub regularly conducts rigorous penetration testing and vulnerability assessments on its networks and systems to identify vulnerabilities and act accordingly in a timely and effective manner. • StarHub has current business continuity and disaster recovery plans and conducts regular exercises to ensure swift recovery following the event of a disruption. • StarHub constantly updates itself on regulatory requirements of government agencies. These enables us to develop and/or revise plans and procedures to minimise the occurrence of emerging risks.
IT systems	<p>StarHub’s business depends on the uninterrupted availability of our IT systems. These IT systems may fail due to defects in the technology or human errors in providing services. Furthermore, we rely on certain key vendors and/or suppliers on providing IT technology and IT services for our IT systems.</p>	<ul style="list-style-type: none"> • StarHub monitors the availability and operational robustness of critical IT systems in real time. • StarHub has established standard operating procedures (SOP) to mitigate system disruption caused by human or system errors • StarHub has maintenance contracts with agreed service levels in place for our IT technology suppliers • StarHub has critical business applications installed on high availability IT infrastructure and operates a disaster recovery data center • StarHub has defined business continuity management procedures and disaster recovery plans. StarHub conducts crisis exercises to ensure operational readiness in the event of a business operations disruption.

INVESTOR RELATIONS

At StarHub, we are committed to keeping our shareholders and the financial community informed of our corporate developments through timely, accurate and regular communication. We believe that our open and transparent approach to communication fosters trust with our stakeholders and allows investors to make informed investment decisions.

We have a comprehensive investor relations programme which allows us to engage our shareholders, analysts, media and the wider financial community on multiple channels and platforms through market cycles.

Our outreach employs the use of announcements, news releases, investor presentations, media and analyst briefings, annual reports, investor relations website, and emails to disseminate information on our strategy, financial and operational performance, latest developments and competitive landscape.

As part of investor relations best practice, we keep close track of feedback from investors, analysts' reports, media articles, industry trends and changes in institutional investor ownership. To enhance the integrity of the process, we commission an independent third-party perception report annually to understand market expectations and concerns, allowing us to plan an effective communication strategy for the following year. We regularly report these developments to the C-suite and the Board to keep them apprised of market issues and challenges that may impact the share price.

As at 31 December 2020, StarHub is well-covered by 19 sell-side analysts based in Singapore, Hong Kong, Malaysia, India, and the United Kingdom. We continued to be active on the investor and analyst engagement front with one-on-one and group virtual meetings, global and regional investor online conferences, non-deal virtual roadshows, and a virtual investor day.

In FY2020, investor engagements more than doubled year-on-year to 450 interactions across these virtual platforms.

Engaging Stakeholders Through Sustained Communication

Investor, analyst and media engagement in FY2020 proved to be particularly challenging with the outbreak of COVID-19. With many countries closing their borders, international business travel was shutdown overnight. The Singapore government implemented circuit breaker measures which limited social contact and resulted in many professionals working from home.

In this unprecedented time and when many Singapore Exchange-listed companies were transitioning from quarterly to semi-annual reporting, we rose to the occasion to meet the needs of our shareholders and the wider financial community. Cognisant of the fact that investors require a greater level of engagement and information during a global crisis, we maintained a high level of disclosure in our financial reporting, detailing the impact of COVID-19 on our operations and the strategies employed to navigate the challenging operating environment.

STARHUB'S INAUGURAL VIRTUAL AGM

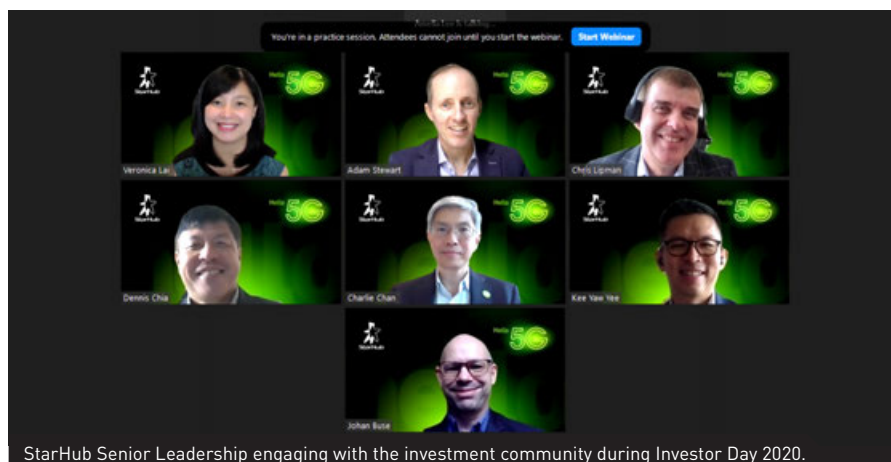
While waiting for the COVID-19 passing (Temporary Measures) Act 2020 to be passed by Parliament in April 2020,

we put up a dedicated AGM page on the StarHub investor relations website to keep shareholders abreast of latest developments. The webpage was updated promptly and frequently with relevant announcements made, clear registration instructions for shareholders interested in attending our inaugural virtual AGM, detailed FAQs, and a repository of all AGM-related documents such as the proxy form. We took the necessary steps to provide a live virtual broadcast of the Annual General Meeting proceedings, during which the Chief Executive gave a presentation on StarHub's COVID-19 strategies and response, latest corporate developments, progress on the D.A.R.E. transformation programme and other value creation strategies. Questions from shareholders and SIAS were received in advance and StarHub's responses were posted to SGXNet and the investor relations website prior to the AGM.

INVESTOR DAY 2020

In November 2020, we stepped up our efforts to increase investor, analyst and media understanding of our forward strategies with an Investor Day. The event was well-attended with approximately 60 fund managers and analysts participating via Zoom Webinar.

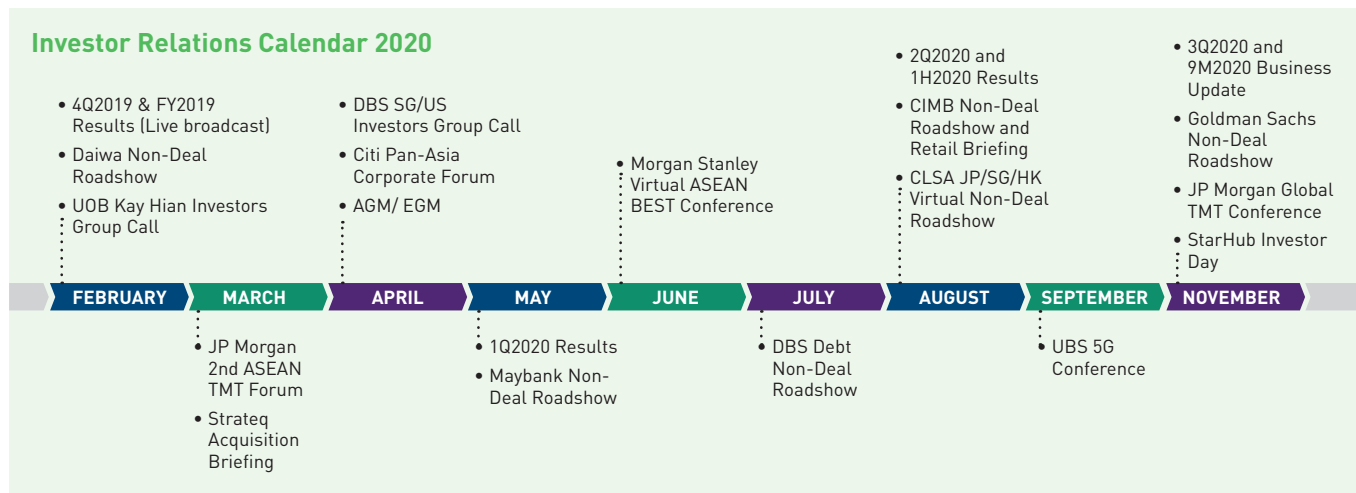
Testament to the quality of StarHub's investor communication, senior management from StarHub and our newly-acquired subsidiary, Strateq,





Strateq Group Managing Director, Tan Seng Kit, at the StarHub Investor Day 2020.

provided updates and comments on the Group’s competitive landscape, business strategies, transformation progress and digitalisation efforts, and responded to questions from participants in real-time. To ensure fair disclosure of information to all investors, materials presented during the event were posted on SGXNet and our investor relations website prior to the event commencement.



Awards & Recognition

StarHub’s board and C-Suite believe that corporate governance drives good business. We endeavour to maintain high standards of integrity, accountability and responsibility throughout the organisation and in our dealings with customers, suppliers, partners, and shareholders.

During the year, StarHub’s investor relations was recognised by the community for our high standards of communication and investor engagement:

<p>38th out of 577 companies Singapore Governance and Transparency Index 2020</p>	<p>Certificate of Award ASEAN Corporate Governance Scorecard</p>	<p>TOP 10 COMPANY OF THE YEAR The Edge’s Billion Dollar Club 2020 Awards</p>
<p>WINNER of the Sustainable Business category Singapore Apex Corporate Sustainability Awards</p>	<p>A- leadership score CDP Climate Change Assessment</p>	<p>9th out of 704 SGX-listed companies Singapore Board Diversity Index 2020.</p>

The Year Ahead: Build on Our Achievements

We remain committed to proactive engagement with shareholders, analysts, media, and the financial community, and will strive to improve on our communication efforts by adopting industry best practices in transparency and governance.



Investor Relations Contact
Ms Amelia Lee
Head, Investor Relations
Email: ir@starhub.com
Phone: +65 6825 5457

SUSTAINABILITY REPORT





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SUSTAINABILITY REPORT

INTRODUCTION

About This Report

102-52

The StarHub Board of Directors (the Board) is pleased to present StarHub's Sustainability Report 2020. This is our 10th annual sustainability report, marking a decade of our Green journey. Through this report, we provide an account of our commitments, performance and progress on integrating sustainability practices across our operations.

The ongoing COVID-19 global pandemic has impacted our society in unprecedented ways. Despite the challenges, it has made us more aware as a society, focused on sustainability, diversity, well-being, and pursuing aspirations in a way that is seamless and digital. As a result of the pandemic, we have redirected our sustainability efforts in 2020 to address the issues faced by our employees, customers and communities.

Our efforts in sustainability have been recognised locally and internationally. We are honoured to be ranked Asia's most sustainable telecommunications company and 80th globally in 2021 by Corporate Knights Global 100, based on our performance on Environmental, Social and Governance (ESG) criteria.

As a signatory to the United Nations (UN) Global Compact, we are committed to the Ten Principles of the UN Global Compact.



Reporting Scope And Boundary

102-46, 102-50

The information in this report covers all our business units, StarHub Shops (excluding Exclusive Partners unless otherwise stated), data centres, subsidiaries and associated companies (excluding Ensign InfoSecurity Pte. Ltd. and Strateq Sdn. Bhd. – new subsidiaries acquired in 2018 and 2020 respectively), during our financial year 2020 (1 January to 31 December 2020).

Reporting framework

102-54

This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option, which is the most widely used reporting framework that is applicable to StarHub's business operations. The GRI content index can be found on pages 169 to 172.

For the first time, we have included relevant disclosures recommended by the Sustainability Accounting Standard Board (SASB) based on the Telecommunications Services (Industry Standard, Version 2018-10). Our SASB Disclosure Index can be found on pages 173 to 174.

This report also adheres to the Singapore Exchange Securities Trading Limited (SGX-ST) Listing Rule 711A on preparing an annual sustainability report and describes our sustainability practices with reference to the primary components set out in SGX-ST Listing Rule 711B.

External Assurance

102-56

StarHub has sought an independent, limited assurance for a selection of our key ESG disclosures in this report to provide our readers with greater confidence on the accuracy of the information included. Please go to pages 165 to 168 for the assurance statement and scope of data assured.

Feedback

102-53

We welcome your comments and feedback on how we can continue to progress on our sustainability journey. Please contact us at: ir@starhub.com.

Significant Achievements

<p>Ranked Asia's Most Sustainable Telecommunications Company and 80th position globally in 2021 Corporate Knights Global 100</p>	 <p>Sustainable Business winner at the Singapore Apex Corporate Sustainability Awards 2020</p>	 <p>Leadership score of A- in CDP's Climate Change Disclosure</p>
<p>Secured StarHub's first sustainability-linked loan - RM270 million for 3 years</p>	 <p>FTSE4Good Included in FTSE4Good Index Series</p>	 <p>Rated 'AA' by MSCI for ESG rating</p>
<p>ASEAN Corporate Governance Scorecard Award for ASEAN Asset Class at ASEAN Capital Markets Forum 2019</p>	<p>Ranked 9th out of 704 SGX-listed companies in the inaugural Singapore Board Diversity Index 2020</p>	<p>Ranked 38th out of 577 companies in the Singapore Governance and Transparency Index 2020</p>
<p>Ranked 7th in the top 10 advertisements of the inaugural R3-AWARE AdvertisHER Study</p>		

SUSTAINABILITY REPORT

FY2020 Performance Highlights

Protecting the Environment	Enabling a Digital Society	Caring for Our People & Communities
<p>18% reduction in direct fuel consumption from non-renewable sources</p> <p>5% reduction in energy consumption</p> <p>4.6% of energy procured from renewable sources</p> <p>8.7% reduction in greenhouse gas (GHG) emissions</p> <p>171 tonnes of electronic waste (e-waste) collected through RENEW</p>	<p>First in Singapore to launch 5G services for customers with our technology partner Nokia</p> <p>Highest-ever customer satisfaction scores for StarHub's Mobile and TV services according to the Customer Satisfaction Index of Singapore (CSISG) 2020 national study on the info-communications sector, conducted by the Institute of Service Excellence</p> <p>Attained Infocomm Media Development Authority's (IMDA) Data Protection Trustmark Certification</p> <p>Delivered the fastest median throughputs on 4G and 3G networks, as reported in IMDA's IMconnected H1 2020 report</p>	<p>16,857 hours of training provided to our employees, reaching 77% of our workforce</p> <p>25% of Board members are female and 43% of our workforce are female</p> <div data-bbox="1094 710 1474 959" style="border: 1px solid #ccc; padding: 10px; text-align: center;"> <p>COMMUNITY CHEST AWARDS</p> <p>★</p> <p>Community Spirit Gold Award</p> <p>★</p> <p>Charity Gold Award</p> </div> <div data-bbox="1094 981 1474 1183" style="border: 1px solid #ccc; padding: 10px; text-align: center;"> <p>PEOPLE'S ASSOCIATION COMMUNITY SPIRIT AWARDS</p> <p>★</p> <p>Community Partnership Excellence Award</p> </div> <p>Raised and distributed over \$1M through StarHub Cares COVID-19 Fund</p> <p>Contributed an additional \$730,000 to seven voluntary welfare organisations (VWOs) and non-profit organisations (NPOs)</p> <p>Reached over 8,000 beneficiaries through StarHub's corporate social responsibility (CSR) programmes</p>

Sustainability at StarHub

At StarHub, our ambition is to create a better world enabled by digital solutions, while caring for people and our planet. Technology and digitalisation are driving rapid and unprecedented changes that are altering the way we live, work and interact. As an Infocomm company, StarHub is at the forefront of these changes. We are in a unique position to leverage our capabilities to provide solutions that connect people and create value in society. At the same

time, we realise that the increasing digitalisation of our lives creates concerns such as cybersecurity, data privacy and digital well-being. It also increases our environmental impact due to the greater use of energy and the generation of more waste.

We are committed to placing sustainability at the heart of our business strategy to manage the potential associated social and environmental risks. This will enable us to better align our products and

services to create long-term value for our business and our stakeholders.

In 2018, we embarked on a strategic transformation plan to integrate sustainability within our wider business strategy and objectives. As part of this process, we redefined our sustainability framework this year to set clear and bold priorities that address the material ESG topics facing our business.

StarHub's Sustainability Framework

Sustainability Ambition: To create a better world enabled by digital solutions, while caring for people and our planet

Priority 1: Protecting the Environment	Priority 2: Enabling a Digital Society	Priority 3: Caring for Our People & Communities
<p>Adopting energy-efficient measures, investing in renewable energy and building business resilience for our business against climate change.</p> <p>•</p> <p>Contributing to a circular economy by tackling e-waste, and responsibly managing our water and waste through reduction, reuse and recycling initiatives.</p> <p>Material Topics: Energy and GHG Emissions Climate Change Adaptation Waste Management Water Use</p>	<p>Innovating our products and services to provide seamless connectivity and digital solutions to our customers.</p> <p>•</p> <p>Safeguarding the well-being of online users, especially vulnerable groups.</p> <p>Material Topics: Product and Service Quality Cybersecurity and Data Privacy Online Safety</p>	<p>Creating a safe, diverse and nurturing workplace, where employees can achieve their full potential.</p> <p>•</p> <p>Investing in our communities to support disadvantaged groups in the areas of digital inclusion and employability.</p> <p>Material Topics: Talent Management Workplace Equality, Diversity and Inclusion Employee Health and Safety Investing in Local Communities</p>

Enabling Responsible Business Practices			
Material Topics:			
Business Conduct and Ethics	Public Health and Safety	Supply Chain Management	Responsible Marketing and Selling

This framework guides our approach to embedding sustainable business practices in every aspect of our business and creating long-term value for all stakeholders. It is underpinned by action plans, with key performance indicators and targets that drive continuous performance improvement. Tracking our progress against this framework forms the basis of this report, which is important for accountability and transparency.

Board Statement

The Board considers sustainability to be an integral part of StarHub's long-term strategic direction and is committed to responsible and sustainable practices across all our operations. The Board has the overall responsibility for overseeing the management and monitoring of material ESG topics across the business.

To assist the Board, our Board Risk Committee provides guidance to Management on our material sustainability topics and ensures the implementation of our sustainability strategy with our business objectives. As the COVID-19 pandemic continues to unfold, the Board Risk Committee reviewed potential ESG topics with consideration of the potential societal and business impacts of the pandemic. The topics were prioritised, as illustrated in the following section, to address impacts brought about by the pandemic.

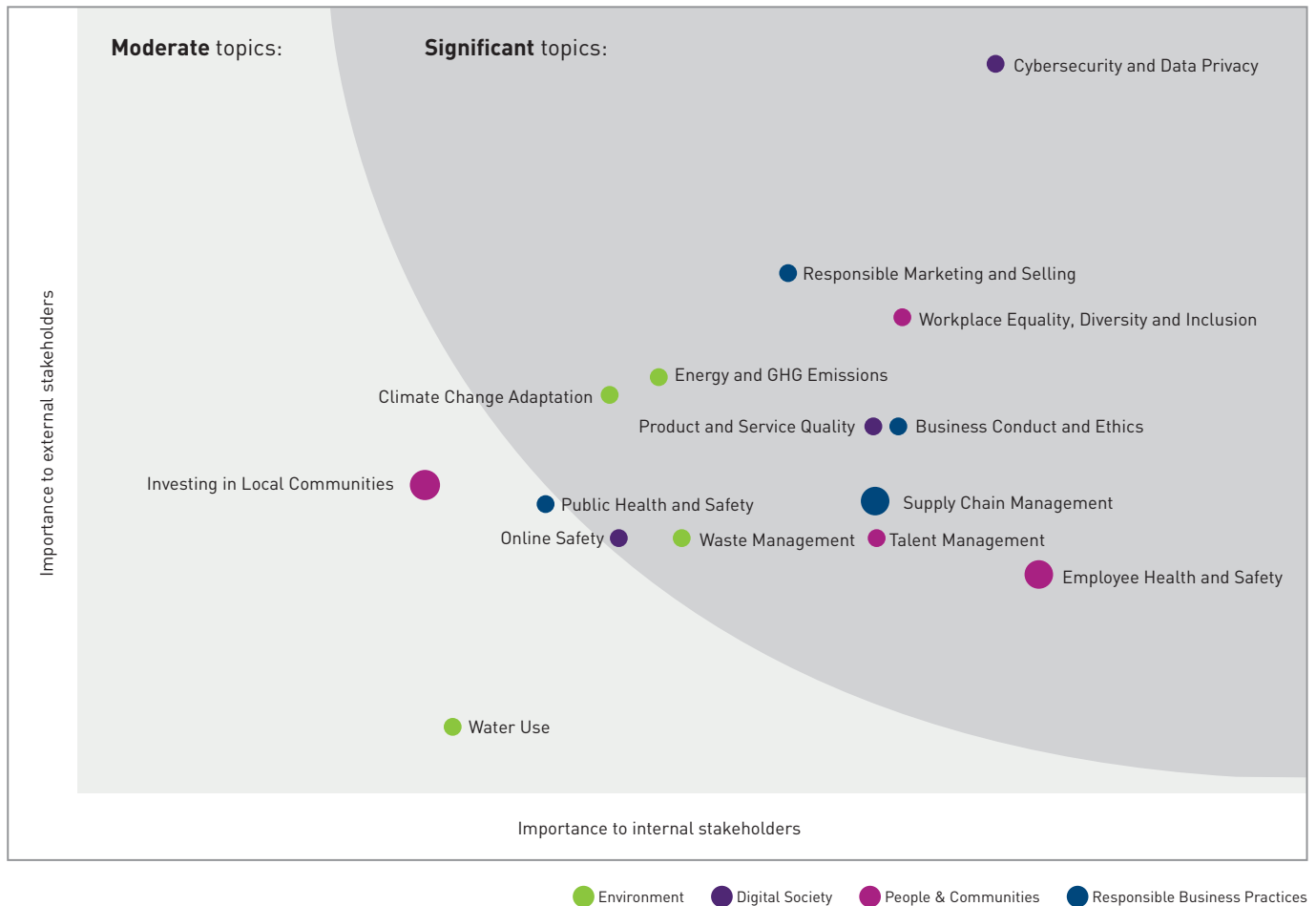
SUSTAINABILITY REPORT

Materiality

In 2019, we conducted a materiality assessment to ensure that our organisation continues to focus our efforts on the sustainability topics that are most important to the long-term success of our business and of the greatest significance to our stakeholders. For details on our approach to materiality, please see page 161.

This year, we reviewed our material sustainability topics taking into account stakeholder feedback, new sectoral trends, experts' views and our own business objectives. The sustainability topics that were identified as having increased importance as a result of the COVID-19 pandemic were Employee Health and Safety, Investing in Local Communities and Supply Chain Management. Greater emphasis was therefore placed on these areas in 2020. For more on our response to the COVID-19 pandemic, please see pages 136 - 137.

StarHub's Materiality Matrix



Significant topics: Topics that are most important to internal and external stakeholders. These form the focus of StarHub's sustainability strategy and reporting.

Moderate topics: Topics that are of relatively lower significance but still form part of StarHub's overall responsible business practices. These are managed and reported as part of our general sustainability approach.

Sustainability Governance
 102-18, 102-19, 102-20

Sustainability Governance Structure

THE BOARD

Responsible for overseeing StarHub’s overall sustainability efforts. Reviews and considers sustainability issues as part of its strategic formulation. This includes the determination, target-setting and monitoring of material ESG factors, as set out in this report.



BOARD RISK COMMITTEE

Provides guidance on sustainability topics to be identified as material to the business, and ensures the alignment and integration of our sustainability strategy and approach with our business practices.



MANAGEMENT RISK COMMITTEE

Comprises StarHub’s Senior Leadership Team and is responsible for reviewing and determining material sustainability topics, developing our sustainability strategy and considering stakeholder feedback and expectations, as well as establishing priorities, goals and targets.



CORPORATE SUSTAINABILITY ADVOCATE FUNCTION






Responsible for developing, implementing and coordinating programmes and initiatives with the support of cross-functional representatives.

SUSTAINABILITY REPORT

Supporting the UN Sustainable Development Goals (SDGs)

Adopted by the UN General Assembly in 2015, the SDGs represent an ambitious global agenda to achieve a sustainable future by 2030. The SDGs are universal and countries are committed to sustainable development. StarHub is committed to playing our part to fulfil the global sustainable development agenda.

While our business will touch on all 17 interrelated SDGs, we have identified 11 goals which we believe we can make the largest impact through our core business operations, products and services, as well as leveraging our strengths to collaborate with others.

SDG	StarHub's Material ESG Topics	Efforts and initiatives
 Goal 3 Ensure healthy lives and promoting well-being for all at all ages	<ul style="list-style-type: none"> Employee Health and Safety Public Health and Safety 	<ul style="list-style-type: none"> Employee care including work-from-home arrangement and various forms of support and engagement (pages 146 - 147) Community healthcare support including staff blood donation drive, sponsorship of smartphones for real-time patient health telemonitoring at Community Care Facilities and free public health advisory SMS for HealthServe (page 136) Built and contributed solar powered lamps to replace the use of toxic kerosene lamps by children in Cambodia under the World Wildlife Fund (WWF) Solar Light Challenge (pages 126 - 127) Ensure strict compliance with radio frequency (RF) emissions and safety standards (page 153)
 Goal 4 Supporting quality education as the foundation to improving people's lives and sustainable development	<ul style="list-style-type: none"> Investing in Local Communities 	<ul style="list-style-type: none"> Provision of mobile broadband services and devices for underprivileged students during home-based learning (pages 134, 136) Supported the Central Singapore CDC's Nurture Programme since 2011, to provide greater learning opportunities to the disadvantaged (page 151) Built and contributed solar powered lamps to provide a better night time study environment for marginalised communities under the WWF Solar Light Challenge (pages 126 - 127)
 Goal 5 Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> Workplace Equality, Diversity and Inclusion 	<ul style="list-style-type: none"> Adhere to the Tripartite Alliance for Fair Employment Practices (Tafep) guidelines, prohibiting any kind of discrimination in employment or transactions (page 143)
 Goal 7 Improve access to clean energy	<ul style="list-style-type: none"> Energy and GHG Emissions 	<ul style="list-style-type: none"> Raising the proportion of our renewable energy progressively to reach 10% by 2022 (pages 118, 123) Built and contributed solar powered lamps under the WWF Solar Light Challenge to alleviate energy poverty in marginalised communities (pages 126 - 127)
 Goal 8 Promote inclusive and sustainable economic growth by creating quality jobs for all	<ul style="list-style-type: none"> Talent Management Supply Chain Management 	<ul style="list-style-type: none"> Formalised Responsible Sourcing Policy basing on the Ten Principles of the UN Global Compact (pages 153 - 154) Implemented Supplier Self-Assessment Questionnaire with high-risk suppliers (pages 153 - 154) Implemented initiatives to enhance professional and personal skills development for all employees (pages 141 - 142)





SDG	StarHub's Material ESG Topics	Efforts and initiatives
 Goal 9 Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	<ul style="list-style-type: none"> • Online Safety • Cybersecurity and Data Privacy • Product and Service Quality 	<ul style="list-style-type: none"> • Launched 5G services (page 132) • Obtained IMDA's Data Protection Trustmark (DPTM) Certification (page 139) • Delivered the fastest median throughputs on 4G and 3G networks (page 132) • Maintaining network resiliency (page 132)
 Goal 10 Reduce inequality within and among countries	<ul style="list-style-type: none"> • Workplace Equality, Diversity and Inclusion • Investing in Local Communities • Supply Chain Management 	<ul style="list-style-type: none"> • Adhere to Tafep guidelines, prohibiting any kind of discrimination in employment or transactions (page 143) • Supported Care Corner and Nurture programmes, bridging disadvantaged children and youths with greater learning opportunities (pages 150 - 151) • Formalised Responsible Sourcing Policy basing on the Ten Principles of the UN Global Compact (pages 153 - 154) • Supported the WWF Earth Hour and Solar Light Challenge to improve the lives of marginalised communities (pages 126 - 127)
 Goal 11 Make cities and human settlements inclusive, safe, resilient and sustainable	<ul style="list-style-type: none"> • Product and Service Quality • Climate Change Adaptation • Waste Management 	<ul style="list-style-type: none"> • Supported IMDA's Seniors Go Digital initiative via affordable mobile plans and packages to encourage digital adoption among lower-income seniors (page 135) • Provided mobile broadband services and devices for underprivileged students during home-based learning (pages 134, 136) • Reduce environmental impact through recycling of internal and public e-waste (pages 128 - 129)
 Goal 12 Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> • Energy and GHG Emissions • Water Use • Waste Management • Supply Chain Management 	<ul style="list-style-type: none"> • Implemented various energy reduction measures (page 122) • Use of water-efficient fittings (page 130) • Provide avenues for the recycling of e-waste through StarHub's RENEW Programme (page 128) • Recycle all e-waste generated within our operations (page 128) • Implemented paperless processes within our offices and retail stores, with the use of only Forest Stewardship Council (FSC)-certified office paper and carrier bags, where needed (page 129) • Promote sustainable procurement practices through the implementation of our Responsible Sourcing Policy (pages 153 - 154)
 Goal 13 Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> • Climate Change Adaptation • Energy and GHG Emissions 	<ul style="list-style-type: none"> • Implemented energy efficiency measures and retrofitted our premises to reduce energy consumption (pages 122 - 123) • Reduce environmental impact through recycling of internal and public e-waste (page 128) • Built and contributed solar powered lamps under the WWF Solar Light Challenge, avoiding an estimated 15.5 tonnes CO₂e of GHG emissions over the next 10 years (page 127)
 Goal 17 Strengthen the means of implementation and revitalise the global partnership for sustainable development	<ul style="list-style-type: none"> • Waste Management • Climate Change Adaptation • Investing in Local Communities 	<ul style="list-style-type: none"> • Leading our flagship e-waste recycling programme in collaboration with partners from the private sector, government and the local community since 2012 (page 128) • Supported the Ministry of Education (MOE) to provide mobile broadband services and devices for underprivileged students during home-based learning (pages 134, 136) • Supported the WWF Earth Hour and Solar Light Challenge (pages 126 - 127) • Involvement in various associations as members and committee members (page 160)

SUSTAINABILITY REPORT




Targets and Performance

103-3

We have listed the five key targets forming the main approach of our sustainability strategy, followed by the targets we have set in relation to the other identified material ESG topics.






Material Topic	2020 Target	2020 Performance	2021 Target ¹	Target Achievement in 2020
Key Targets				
Energy and GHG Emissions (Renewable Energy)	Increase the proportion of our renewable energy use from 2% in 2019 to 4% in 2020	Increased the proportion of our renewable energy use to 4.6%	Increase the proportion of our renewable energy use from 0% in 2018 to 6% by 2021 and 10% by 2022	
Energy and GHG Emissions (Energy Efficiency)		Current technical centres have an average power usage effectiveness (PUE) ratio of 2.08	Achieve an average PUE ratio of 1.77 for our technical centres	New target
Supply Chain Management	<ul style="list-style-type: none"> Formalise the Responsible Sourcing Policy Implement the Supplier Self-Assessment Questionnaire to cover all our key suppliers with an annual spend of at least \$1 million 	<ul style="list-style-type: none"> Formalised the Responsible Sourcing Policy Implemented the Supplier Self-Assessment Questionnaire with 47 key high-risk suppliers with an annual spend of at least \$1 million 	Continue to follow up with other suppliers with an annual spend of at least \$1 million, while simultaneously implementing the Supplier Self-Assessment Questionnaire as a form of pre-qualification for new suppliers	
Public Health and Safety	Maintain 100% compliance with relevant RF radiation safety standards set by local regulators	Achieved 100% compliance	Continue to maintain 100% compliance (ongoing)	
Investing in Local Communities	Enhancing our CSR with a focus on climate change, through employee engagement and working with our beneficiaries	<ul style="list-style-type: none"> Invested a total of \$1,438,628 in our communities, including community relief provided under the StarHub Cares COVID-19 Fund, reaching 7,882 beneficiaries Avoided an estimated 15.5 tonnes of carbon emissions in the next 10 years 	Continue to support CSR activities that engage our employees and work with our beneficiaries, with a focus on climate change (ongoing)	

¹ Long-term targets with no end dates are indicated with (ongoing).

Material Topic	2020 Target	2020 Performance	2021 Target ¹	Target Achievement in 2020
Protecting the Environment				
Climate Change Adaptation	Ensure climate resilience through an annual review of flood-prone areas for all our network operations and facilities	Conducted an independent infrastructure audit which found no significant issues with the resiliency of our network operations and facilities	Continue to ensure climate resilience through an annual review of flood-prone areas for all our network operations and facilities (ongoing)	
Waste Management		Achieved 100% recycling of the e-waste within our operations	Recycle 100% of the e-waste within our operations (ongoing)	New target
E-waste	Maintaining e-waste collection of at least 174 tonnes through our RENEW programme	171 tonnes of e-waste collected, close to the target despite the COVID-19 movement restrictions	Continue to support e-waste collection for a smooth transition to the government's new regulated e-waste management system	Close to target
Water Use	Detect and manage leaks promptly to minimise water wastage	Achieved reduction in water consumption of at least 11% year-on-year since 2018. The 56% reduction observed in 2020 is mainly due to our work-from-home arrangement in response to the COVID-19 pandemic	Continue to detect and manage leaks promptly to minimise water wastage (ongoing)	
Enabling a Digital Society				
Product and Service Quality	Minimise instances of service disruption	Disruption to residential fibre broadband services in April 2020, and a previously unreported disruption to corporate internet leased line services in September 2019 ²	Strive to minimise instances of service disruption (ongoing)	1 incident with a fine
Cybersecurity and Data Privacy	Ensure strict compliance with local regulatory requirements pertaining to cybersecurity and data privacy	Three isolated incidents where personal data of three separate individuals were disclosed to the wrong party	Continue to ensure strict compliance with local regulatory requirements (ongoing)	3 incidents
Online Safety	Encourage and promote the appropriate and safe use of online technology	Continued to provide information to educate our employees and customers about online threats	Continue to encourage and promote the appropriate and safe use of online technology and cooperate with requests from government agencies (ongoing)	

² Previously unreported as IMDA only concluded its investigation for this case in 2020.

SUSTAINABILITY REPORT

Material Topic	2020 Target	2020 Performance	2021 Target ¹	Target Achievement in 2020
Caring for Our People & Communities				
Talent Management	<ul style="list-style-type: none"> 100% of identified high-potential talent to have development plans in place Learning and development activities to reach at least 70% of our employees 	<ul style="list-style-type: none"> Individual development plans completed and put in place for 100% of identified high-potential talent Achieved learning reach of 77% 	<ul style="list-style-type: none"> 100% of identified high-potential talent to be assigned development sponsors, to champion and support their development plans Learning and development activities to reach at least 85% of our employees 	
Workplace Equality, Diversity and Inclusion	Maintain zero reported incidents of discrimination	No reported incidents of discrimination	Continue to maintain zero reported incidents of discrimination (ongoing)	
Employee Health and Safety	Maintain zero work-related fatalities	Zero work-related fatalities	Maintain zero work-related fatalities (ongoing)	
Embedding Responsible Business Practices				
Business Conduct and Ethics	Ensure strict compliance with local legal and regulatory requirements pertaining to fraud, corruption and unethical actions	No incidents of non-compliance with local legal and regulatory requirements pertaining to fraud, corruption and unethical actions	Continue to ensure strict compliance with local legal and regulatory requirements pertaining to fraud, corruption and unethical actions (ongoing)	
Responsible Marketing and Selling	Maintain strict compliance with regulations and/or voluntary codes concerning marketing communications	No incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications	Continue to maintain strict compliance with regulations and/or voluntary codes concerning marketing communications (ongoing)	



PROTECTING THE ENVIRONMENT

Environmental issues, such as climate change and the amount of waste generated by society, continue to gain prominence on the global sustainability agenda and increasingly pose serious threats to businesses and communities. As a responsible organisation, StarHub is committed to reducing our environmental impact.

Our commitments are supported by our environmental strategy, which focuses on four key areas:



1

Energy and GHG Emissions

Striving for energy-efficient operations, while monitoring and implementing initiatives to reduce energy consumption.



2

Climate Change Adaptation

Adopting solutions to combat climate change and protect the environment.



3

Waste Management

Tackling waste by implementing paperless processes and encouraging recycling.



4

Water Use

Investing in solutions to reduce water consumption across our operations.



SUSTAINABILITY REPORT

Energy and GHG Emissions

103-1, 103-2, 103-3, 302-1, 302-2, 302-3, 302-4, 305-1, 305-2, 305-3, 305-4, TC-TL-130a.1

Singapore announced a new national target in 2020, to halve its 2030 peak GHG emissions by 2050 and to achieve net-zero emissions in the second half of the century. A carbon tax was introduced in 2019 for large direct emitters, which indirectly led to an increase in our energy costs. To ensure the resiliency of our business against climate risks and its regulatory impact, it is imperative that we put in place innovative and adequate measures to increase our energy efficiency and reduce our GHG emissions.

Our technical centres, including our data centres and base stations, contribute to the majority of our energy consumption as they form part of our



key infrastructure which support our products and services.

As the increasing demand for data leads to higher energy consumption, we are focusing on operating our technical centres in an energy-efficient manner and adopting energy-efficient technologies. Measures implemented include temperature optimisation to

keep our data centres' temperature at 24°C where possible and improving airflow with the use of aisle containment and blanking panels to reduce cooling requirements. With these measures in place, we achieved an estimated overall reduction of 1.6% in energy consumption.

Main Energy Reduction Measures in 2020

Energy Reduction Measures	Sites/Facilities	Estimated Savings ³	Estimated Avoided Emissions
Temperature Optimisation ⁴	<ul style="list-style-type: none"> Regional Centres StarHub Data Centres <ul style="list-style-type: none"> SHDC@TaiSeng - NC C01 SHDC@Yishun - NC C02 SHDC@One-North MediaHub - C04 SHDC@Tai Seng - C02 (partial) SHDC@Kaki Bukit - C03 (partial) 	1,809,069 kWh/year or \$217,088/year	739 tonnes CO ₂ e/year
Cyclical replacement of computer room air conditioning units	SHDC@Tai Seng - C02	401,471 kWh/year or \$48,176/year	164 tonnes CO ₂ e/year
Cyclical replacement of uninterruptible power supply	SHDC@Tai Seng - C02	81,760 kWh/year or \$9,811/year	33 tonnes CO ₂ e/year
Switching to LED	SHDC@Yishun - NC C02	59,691 kWh/year or \$7,163/year	24 tonnes CO ₂ e/year
Total		2,351,991 kWh/year or \$282,238/year	960 tonnes CO₂e/year

³ Savings are estimated based on technical specifications and an average tariff rate of \$0.12/kWh.

⁴ Assuming a 3% reduction in power consumption for every degree increase in cooling temperatures, based on the American Society for Heating, Refrigerating and Air-conditioning Engineers' (ASHRAE) temperature recommendations published in 2009 (Data Center Knowledge, 2009).



StarHub Hyperscale Data Centre @ Loyang in the AirTrunk SGP1 campus

In 2020, with the purchase of 6,400 MWh (23,040 gigajoules) of Renewable Energy Certificates (RECs), we increased the proportion of our renewable energy use to 4.6%. We are on track to progressively increase the proportion of our renewable energy use to 10% by 2022.

This year, we launched our new StarHub Data Centre @ Loyang – a state-of-the-art hyperscale facility which is built according to the industry's highest certified standards. It is designed with a low PUE ratio of 1.6 and uses indirect evaporative cooling, which contributes to higher energy efficiency compared to conventional data centres.

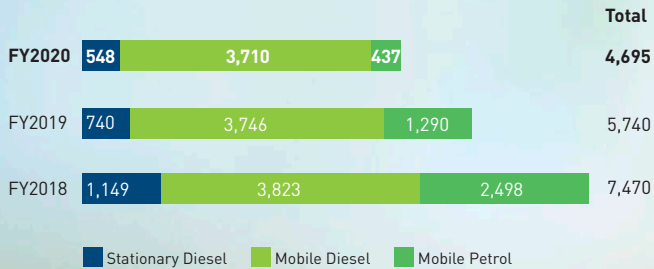
We have been monitoring our environmental performance to manage our resources and facilitate better decision-making. We managed

to substantially reduce our direct energy consumption from our backup generators and transport fleet by 18%, from 5,740 gigajoules in 2019 to 4,695 gigajoules in 2020. We also observed an overall year-on-year⁵ reduction of 5% in our energy consumption. Due to the impact of the COVID-19 pandemic, we are not able to accurately attribute the reduction to any specific causes – this could be due to a combination of the energy efficiency measures that we have implemented, the migration and consolidation of several of our legacy sites to make way for newer technologies, as well as the change in our customers' behaviour. Together with our purchase of RECs, we achieved an overall carbon emissions reduction of 8.7% (Scope 1 and Scope 2 combined) compared to 2019.

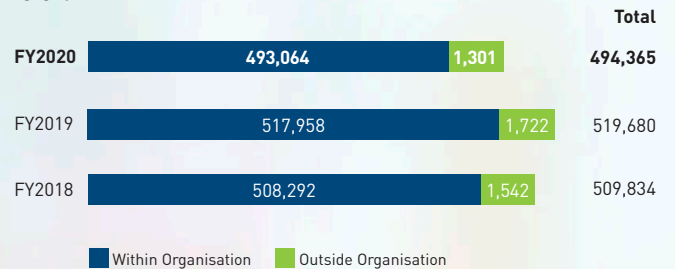
⁵ Year-on-year energy reduction is used for comparison of the energy used for delivering similar products and services.

SUSTAINABILITY REPORT

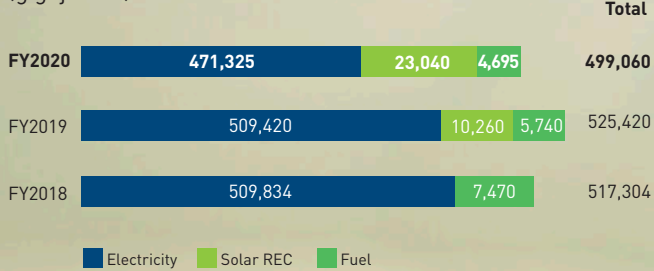
Fuel Consumption (gigajoules)



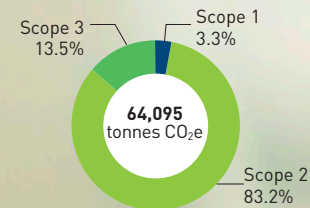
Electricity Use (gigajoules)



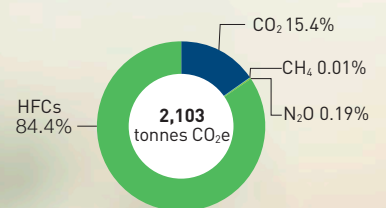
Energy Consumption (gigajoules)



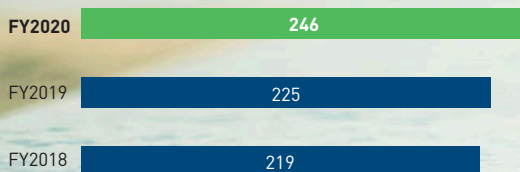
GHG Emissions by Scope



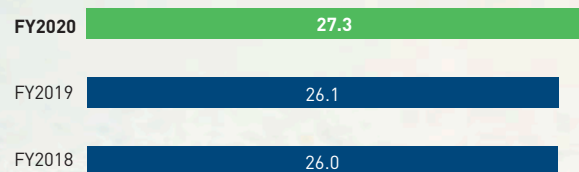
Direct GHG Emissions by Gas Type (Scope 1)



Energy Intensity (gigajoules per \$million revenue)



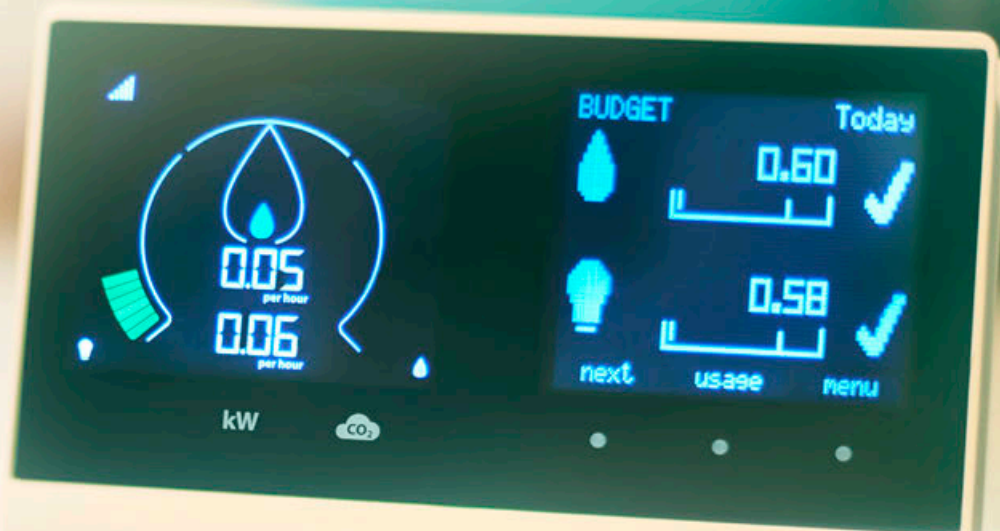
GHG Emissions Intensity⁶ (tonnes CO₂e per \$million revenue)



⁶ Data for 2018 and 2019 are restated based on total emissions for Scope 1 and 2 only. The Intensity values are calculated based on the revenue figures in Singapore dollars rounded to the nearest million.

GHG emission Source⁷

Scope 1	2020	2019	2018
Stationary combustion (tonnes CO ₂ e)	38	49	81
Mobile combustion (tonnes CO ₂ e)	290	349	436
Fugitive emissions - refrigerant gases (tonnes CO ₂ e)	1,775	1,290	1,721
Total Scope 1 Emissions (tonnes CO₂e)	2,103	1,688	2,238
Scope 2 ⁸			
Purchased electricity (tonnes CO ₂ e)	53,335	59,062	59,188
Total Scope 2 Emissions (tonnes CO₂e)	53,335	59,062	59,188
Total Scope 1 + 2 Emissions (tonnes CO₂e)⁹	55,438	60,750	61,426
Scope 3			
Electricity consumption by Exclusive Partners (tonnes CO ₂ e)	148	201	179
Employee business travel - air (tonnes CO ₂ e)	8	112	111
Employee Commute (tonnes CO ₂ e) ¹⁰	372	983	1,108
Fuel and energy related (tonnes CO ₂ e)	8,130	8,541	8,407
Total Scope 3 Emissions (tonnes CO₂e)¹¹	8,658	9,836	9,805



- 7 All GHG emissions are calculated in accordance with the GHG Protocol. The CO₂ equivalent emissions for fossil fuel, refrigerant sources and employee commute are calculated based on the United Kingdom Greenhouse Gas Inventory that is compiled according to the Intergovernmental Panel on Climate Change (2006) Guidelines. Emissions for electricity purchased is calculated based on the 2019 emissions factor published in the Singapore Energy Statistics 2020 by the Energy Market Authority. Emissions for air travel is reported based on estimations by ICAO. Operational control has been selected as the reporting boundary.
- 8 Scope 2 emissions are reported using the market-based reporting method, taking into account our purchase of 6,400 MWh of REC, which lowered our emissions by 2,614 tonnes CO₂e. The location-based Scope 2 emissions for 2020 was 55,949 tonnes CO₂e.
- 9 Overall emissions intensities for 2019 and 2018 are restated to include only Scope 1 and 2 emissions.
- 10 Estimated based on a survey conducted in 2020 on 2019 and 2020 travel patterns of 339 valid responses and the respective year-end headcount, taking into account 11 days of public holidays (PH) in 2018 and 2019, 12 days of PH in 2020 and 18 days of annual leave taken per employee. The estimated 2018 emissions provided based on 2019 survey results is given for indicative purposes only.
- 11 Total Scope 3 emissions for 2018 and 2019 have been restated to include employee commute and fuel and energy related emissions.

SUSTAINABILITY REPORT

Climate Change Adaptation

103-1, 103-2, 103-3, TC-TL-550a.2

As a low-lying island state, Singapore is vulnerable to the effects of climate change, including rising sea levels and floods from intense storms, which can impact our operational continuity. As a result, StarHub must ensure the

resiliency of our business against the physical risks of climate change.

Last year, we established our Climate Risk Framework by including an annual review of our facilities against the list of flood-prone areas, as part of our Facility Management Policy. Through the review, appropriate control measures can be implemented to mitigate our physical

risks. An independent infrastructure audit conducted in 2019 found no significant issues with the resiliency of our network, operations and facilities. StarHub is also ISO 22301:2012 certified, which fulfils the requirements for Business Continuity Management controls, including measures to improve climate change adaptation.



SOLAR LIGHT CHALLENGE

StarHub has been a staunch supporter of the WWF Earth Hour since 2013 and an official media partner since 2016, providing free TV airtime to help WWF Singapore raise awareness about Earth Hour. In 2020, apart from being a media partner, StarHub collaborated with WWF in their SolarBuddy Solar Light Challenge.

Our employees volunteered their time to assemble 100 solar powered lights

to benefit children from marginalised communities in Cambodia who do not have access to electricity. The solar lights will replace the use of toxic kerosene lamps, enabling the children and their families to study and travel safely at night. This will improve their livelihoods, alleviate energy poverty and reduce GHG emissions. Through the volunteering session, our employees learnt about the challenges that we are facing globally, and ways in which they can contribute to mitigating the impact of climate change.

“
789 million
people across
the world do not have
access to electricity.
That equates to
1 in 10 people
living in
t h e
d a r k .
”

- WWF

The Solar Light Challenge



LEARN
About energy poverty and renewable energy




MAKE
A solar light and write a letter to your buddy




ILLUMINATE
A child's life and improve their education and health




IMPACTS OF THE 100 SOLAR LIGHTS BUILT¹²




Positively Impacted
500 lives



219,000 Study Hours
created over 3 years



Reduced Kerosene Expenditure by
80%



15.5 tonnes CO₂e
Carbon emissions offset over lifespan of the light



WWF Solar Light assembly session by Team Digital, conducted in small groups in compliance with social distancing measures.

¹² Figures obtained from WWF Solar Light Challenge Event Impact Report. Photo Credits: Solarbuddy / WWF Solar Light Challenge

SUSTAINABILITY REPORT

Waste Management

103-1, 103-2, 103-3, 306-2, TC-TL-440a.1

Since the launch of our flagship e-waste recycling programme, RENEW, in 2012, we have cumulatively collected more than 660 tonnes of e-waste for recycling. In 2019, we achieved our 2022 collection target of 125 tonnes, three years ahead of the targeted date. Notwithstanding the movement control measures implemented by the government due to the COVID-19 pandemic, we managed to collect 171 tonnes of e-waste in 2020, which is very close to our target of 174 tonnes.



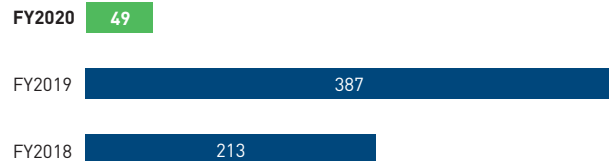
StarHub RENEW e-waste recycling bins

In view of the commencement of the government's new regulated e-waste management system in July 2021, StarHub's RENEW programme will gradually draw to a close by June 2021. Thereafter, StarHub will fulfil our obligations as a retailer to provide one-for-one take-back of regulated products and in-store collection of e-waste.

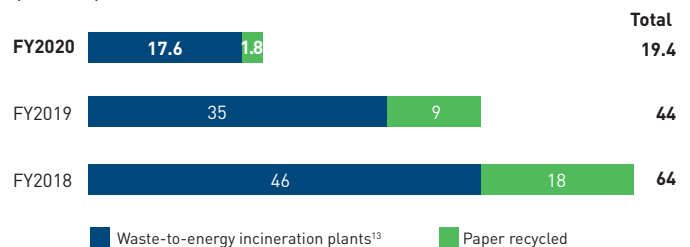
StarHub handles and disposes electronic equipment and devices daily as part of our services. In 2020, we generated 49 tonnes of e-waste from our operations. The lower amount of e-waste generated is primarily due to the reduction in our on-site business activities as a result of the COVID-19 pandemic. Guided by our Housekeeping Safe Work Procedure, we remain committed to recycling 100% of the e-waste generated within our operations through licensed e-waste contractors.

StarHub also aims to reduce the use of materials and the generation of other non-hazardous waste. To cut down on our paper consumption, we have previously limited the number of printed copies of our annual reports and Extraordinary General Meeting circulars. For this year's annual report and Extraordinary General Meeting circulars, StarHub has gone fully digital in line with the SGX-ST's guidance, which allows us to be more sustainable and progressive.

Hazardous E-Waste Generated and Recycled (tonnes)








Non-Hazardous Waste Generated (tonnes)

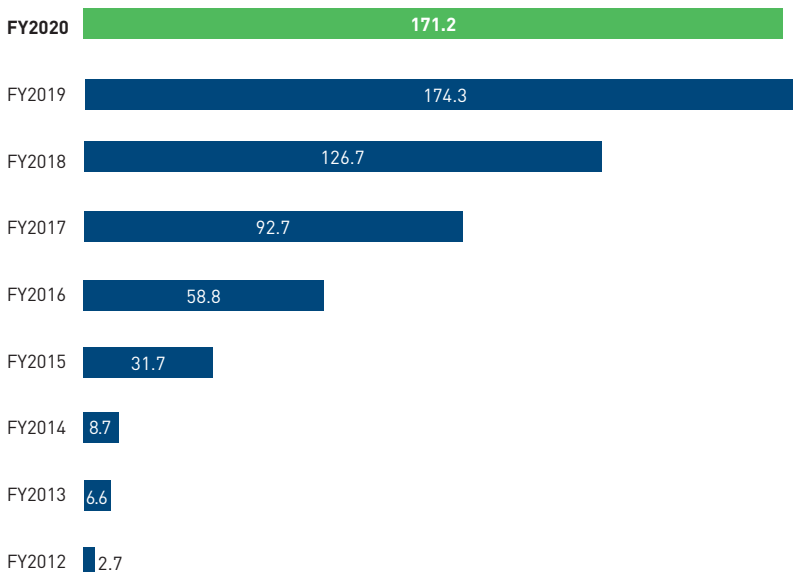


¹³ The amount of non-hazardous waste reported includes only general waste from our offices at StarHub Green and Nobel where the quantities of waste disposed through waste-to-energy incineration plants are the most substantial.

The top five items recycled through RENEW in 2020 are:

-  Cables **19 tonnes**
-  Laptops **15 tonnes**
-  Modems/
Routers **10 tonnes**
-  Mobile phones **3 tonnes**
-  CPU Computers **3 tonnes**

RENEW – Amount of public e-waste collected and recycled (tonnes)



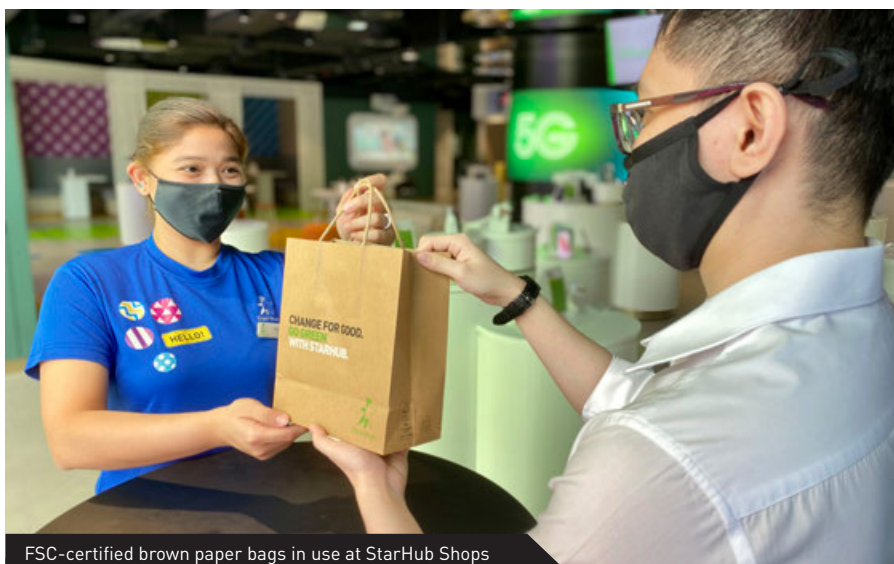
In an effort to go green and align with the Smart Nation vision, all our customers receive electronic bills by default. A monthly fee of \$2.68 per billing account will apply if a customer opts to receive paper bills (with the exception of those aged 60 and above). Amounts collected are used for our StarHub Sparks Fund to support our CSR and sustainability efforts. We have also implemented

paperless processes at our retail stores, including the use of electronic redemption vouchers and sales agreements, in a bid to reduce paper consumption and improve customer experience.

To reduce packaging waste, we implemented the 'Skip the Bag' initiative across all our shops, where customers are encouraged not to take a carrier bag

and to 'Go Green with StarHub'. E-posters and tent cards are displayed in our shops to raise awareness of the initiative.

In 2020, we proactively transitioned from non-woven bags to FSC-certified biodegradable brown paper bags at our stores. While paper has the lowest carbon footprint for bag materials, using FSC-certified paper has the added benefit of ensuring that the wood is sourced from forests that are responsibly managed and socially beneficial. In this way, we will be able to help reduce GHG emissions and protect forests.



FSC-certified brown paper bags in use at StarHub Shops



SUSTAINABILITY REPORT

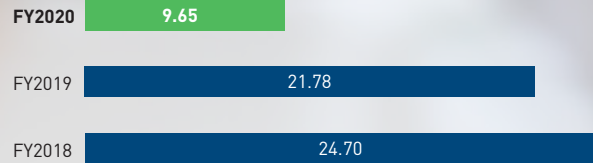
Water Use

103-1, 103-2, 103-3, 303-3

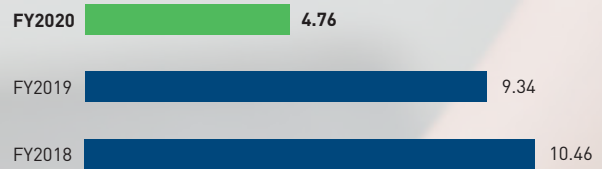
Although water is used in our offices and data centres, our business has a limited impact on water resources. Our potable water supply is drawn from and discharged to municipal or third-party water systems.

Through our Employee Code of Conduct and Ethics (Employee Code), employees are required to make prudent and effective use of the Group's resources. Where possible, water-efficient fittings are used to reduce our water consumption, which is monitored on a monthly basis to detect leaks and prevent wastage. Any significant increase in water consumption will trigger an inspection. We have consistently achieved a yearly reduction of at least 11% in our water use since 2018 and observed a 56% reduction in 2020 compared to the previous year. The significant reduction in water use is primarily due to the implementation of our work-from-home arrangement from March to December 2020, in response to the COVID-19 pandemic.

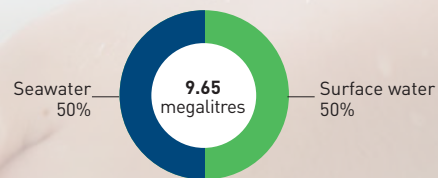
Water Use (megalitres)



Water Intensity (cubic metres per \$million revenue)



Third-Party Water Withdrawal by Source¹⁴



¹⁴ The breakdown of third-party water withdrawal sources is based on information published on PUB's Singapore Water Story website.



ENABLING A DIGITAL SOCIETY

As an Infocomm company, we provide services that are important growth engines for the economy, helping to connect people and businesses, and to enable a digital society. At the same time, we appreciate that unintended consequences can arise if we do not manage our business activities prudently. We are committed to innovating our products and services, while safeguarding the well-being of our customers and online users, especially vulnerable groups.

Our commitments are centred on three key areas:



1

Product and Service Quality

Maintaining the highest levels of product and service quality and reliability to establish trust and enhance customer experience.



2

Cybersecurity and Data Privacy

Ensuring adequate systems and processes are in place to prevent cyber breaches and leaks, safeguarding the data privacy of our employees and customers.



3

Online Safety

Creating awareness and implementing measures to protect the safety of our online users, especially vulnerable groups such as children.

Product and Service Quality

103-1, 103-2, 103-3, TC-TL-550a.1, TC-TL-550a.2

In a highly competitive market, it is crucial that we provide customers with the highest levels of product and service quality and reliability. It is also important that we keep up-to-date with the latest innovations and remain agile in the face of disruptive industry trends.

SUSTAINABILITY REPORT

Infrastructure Investments



One of our key areas of focus is ensuring continuous investment in infrastructure upgrades to improve the resilience of our network services, deliver faster speeds through our networks and become more efficient to enhance connectivity for the Internet of Things age and the next generation of mobile services (5G).

In August 2020, StarHub, with our technology partner Nokia, became the first in Singapore to launch 5G services. Customers with StarHub's new Mobile+ or Biz+ mobile plans experienced some early 5G benefits using compatible mobile devices. The early trial access to StarHub 5G was free-of-charge for customers in the lead up to the full commercial launch of 5G in 2021.

As of December 2020, StarHub 5G signals covered 70% of Singapore's populated areas. StarHub 5G is currently 'live' on 2100MHz spectrum on a

non-standalone architecture, similar to other overseas 5G networks. StarHub is working towards providing ultra-fast and ultra-responsive 5G on a standalone architecture to underpin next-generation ICT and digital innovation for Singapore.

To maintain leadership in 5G, StarHub continues to actively support and participate in user trials to discover the 5G solutions for our unique local market and best serve the needs of our customers. We are collaborating with businesses, institutes of higher learning and public agency partners to co-create innovative, relevant and sustainable 5G use cases across all six national strategic clusters: Maritime Operations, Urban Mobility, Smart Estates, Industry 4.0, Consumer applications and Government applications.

Through infrastructure investments, we also ensure that our services adhere

to the Quality of Service standards set by IMDA. StarHub achieved the fastest median mobile data throughputs for both 4G and 3G networks according to IMDA's H1 2020 IMconnected report. We aim to minimise instances of service disruption which affect our customers. In 2020, our average service interruption duration was 0.319322 hours per customer.

In 2020, StarHub received fines¹⁵ totalling \$242,000 from IMDA, relating to two disruptions to our internet services, being: (i) a corporate internet leased line service disruption due to a provisioning error, affecting 852 subscribers in September 2019; and (ii) a residential broadband service disruption in April 2020 due to a configuration error made during a planned network migration exercise. We have implemented additional measures to prevent any future recurrence.

15 Only significant fines above the amount of \$10,000 are reported.

Building Customer Loyalty

We are continuously improving our customer experience through our “insights-to-action” approach. By collecting real-time customer feedback through surveys and across Consumer and Enterprise touchpoints, we make changes that improve our customer experience. We also use the Net Promoter System to determine the long-term value of our brand. In the CSISG 2020 study by the Institute of Service

Excellence, we improved our scores and outperformed our competition in the Mobile Telecom and Pay TV services in the info-communications sector.¹⁶

Please refer to pages 32 - 33 for the full list of our awards and achievements.

StarHub also stepped up our efforts to provide care and support for our customers and communities in the adoption of digital technologies, which was accelerated by the wide-ranging

movement control measures, work-from-home and home-based learning arrangements during the COVID-19 pandemic. As part of our customer service, we rolled out initiatives to bridge the digital divide and aid our customers and the less fortunate. Several of our initiatives are showcased below. Please refer to our COVID-19 response infographic on pages 136-137 for the complete list of StarHub Cares COVID-19 support initiatives.



12 of StarHub's loyal customers being several of the first to experience StarHub 5G and Augmented Reality (AR)-powered deliveries of iPhone 12

FREE PREVIEW

EXTENDED TILL
4 MAY, 12PM

FREE PREVIEW

11 MAY	DOG LOVES BOOKS Every Mon to Fri, 7:45pm
13 MAY	SPY IN THE WILD S2 Premieres 13 May, Every Wed, 8:05pm
15 MAY	THE TREASURED VOICE Premieres 15 May, Every Fri, 8pm
16 MAY	COMEDYKU NANGA GUARANTEE Every Sat, 9:30pm
17 MAY	I'M LOSING IT Premieres 17 May, 9pm

FREE PREVIEW

2 JUN, 12PM -
30 JUN, 12PM

Animal Impossible
Premieres 15 Jun, Every Mon, 9:55pm

Extended free preview of content during COVID-19 movement restrictions to offer comfort and entertainment amidst trying times

16 Customer Satisfaction Index of Singapore 2020 - Retail and Info-Communications, Q1 Scores, 25 June 2020.

SUSTAINABILITY REPORT

StarHub Mobile Broadband for Home-Based Learning



Students from lower-income families enjoying StarHub connectivity for their home-based learning

As part of our sustainability initiatives in response to the COVID-19 pandemic, in collaboration with MOE, 550 students from lower-income families received unlimited mobile broadband services to support their home-based learning.

“
At the start of the Circuit Breaker, StarHub proactively collaborated with the Ministry of Education to provide free unlimited mobile broadband and WiFi connectivity to 550 needy students, to support their home-based learning. This has contributed to the eventual decision to accelerate digital adoption and access for our students by several years.

”

Mr Ong Ye Kung
*Minister for Transport
Former Minister for Education*

Seniors Go Digital: Digital Access for Seniors



StarHub promotes digital inclusion and offers affordable mobile service packages to lower-income seniors

As a firm supporter of IMDA's Seniors Go Digital initiative, we collaborated with the regulator to encourage digital adoption among seniors and to provide promotional rates for lower-income seniors to purchase smartphones and mobile plans.

As more information and services have moved online, digital inclusion brings quality of life to the elderly, allowing them to enjoy the convenience of accessing instant information and performing everyday tasks such as shopping, travelling and banking.

Lower-income seniors can sign up for affordable StarHub SIM-Only mobile data plans and purchase basic smartphones from \$20 onwards. We also have mobile plans bundled with a smartphone. There will be no excess data charges, with surfing speeds throttled should the seniors exceed their data limits.



Our services allow seniors to enjoy the convenience of digital technology in their daily lives

SUSTAINABILITY REPORT

STARHUB CARES

Caring for Our Customers and Communities During COVID-19

During the COVID-19 pandemic, StarHub leveraged our resources to fulfil our responsibilities, extending our community relief efforts to support vulnerable groups through various response initiatives.

In March 2020, we set up the StarHub Cares COVID-19 Fund and raised over \$1 million to fund various community support programmes.

The initiatives that we supported went to a variety of community sectors, including healthcare, lower-income groups, education, migrant workers and our customers. We plan to use the remaining sum in 2021 to support a food distribution initiative by the Food Bank Singapore to feed the less fortunate.

COMMUNITY RELIEF

Over **\$1 MILLION** raised to fund community support programmes:

1 up to **10% of 2019 Director fees** from StarHub's Board of Directors

2 up to **one month's salary** from StarHub's Senior Leadership Team

3 voluntary donations from StarHub staff

> matched dollar-for-dollar by StarHub

StarHub's **20th anniversary** marketing budget of **\$200,000** was diverted to fund a community cause

HEALTHCARE



\$300,000 donated to **The Courage Fund**

100 Employees pledged to donate blood

Free \$100 worth of **Unlimited Talktime** for healthcare workers on Corporate Individual Scheme plans for **6 months**

LOWER-INCOME BENEFICIARIES

Over **\$220,000** donated to **Care Corner** to provide

2,000 welfare care packs to lower-income households & defray HDB housing rental costs for

1,822 lower-income seniors

550 underprivileged students provided with free mobile broadband devices and **6 months** of unlimited mobile broadband access for home-based learning, worth

\$200,000

MIGRANT WORKERS



500 smartphones worth \$74,000 sponsored for real-time patient health telemonitoring by the Ministry of Health at Community Care Facilities

Free IDD Talktime

to **India** and **Bangladesh** over Labour Day weekend



Working with various NPOs to facilitate swift and direct channelling of public donations towards mobile prepaid SIM card top-ups for migrant workers



WiFi Services

installed at care facilities



Over **60,000** mobile prepaid SIM cards delivered to isolated migrant workers, in partnership with IMDA

200,000 public health SMS advisories on COVID-19 sent in **7 languages** for HealthServe



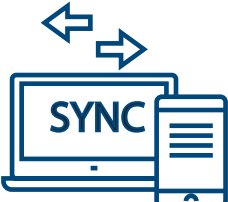
TV airtime sponsorship on over **20 channels**, encouraging Singaporeans to share words of support with migrant workers in their native languages



CUSTOMER SUPPORT

ENTERPRISE SUPPORT

BUSINESS CONTINUITY PLAN SUPPORT PROGRAMME



Over **10 Essential Services** for remote work made available free-of-charge, at heavily discounted rates or with shorter commitment periods





SMEs given free credits for StarHub advertising spots, with up to **1.5x credits** when they sign up for eligible services online



70% off Unlimited Business Wireless Broadband

Free Subscriptions for SmartUC Mobile softphone solution which enables customers to make and receive calls with their office numbers through mobile devices and/or laptops

No Upfront or Monthly Fee for SmartConferencing, which allows customers to host secure and high-quality multi-party meetings online

CONSUMER SUPPORT

Network enhancements rolled out for consistent service quality and experience



Top-Tiered Channels made free for all customers



Over **20,000 hours** of fresh content every month



24/7 customer support 5 StarHub Shops remained open during the period of heightened safe-distancing measures to maintain accessibility to our services

SUSTAINABILITY REPORT



Cybersecurity governance framework improves our overall risk management approach

Cybersecurity and Data Privacy

103-1, 103-2, 103-3, 418-1, TC-TL-230a.1, TC-TL-230a.2

To maintain our customers' trust, we take a proactive approach towards preventing cybersecurity incidents and protecting our customers' personal information.

StarHub complies with all applicable laws, including the Cybersecurity Act and the Personal Data Protection Act (PDPA), as well as sector-specific cybersecurity requirements imposed by IMDA. Audits, risk assessments, penetration tests, vulnerability assessments and cybersecurity exercises are performed on an ongoing basis.

Preventing Cybersecurity Attacks

We recognise that the cybersecurity environment is constantly evolving, with new threats surfacing almost daily. We have implemented a cybersecurity governance framework that is aligned with both the National Institute of Standards and Technology cybersecurity framework and ISO/IEC 27001 ISMS standards.

To implement our cybersecurity governance framework across StarHub, we put in place a set of cybersecurity and information security policies for employees to comply with. These are supplemented by procedures, guidelines and checklists to ensure the confidentiality, integrity and availability of our assets. As part of our cybersecurity risk management, we have taken a cyber risk insurance policy.

In 2020, we initiated a revamp of our cybersecurity risk management and incident response frameworks for both StarHub and third-party suppliers. All policies and processes within the frameworks have been approved and will be implemented in 2021. We also conduct annual cybersecurity awareness trainings and regular cybersecurity exercises to maintain staff security vigilance.

Protecting Personal Data

StarHub's Data Protection Policy sets out how we collect, use, manage and disclose personal data in line with the PDPA. We have a Data Protection Officer (DPO) to oversee StarHub's Data Protection Management Programme and ensure compliance with the PDPA. The DPO, together with the Legal and Regulatory departments, monitor upcoming relevant legislative changes. Our Internal Audit function provides assurance to Management on the effectiveness of our control measures. Over 600 employees also attended a total of 21 awareness sessions on the

PDPA, equipping them with knowledge and skills to protect the personal data of our customers.

In February 2020, StarHub was awarded the DPTM, which is a voluntary enterprise-wide certification for organisations that demonstrate accountable data protection practices.

In 2020, we had three isolated incidents which were attributable to human error, resulting in the personal data of three individuals being disclosed to the wrong party. These were rectified immediately, and disciplinary action was taken against the employees involved.

Online Safety

103-1, 103-2, 103-3

The internet has changed the way people live, work, learn and interact. As technology continues to evolve, unknown threats will emerge. As a responsible service provider, StarHub encourages and promotes the appropriate and safe use of online technology.

We provide information to educate our customers about online threats. For example, we put information relating to safe online practices on our website, community forums and social media platforms. Topics are identified through customer feedback, trending issues, internal stakeholders and other external parties. We also comply with requests from government agencies to block access to harmful websites.

We implemented robust authentication mechanisms to protect customers' data and prevent fraud and impersonation, such as the mandatory use of strong passwords for customers' Hub iD accounts, and an OTP authentication mechanism for customers who use their Mobile number to log into My StarHub app. We also took steps to suspend Hub iD Lite accounts which no longer have any active StarHub services and have been inactive for an extended

period of time. Additional secure yet convenient processes supported by resilient backend systems were also implemented to prevent fraud, such as eKYC (Electronic Know Your Customer technology), which verifies customers' identity and the integrity of identification documents.

With the increasing prevalence of scams, StarHub also works closely with the relevant authorities to block international calls that spoof numbers, impersonating legitimate sources such as government agencies. A plus '+' sign prefix has been added to help users identify overseas spoof calls and reduce their risk of becoming a victim.

In addition, we offer JuniorProtect, an internet parental control service to protect children online. A subscription allows parents to manage their children's data usage and screen time, block unsafe content with easy preset filters and obtain reports and alerts on their web activities.

In 2020, our efforts to encourage and promote the appropriate and safe use of online technology resulted in doubling year-on-year the adoption of our e-commerce platform. Our e-commerce platform became the primary sales channel for new sign-ups of our services when COVID-19 movement control measures were implemented by the government from April to May 2020.

SUSTAINABILITY REPORT



CARING FOR OUR PEOPLE & COMMUNITIES

Our employees play a vital role in ensuring that we execute our business strategy and achieve our objectives. We must stay nimble as we face increased competition for talent, as well as address demands for greater flexibility, real-time learning and purpose in the workplace. Attracting and retaining the best talent, supporting their professional growth, promoting diversity and inclusion and looking after their health, safety and well-being are priorities for StarHub. At the same time, we are committed to being a valued partner of the communities in which we operate, by supporting disadvantaged groups in digital inclusion and employability through community investment.

Our commitments are centred on four key areas:



1

Talent Management

Attracting highly-skilled individuals, and providing training and development opportunities to build a high-performing organisation.



2

Workplace Equality, Diversity and Inclusion

Promoting diversity and equality, with no discrimination based on age, race, gender identity, sexual orientation, disability, religion, family or marital status.



3

Employee Health and Safety

Creating a work environment that promotes the health and safety of our employees.

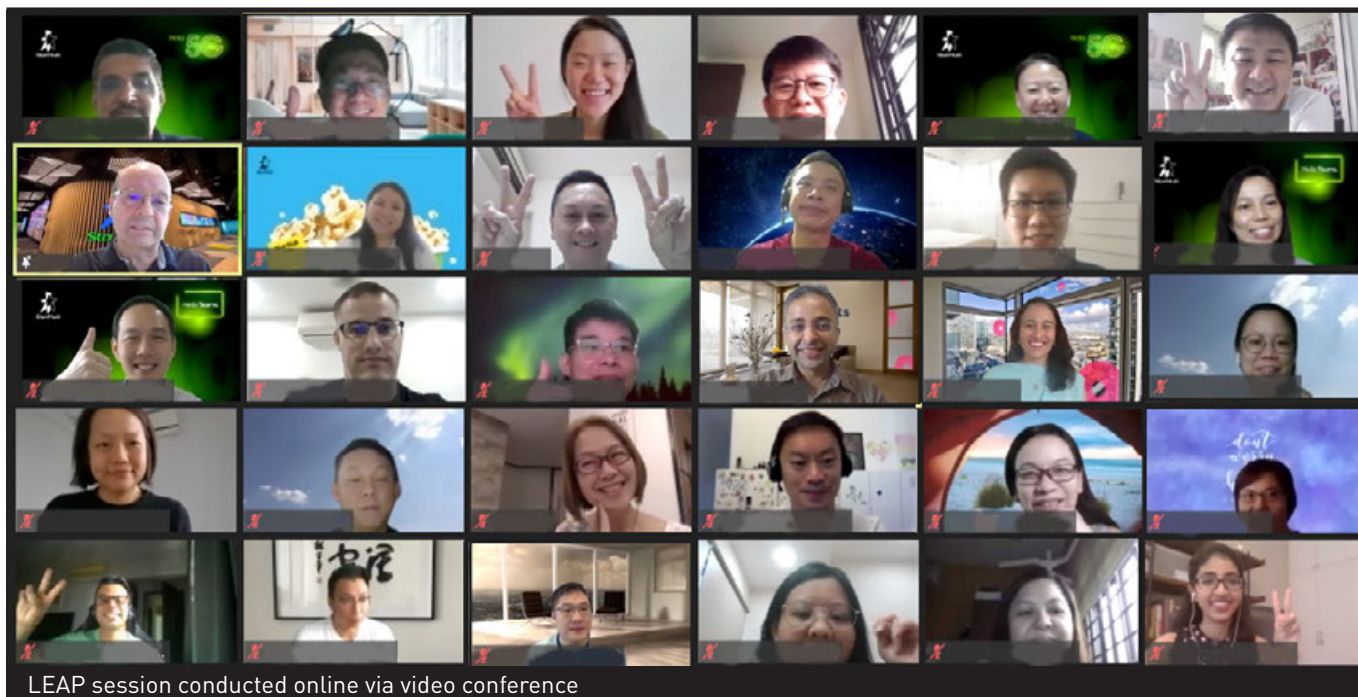


4

Investing in Local Communities

Investing in communities to support disadvantaged groups in digital inclusion and employability.





Talent Management

103-1, 103-2, 103-3, 401-1, 401-2, 401-3, 404-1

Our industry is undergoing rapid transformation, which requires us to constantly assess the skills that are critical for our business. We are focused on attracting and retaining highly-skilled individuals, engaging our employees to maximise their potential, and providing training and development opportunities to build a high-performing organisation.

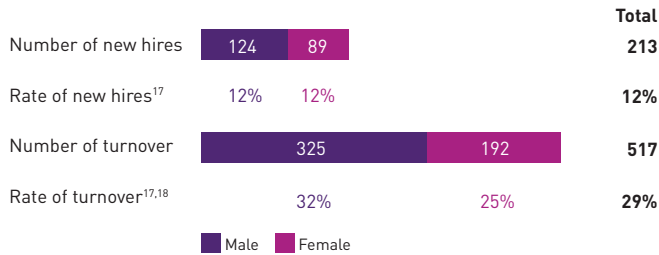
We launched the Leadership Accelerator Programme (LEAP), a 12-month leadership development journey designed to accelerate the development of key talents and build T-shaped leaders for StarHub. The journey is designed to have the right mix of Experience, Exposure and Education to maximise their learning outcomes. Each key talent has an Individual Development Plan that is tailored for their own development goals. They are supported by their direct manager, a Senior Leadership Team (SLT) Development sponsor who

is able to provide the cross-functional perspective, as well as a dedicated professional coach throughout this journey. The Education portion is bite-size and highly action-oriented with opportunities for learning from external subject matter experts as well as peer learning and self-reflection.

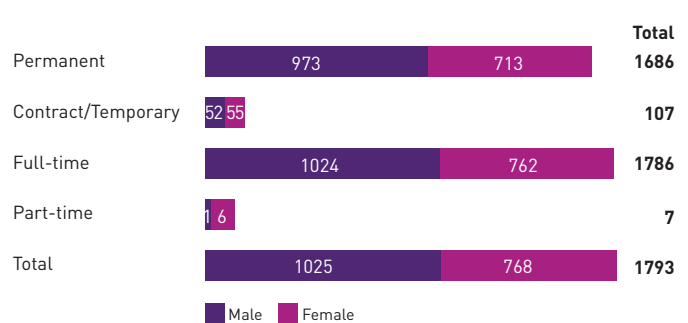
We use alternative recruitment channels, such as hackathons, and partner with local universities on the Integrated Work Study Programme, to tap into a larger talent pool, especially for tech-based roles. We offer our employees competitive remuneration packages commensurate with their job responsibilities, level of experience and performance. Full-time employees are entitled to additional benefits, such as subsidised Mobile, Pay TV and Broadband subscriptions, plus additional leave for birthdays, examinations, eldercare and volunteering. We also offer comprehensive health screening packages, and additional insurance for medical, dental, life and accident cover.

SUSTAINABILITY REPORT

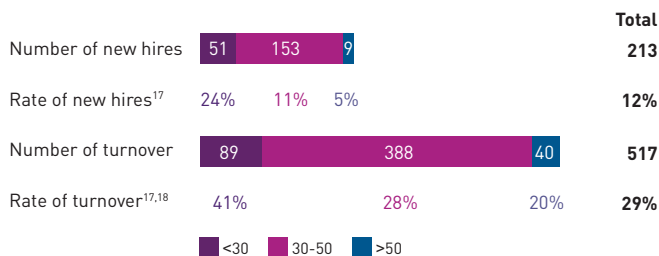
New Employee Hires and Turnover by Gender



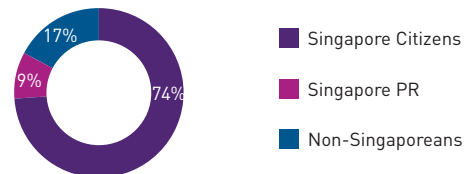
Number of Employees by Employment Contract, by Gender¹⁷



New Employee Hires and Turnover by Age Group



Proportion of Local Employees



Training and Development

StarHub is committed to the development of all talents within the organisation. We co-design individual development plans with identified high-potential employees. For all other employees, we continue to create and ensure employees have access to programmes for their professional development, in the domains of technical skills and personal effectiveness.

Building our employees' skills and capabilities is essential for employee retention, and helps them stay up-to-date on the latest industry developments. StarHub has identified cybersecurity, robotics, virtualisation and mobile network engineering as key skills and capabilities to help our employees better carry out their roles. Learning opportunities are provided through classroom training, on-the-job training as well as digital learning platforms such as LinkedIn Learning. In addition, we offer a range of sponsored training courses, including professional

certifications, such as VMware and Red Hat for StarHub's Integrated Network Engineering team.

To maximise learning opportunities for our employees, we have also established partnerships with multiple government agencies, such as SkillsFuture Singapore and IMDA.

The intent of these initiatives is to encourage all employees to build and develop skills for their personal development and growth, while developing the overall human capital within StarHub.

We invested \$401,275 in training in 2020 and received \$128,424 in training subsidies from various government agencies. These include IMDA's Company-Led Training funding. In total, we provided 16,857 hours of training for our employees. Through our learning and development programmes, we reached 77% of our workforce. The drop in overall training hours from 2019 is mainly due to most learning activities

being delivered in bite-size formats to accommodate remote learning during the COVID-19 pandemic.

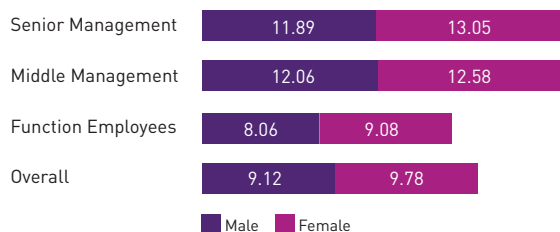
Our employees receive regular performance and career development reviews as part of StarHub's performance management system. Personal targets are set by supervisors and employees under five categories: Financial, Business, Customer, Process and People. Behavioural goals are also set according to StarHub culture markers and behaviours.

We have signed a Memorandum of Understanding (MOU) in 2016 with the Singapore Industrial and Services Employees' Union (SISEU), pursuant to which employees can take part in recreational and social activities. We maintain a collaborative partnership and have open and timely dialogues while continuing to work diligently to ensure our employees' skills stay relevant as we keep our business at the forefront of technological innovations and market trends.

¹⁷ Number of employees, rates of new hires and employee turnover are reported based on year-end headcount.

¹⁸ Turnover includes both voluntary and involuntary turnover and refers to the employees who left the company during the reporting period.

Average Training Hours Per Employee Category and Gender



Workplace Equality, Diversity and Inclusion

102-8, 103-1, 103-2, 103-3, 405-1, 405-2, 406-1

StarHub understands the importance of having a diverse and inclusive workforce to provide the organisation with different perspectives and skills. We aim to promote this and foster a culture where all employees are treated fairly and with respect.

Management regularly reviews Human Resource (HR) policies and practices related to hiring, diversity and inclusion, equal opportunity, anti-harassment, training as well as performance management. We adhere to fair employment practices, strive to provide a safe, non-discriminatory work environment and continually strengthen our workplace policies to provide a level playing field for our employees. Fair remuneration is a component of our HR policies, which include merit-based hiring, reward for performance, diversity and equal opportunity. StarHub promotes meritocratic employment, development, recognition and reward. We are proud that currently, 43% of our workforce and 25% of our Board members are female.

As a signatory to Tafep, a national initiative to promote the adoption of fair employment practices, StarHub abides by local labour laws, implements fair employment practices and prohibits any kind of discrimination in employment or transactions. In 2020, no incidents of discrimination were reported directly to StarHub or through Tafep.

Under our anti-harassment policy, employees are able to report any incidents of harassment to their immediate supervisor or the HR department without the risk of reprisal. The company will promptly investigate any complaints of harassment and take prompt remedial action to resolve complaints.

The higher employee turnover rate of 29% in 2020 was due to the transfer of employees from StarHub's Information Services team to PCCW Solutions as part of StarHub's strategic IT imperative. There were more male employees than female employees who were transferred, resulting in a higher turnover rate for male employees.

In accordance with the Ministry of Manpower (MOM) guidelines, StarHub employees are entitled to maternity, paternity and shared parental leave. Eligible working fathers are entitled to two weeks of paid paternity leave and up to four weeks of shared parental leave. To facilitate parents returning to work, StarHub provides paid child care leave, nursing rooms and child care facilities at our headquarters in StarHub Green. In 2020, 106 of our employees took parental leave with 98% returning to work thereafter. We also had a retention rate of 75% for those employees who returned to work in 2019 and remained in StarHub's employment for another 12 months after their parental leave.

In 2020, we had zero incidents of discrimination or corrective actions taken.

SUSTAINABILITY REPORT

Recognised as One of the Top 10 Companies in Inaugural Singapore Board Diversity Index



Our HR policy promotes workplace racial and gender inclusivity evident in our diverse teams

We were recognised in the inaugural Singapore Board Diversity Index for embracing diversity on our corporate boards. Launched by Willis Towers Watson, developed in partnership with the Singapore Institute of Directors and supported by BoardAgender, the Index tracks listed companies using eight dimensions, including gender, age, tenure, board independence, cultural ethnicity, international experience, domain expertise and industry knowledge.

We believe board diversity to be critical to our performance as a company, as directors with diverse backgrounds bring different perspectives, help us avoid “groupthink” and enhance the Board’s deliberations and decision-making process.

AdvertisHER: Recognition for gender representation in Singapore advertising

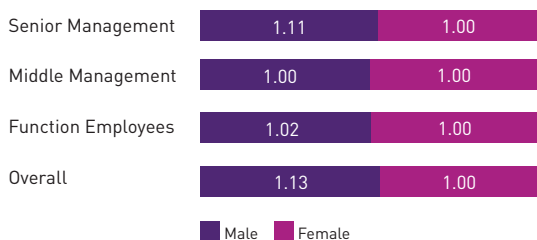


StarHub's video 'Our Founding Mothers' pays homage to the inspiring women of Singapore

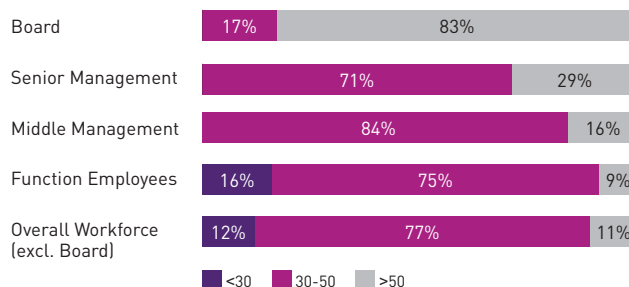
Our 'Founding Mothers in Singapore' advertisement was ranked 7th amongst Singapore companies for gender portrayal in an initiative by gender equality organisation AWARE and marketing consultancy R3 Worldwide. The advertisement was ranked positively for its portrayal of women in areas such as body image, beauty standards and breaking stereotypes.

The recognition is testament to our commitment to gender equality. We believe in the important role we play as an advertiser, recognising that advertisements end up shaping reality and societal norms, including the visibility and status of women. More information on the study can be found on AWARE's website.¹⁹

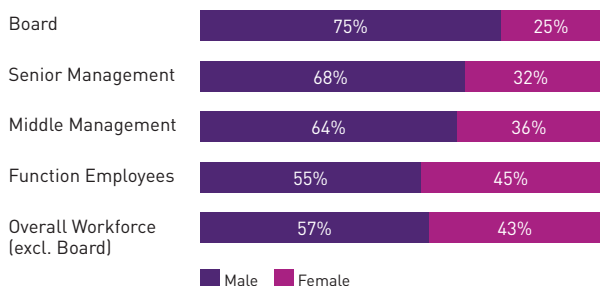
Ratio of Base Salary²⁰



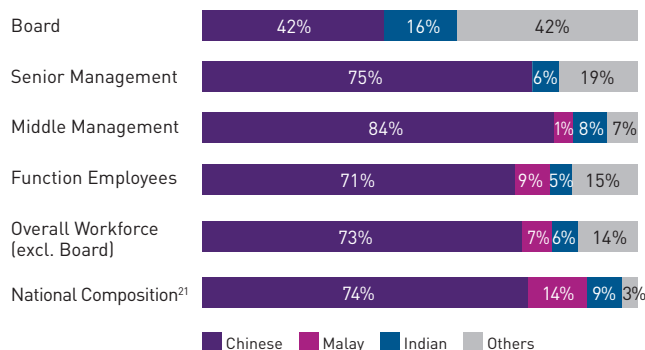
Age Diversity by Employee Category



Gender Diversity by Employee Category



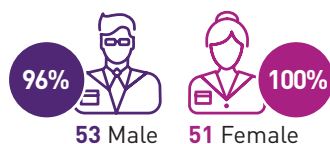
Ethnic Diversity by Employee Category



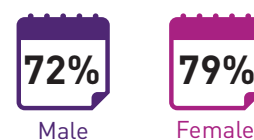
Parental Leave



Return to Work Rate



Retention Rate (after 12 months)



¹⁹ AWARE and R3 Study on Gender in Singapore Advertising, 6 July 2020.

²⁰ Based on the average base salary per male employee over the average base salary per female employee.

²¹ Ethnic Composition of the Resident Population 2020 End June published by the Department of Statistics Singapore as at 24 September 2020.

SUSTAINABILITY REPORT

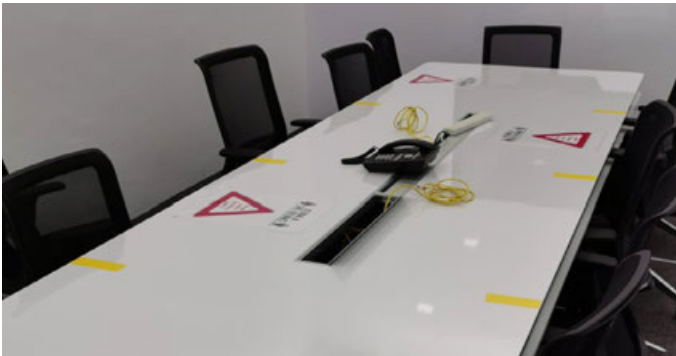
Employee Health and Safety

103,1, 103-2, 103-3, 403-9

Caring for Our Employees During COVID-19

A company is only as strong as its people. The unprecedented health risks and challenges brought about by the COVID-19 pandemic reinforced the need to maintain the health and safety of StarHub employees as a key priority, as the company continues to serve customers amidst the public health situation.

From as early as January 2020, we took precautionary measures in line with government advisories to support and protect all our employees. Other than restrictions on travel, face-to-face meetings and visitors, we also activated split-team operations and work-from-home arrangement to minimise the risk of infection and ensure business continuity. Frontline staff received necessary protective equipment, including hand sanitisers and surgical masks, and the frequency and depth of sanitisation routines were also stepped up.



Safe distancing measures implemented to help employees adhere to safety and social distancing rules.

EMPLOYEE CARE



WFH BENEFITS

include waiver of office carpark fees and reimbursement of work-from-home accessories through flexible benefit claims

#HUBBAWEEK

Daily activities and learning resources such as fitness and wellness classes as well as company-wide virtual townhalls



Timely implementation and compliance with government advisories on precautionary or safety measures and prompt communication to all staff



Frontline staff provided with

Necessary Protective Equipment

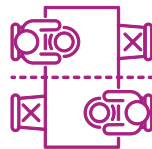
such as hand sanitisers, personal protection equipment and surgical masks



Frequency and depth of

Sanitisation Routines

were also stepped up



Split-team operations were activated with staff on work-from-home arrangement to prioritise staff safety



Unlimited Talktime

provided for staff to stay in contact with friends and family

The #SHCIRCUITBREAKERCHALLENGE

was launched to digitally bridge the distance between staff by engaging them through creative and entertaining means

Amidst physical separation, it was important for our employees to maintain relational connections with each other. The SLT conducted fortnightly company-wide virtual townhalls called #HubberHangout to provide business updates and well-being advice as well as field questions. Team leaders were also empowered to conduct regular well-being checks. To facilitate greater connection with family, friends and colleagues, all staff were given unlimited Mobile talktime.

To connect with staff and lift their spirits, a series of Bring Your #Mojo weekly challenges and contests, was introduced. This initiative started with the #SHCircuitBreakerChallenge to encourage staff to share their off-work activities, gain new skills, and learn about fellow colleagues through creative and entertaining means using video recordings, which ended with the SLT Edition.



The health and safety of our employees is a key priority for StarHub. Under our Occupational Health and Safety Management system, StarHub's Workplace Safety and Health (WSH) Committee, represented by management and employees, periodically reviews policies, procedures and practices relating to occupational health and safety. Our trained Risk Assessment Leaders and Managers within the WSH Committee work with the nominated workers' representatives across the organisation to identify and eliminate or minimise the WSH hazards of every work activity in the workplace. We require contractors undertaking work at our sites to comply with the provisions of the Workplace Safety and Health Act.

We also require contractors to submit a risk assessment report for approval prior to carrying out any work onsite.

Internal communication channels have been set up for employees to report unsafe work practices. Our external partners may also report any WSH-related issues through their StarHub counterpart or escalate the issue directly

to MOM. As an organisation, we report WSH-related incidents to MOM. The employees of our contractors are not included in the reporting of our safety performance because it will be done by their direct employers.

In 2020, there were no incidents of work-related fatality or occupational disease. There were two reported cases of work injury compensation related to falls, with an overall absenteeism rate of 1.2%.

For employees in job roles that require WSH domain knowledge, StarHub provides company-sponsored training

to enhance their skills and capabilities to deal with WSH-related issues. Examples of training support include first-aid, work-at-height and incident management processes to respond to emergencies. As of December 2020, 20 StarHub employees had undergone the bizSAFE Level 2 Risk Management Champion training and two employees have undergone the bizSAFE Level 4 WSH Management System Champion training. StarHub continues to be a certified bizSAFE Level 3 organisation, which is awarded by the Workplace Safety and Health Council Singapore following an independent audit.

Workplace Health and Safety Performance ²²	2020	2019	2018
Number of Workplace Fatalities	0	0	0
Number of Occupational Disease Cases	0	0	0
Workplace injury incidence rate (per 100,000 employees) ²³	112	144	45
Workplace Injury frequency rate (per million hours worked) ²⁴	0.6	0.7	0.2
Workplace injury severity rate (per million hours worked) ²⁵	1.7	12.8	0.1
Absenteeism Rate %	1.2	1.8	1.6

²² Workplace health and safety performance metrics are reported based on the International Labour Organization definitions.

²³ Previously given as Workplace Injury Rate.

²⁴ Previously given as Accident Frequency Rate.

²⁵ Previously given as Accident Severity Rate.

SUSTAINABILITY REPORT

Investing in Local Communities

103-1, 103-2, 103-3, 413-1

As a homegrown company, StarHub is committed to helping vulnerable groups in our communities to tide them over hardships caused by the COVID-19 pandemic. As part of our sustainability initiatives, we have been giving back to our communities through various StarHub Cares programmes, including financial relief as well as support using our know-how in info-communications, entertainment and digital solutions. In March 2020, we set up the StarHub Cares COVID-19 Fund and raised over \$1 million to fund various community support programmes. Details on the set up of the Fund and our community support initiatives are given in our COVID-19 response infographic on pages 136 to 137.

In 2020, StarHub contributed a total of \$1,738,628 to our communities, reaching over 8,000 beneficiaries. Out of the total sum, \$1,008,628 was raised under the StarHub Cares COVID-19 Fund for community support and the remaining \$730,000 was donated to seven VWOs and NPOs to support causes that are in line with our ethos. The breakdown of donations to the VWOs and NPOs is set out in the table on the right.

StarHub's generous donations were recognised at the annual Community Chest Awards with a Community Spirit Gold and a Charity Gold. We also received the Community Partnership Excellence Award at the People's Association Community Spirit Awards 2020 and a certificate of appreciation at the President's Volunteerism & Philanthropy Awards.

StarHub's Community Investment Contributions in 2020

\$100,000	Nurture programme
\$100,000	Metta Welfare Association
\$90,000	Singapore Environment Council for the School Green Awards
\$60,000	Singapore Anglican Community Services
\$50,000	Care Corner Youth Services, Online Engagement Initiative
\$20,000	SHINE Children and Youth Services
\$10,000	WWF Solar Light Challenge
\$300,000	WWF Earth Hour (in-kind donation of TV airtime)



Community Spirit Gold and Charity Gold awards from the Community Chest



Community Partnership Excellence Award from the People's Association



Chief Executive, Nikhil Eapen, receiving the Community Partnership Excellence Award from Mayor Denise Phua during her visit to StarHub corporate office



Chief Corporate Officer, Veronica Lai, and Chief Financial Officer, Dennis Chia, presenting welfare care packs to seniors at Care Corner

Besides monetary contributions, we work with several organisations that equip underprivileged youths and families as well as people with disabilities with digital, employability and essential life skills. Our additional support comes in the form of access to information and communication technology, knowledge transfer as well as voluntary employee time. We recognise that the use of our products and services affects people's lives. In most cases, the impact is positive, with individuals having increased access to information and services. However, new technologies require new skills, which can be challenging for disadvantaged groups. We are committed to supporting disadvantaged groups in the areas of digital inclusion and employability through community investment.



Chief of Enterprise Business Group, Charlie Chan, at our blood donation drive



Defrayment of HDB housing rental costs for lower-income seniors

SUSTAINABILITY REPORT

Employee Volunteering

Our employees are encouraged to participate in community volunteering. Each year, we organise several volunteering activities and provide up to two working days of paid volunteering leave per employee. Despite the

COVID-19 restrictions, we organised two volunteering events in 2020 (Blood Bank donation drive and WWF Solar Light Challenge). Our employees collectively volunteered 310 hours of their time in 2020, with 72 employees (4% of our workforce) using their volunteering leave

allowance. With less stringent movement control measures expected to be in place for 2021, we look forward to increasing employee participation in community activities and will ramp up our initiatives to make a greater impact together as a Group.

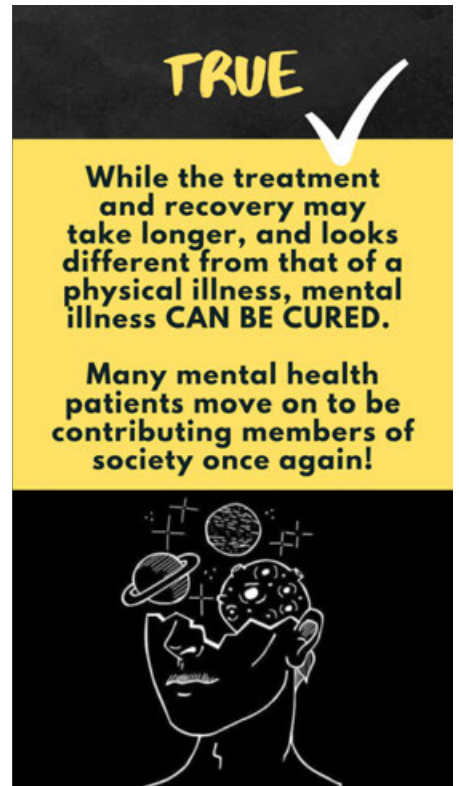
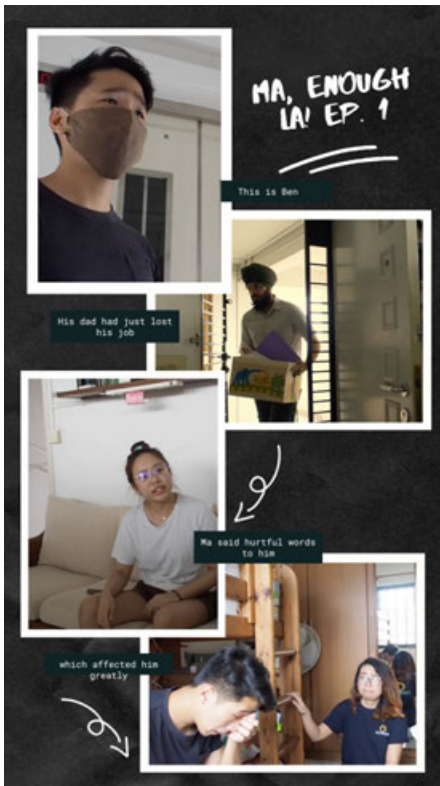
The Care Corner Youth Services

Since 2017, StarHub has been partnering with Care Corner Youth Services, which reaches out to at-risk youths who lack meaningful engagement at home and in school, with the aim of creating a safe and encouraging environment to help empower them.

This year, due to COVID-19 restrictions, we pivoted to support Care Corner Youth Services to create an online platform, providing an avenue of outreach to the youths through

cyberspace. This online engagement initiative provides youths with access to support and one-to-one intervention in the absence of physical interaction.

Through this initiative, we reached 2,375 youths. Engagement levels were high with an encouraging number of comments and responses provided following each outreach series. We also had 33 youths receiving interventions, surpassing our target of 30.



Care Corner's online engagement on mental wellness via social media, supported by StarHub

Central Singapore CDC's Nurture Programme

Since 2011, we have supported the Nurture programme, led by the Central Singapore CDC. Through interactive and activity-based lessons, the programme aims to complement the efforts by MOE and various self-help groups to assist children in two main areas: build up their confidence as communicators and develop their problem-solving skills. The programme also aims to cultivate values that inspire them to give back to the community.

In 2020, the programme was conducted via online enrichment workshops as physical lessons were suspended from April to September 2020 due to COVID-19 restrictions. With the help of 148 volunteers and 21 Nurture Lead Teachers, the programme reached 242 beneficiaries.

Some key highlights from the workshop series include:

VR 3D modelling workshop series

Using different themes for each session, the children learnt important values and gained knowledge on topics such as environment conservation, while picking up digital skills to create their own virtual environment and characters.

Speech & Drama and Illustration workshops - In collaboration with Singapore Book Council

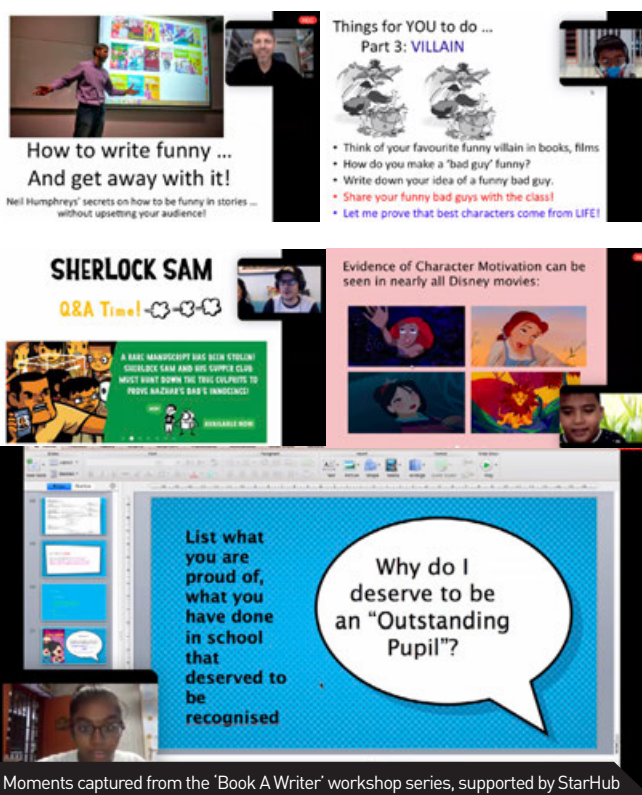
The children further honed their communication skills through engaging interactive speech and drama activities, as well as various illustration exercises.

Mindfulness Webinars - In collaboration with Social Innovation Park

Through engaging hands-on segments such as mindfulness routines, kids' yoga, sharing and reflection, the children were taught how to adopt positive thinking and be more emotionally resilient, such as how to better manage difficult emotions and accept the new normal with greater awareness.

'Book A Writer' series - In collaboration with Sing Lit Station

In this exciting series of 'Book A Writer' workshops, local bestselling authors of popular children literature - Adeline Foo, A.J. Low and Neil Humphreys - facilitated the workshops and shared useful writing tips with the children. With these insights, the children managed to create their own story characters and plots, including funny characters inspired by real-life incidents and devious villains using their imagination.



Success story #1

Rupini d/o Koesmin,
aged 11, Nurture @ Jalan Kayu

Rupini has been attending the programme since she was in Primary 1. Being familiar with the routines of the programme and the volunteer team, she has grown very confident and outspoken, at times even being disruptive in class.

Under the guidance of her Lead Teacher and volunteers, Ruipini has shown progress in being more considerate in class and learnt to channel her energy positively. For instance, she now takes the initiative to help her teacher with tasks such as cleaning the whiteboard. She also extends a helping hand to teach her peers who are lagging behind in class.



Success story #2

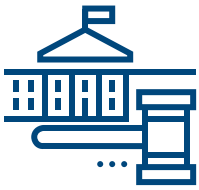
Yu Siqing,
aged 8, Nurture @ Kreta Ayer-Kim Seng

Siqing has improved tremendously in her self-confidence as well as her English listening and speaking skills.

As she previously had a weak grasp of the English language, she required assistance to translate the questions into Chinese or would provide her answers in Chinese. She was also too shy to offer to answer any questions in class.

Now Siqing is able to express herself much more confidently and would raise her hand to answer questions on her own without being prompted.

SUSTAINABILITY REPORT



EMBEDDING RESPONSIBLE BUSINESS PRACTICES

Acting responsibly is integral to maintaining the trust and confidence of our stakeholders. We are committed to conducting all our business activities with the utmost integrity. This involves implementing an effective governance structure and fostering a culture of ethical business conduct.

Beyond our own business operations, we have put in place responsible procurement practices to manage our supply chain impact. We also aim to safeguard public health from the potential adverse effects of RF emissions.

Our commitments are centred on four key areas:



1

Business Conduct and Ethics

Conducting our business responsibly, upholding the highest standards of ethics and integrity.



2

Supply Chain Management

Implementing responsible procurement practices and managing our supply chain through engagement and collaboration.



3

Public Health and Safety

Adhering to best-practices, safety standards and regulations on the safe use of RF energy.



4

Responsible Marketing and Selling

Marketing our products and services responsibly, ensuring clarity on pricing and billing.



Business Conduct and Ethics

102-16, 102-17, 103-1, 103-2, 103-3, 205-3, 206-1, 419-1, TC-TL-520a.1, TC-TL-520a.3

As a public company listed on the Mainboard of the SGX-ST, StarHub has to be responsible and accountable to a wide range of stakeholders. Maintaining high standards of business conduct and ethics are paramount to our long-term success.

We do not tolerate ethical or legal violations, including corruption. We adhere to the listing requirements, as well as the revised Code of Corporate Governance issued by the Monetary Authority of Singapore on 6 August 2018, and comply with all applicable laws in Singapore. We have put in place an Employee Code, which sets out the standards of behaviour and business conduct that address safety, harassment and corruption issues. Our Employee Code is supplemented by other policies which reinforce certain aspects of business conduct and procedures when dealing with customers, business associates and other stakeholders. These include the Corporate Gift and Hospitality Policy, the Insider Trading Policy and the Supplier and Vendor Policy. All our policies are communicated to our employees upon hiring and can be readily accessed through our intranet.

Our Whistle Blowing Policy provides employees and external parties with accessible channels to raise concerns in good faith and in confidence on any possible improprieties in our business activities, without the risk of reprisal. These include a dedicated whistle blowing channel to the Audit Committee Chairman and the General Counsel.

Employees found in breach of our Employee Code or other applicable policies will face appropriate disciplinary and legal actions, including dismissal. There were no reported incidents of corruption in 2020.

We also respect and comply with relevant legislation, licence obligations and codes of practice relating to anti-competitive behaviour for our business. We adhere to IMDA's Net Neutrality policy, which ensures that all content providers on the Web are treated equally by internet service providers. Network management is only used to allocate access to the finite network resources and bandwidth according to our customers' subscription plans, to ensure a fair use of network resources.

There were no legal actions taken against StarHub for anti-competitive behaviour in 2020.

As a testament to our responsible corporate governance, StarHub has been ranked 38th out of 577 Singapore-listed companies in SGTI²⁶ for 2020.

Overall, there were no other incidents²⁷ of significant fines and non-monetary sanctions for non-compliance with laws and regulations in the social and economic area, other than the two fines totalling \$242,000 mentioned on page 132 of this report.

For more details, please go to the Corporate Governance report on pages 68 to 99.

Public Health and Safety

103-1, 103-2, 103-3, 416-2

StarHub recognises the need to address concerns from customers, regulators and the general public on the perceived health risks associated with RF emissions from mobile devices and base stations.

The use of RF spectrum in Singapore is regulated by IMDA and the National Environment Agency (NEA). We comply strictly with RF emissions and safety standards implemented by the regulators. RF emissions from StarHub's equipment are well within the guidelines developed by the International

Commission on Non-Ionizing Radiation Protection and adopted by the World Health Organization. Where required, StarHub works closely with NEA and other mobile network operators to verify that the mobile equipment installed complies with public health and safety standards in Singapore.

There were no incidents of non-compliance concerning the health and safety impact of our products and services in 2020.

Supply Chain Management

103-1, 103-2, 103-3, 102-9, 204-1, 308-1, 414-1

We recognise that being a responsible business requires the integration of sustainability practices into our procurement and supply chain management processes. StarHub has an extensive and complex supply chain which spans geographies and sectors. Due to the nature of our global supply chain, our business is exposed to additional risks which need to be managed in order to build resiliency, reduce disruption, enhance efficiencies and safeguard our reputation.

Our main suppliers include major handset and hardware manufacturers, as well as software and infrastructure solution providers. Local suppliers made up about 95% of our total procurement spend of \$1.65 billion in 2020²⁸, while 90% of our total supplier base of 2,015 suppliers were local.

In 2017, we began our supply chain risk assessment process. We completed a segmentation exercise using a weighted approach based on relevant factors for each supplier category, allowing us to identify 47 high-risk suppliers that have higher resiliency and compliance risks.

In 2018, we updated our Supplier Code of Conduct (Supplier Code) based on the ten principles of the UN Global Compact, to outline the standards required of our

²⁶ SGTI is the leading index for assessing corporate governance practices of Singapore-listed companies.

²⁷ Only incidents with significant fines above the amount of \$10,000 are reported.

²⁸ Supply chain procurement spend includes all procurement conducted during 2020, with or without a Purchase Order (PO), except for those related to content acquisition. Suppliers are classified as local if the purchase is made from an entity located in Singapore, as these entities contribute to Singapore's economy.

SUSTAINABILITY REPORT

suppliers in the areas of human rights, labour, environment and anti-corruption. In the first phase of our implementation, we included the Supplier Code in the Terms and Conditions issued to our suppliers with each PO, pursuant to which they agreed to adhere to the standards set out in the Supplier Code through their acceptance of the PO. With the formal governance structure established in 2019, we implemented our Responsible Sourcing Policy in 2020, which reserves our right not to procure goods and services from suppliers who do not adhere to the Supplier Code.

Going forward, we will conduct further due diligence by requesting our suppliers to complete our online Supplier Self-Assessment Questionnaire, which assesses their compliance with the Supplier Code. In the first phase of our implementation, 50 of our key suppliers with a minimum spend of \$1 million in 2020, including those among the 47 previously identified as high-risk suppliers, had completed their self-assessment. All 50 suppliers have indicated that they complied with our Supplier Code and have required the same of their suppliers, where applicable. The subsequent phases will include a self-assessment of the remaining suppliers implemented as a form of pre-qualification for new suppliers, to be refreshed at least once every three years. We aim to use this exercise to ensure that our suppliers are continuously aligned with our values and the requirements set out in the Supplier Code.

Responsible Marketing and Selling

103-1, 103-2, 103-3, 417-2, TC-TL-220a.1, TC-TL-220a.2, TC-TL-220a.3

To maintain the loyalty of our customers and attract new customers, it is important for us to market and advertise our products and services responsibly, as well as ensure clarity in our pricing and billing. Following the success of the giga! launch in 2019, we refreshed our StarHub Rewards programme in 2020, to give our customers instant rewards. In 2020, we were recognised for our marketing efforts and won a total of 18 awards from five different organisations. Please refer to pages 32 - 33 for the full list of our awards and achievements.

List of 18 Marketing Awards

StarHub Rewards

Loyalty & Engagement Awards 2020

- Gold for Best Loyalty Programme - Telecommunications
- Gold for Most Innovative Loyalty Programme
- Silver for Best Use of Rewards & Incentives
- Silver for Best Use of Mobile

Mob-Ex

- Gold for Best User Experience
- Silver for Best Use of Mobile - Customer Engagement
- Silver Most Innovative Use of Mobile
- Silver Most Innovative Use of Mobile Technology

Marketing Excellence Awards

- Gold for Excellence in Loyalty Marketing
- Silver for Excellence in Gamification

giga!

Mob-Ex

- Silver for Best Mobile Growth Strategy
- Bronze for Best Insight Driven Mobile Campaign
- Bronze for Use of Mobile

The Asia eCommerce Awards

- Silver for Best Use of AI
- Bronze for Best Use of UI / UX Design
- Bronze for Best e-Commerce Fulfilment

Marketing Excellence Awards

- Silver for Excellence in Social Media Marketing

Westworld FreeView

Promax Asia Awards 2020

- Silver for Best Online / VOD Service Promo

We comply with all applicable local regulations and guidelines, such as the Television and Radio Advertising and Sponsorship Code. Our DPO oversees compliance with our Do-Not-Call (DNC) Policy, which guides and ensures that we comply with the PDPA – DNC Registry provisions. Targeted marketing messages will only be sent to mobile numbers in Singapore where consent has been obtained and any messages sent will have an appropriate tag prefixed to ensure the clear intent of our communication. Our Customer Communication Guidelines supplement our DNC Policy and serve as further guidance on customer communication.

In 2020, we continued to accelerate our Hello Change strategy to do things differently by simplifying and improving our services with no hidden fees. We simplified our TV plans by converging IPTV and OTT with the introduction of StarHub TV+, providing better value and flexibility. We also released our bundled Broadband, TV entertainment and Netflix all-in-one subscription with HomeHub Plus, offering unlimited entertainment with over 90,000 hours of shows at home and on-the-go. We also continue to curate the best OTT entertainment services for our customers with partners such as iQIYI, Hotstar, Netflix, HBO GO, TVBAnywhere+, BBC Player and beIN Sports Connect.



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When we launch new products and services, our Customer Service team is trained to communicate our pricing structure and contractual terms clearly and transparently to our customers. Customers also have the convenience of accessing the My StarHub app or our website to manage their subscriptions and pay their bills.

There were no incidents of non-compliance relating to regulations and/or voluntary codes concerning marketing communications in 2020. We received one clarification notice from the Advertising Standards Authority of Singapore in relation to one of our advertisements, which was promptly reviewed and edited to address viewers' concerns.



StarHub Marketing team and Digital team receiving their awards





STAKEHOLDER ENGAGEMENT

102-21, 102-40, 102-42, 102-43, 102-44

Our interactions and engagements with our stakeholders are essential to ensure we continue to create value for them and achieve our long-term success as a business. By promoting open dialogue, we create an environment in which our stakeholders can share their feedback on how we can do things differently or work together with us to improve our practices.

Through a stakeholder mapping exercise and annual review, we have identified our main stakeholders based on the potential for StarHub to impact their part of the value chain, as well as their potential to impact our business.



NTUC Assistant Director-General and Director of NTUC Membership Services Division, Vivek Kumar (left) with StarHub Chief of Consumer Business Group, Johan Buse, signed an MOU for partnership extension

Engagement to Narrow The Digital Divide

StarHub has been in a strategic partnership with the National Trades Union Congress (NTUC) since 2017. On 27 October 2020, we signed a Memorandum of Understanding (MOU) to extend the partnership until December 2022.

The partnership will equip union members with 5G knowledge and provide them with a suite of members-only promotions for our Mobile, TV and Broadband services. As an additional measure to narrow the digital divide, StarHub has offered two 12-month complimentary mobile plans to every member with a gross monthly income of less than \$2,000.

The COVID-19 pandemic changed the nature and focus of our engagement with stakeholders. Virtual meetings and online communications were used to maintain open dialogue with our stakeholders, replacing face-to-face meetings where possible. Engagement with customers and employees were made more frequent, to build confidence amidst the uncertainty.

The following table summarises our key engagement efforts during the reporting period.

- Internal Stakeholders
- External Stakeholders



SUSTAINABILITY REPORT

Summary of Stakeholder Engagement Efforts in 2020

Stakeholder Group	Engagement Method & Frequency	Stakeholders' Expectations	StarHub's Response
Customers	<ul style="list-style-type: none"> • Customer surveys (ongoing) • Social media (ongoing) • GreenR Community online forum (regularly) • Customer Service touchpoints (ongoing) • Sustainability Report (annually) 	<ul style="list-style-type: none"> • Seamless, high-quality network coverage • Simplicity and clarity of StarHub's fees and contracts • Cybersecurity and data protection • Enhanced support for customers in light of COVID-19 challenges 	<ul style="list-style-type: none"> • Ongoing investments in infrastructural upgrades • Continued to deliver on our Hello Change brand promise • Active and ongoing monitoring of cybersecurity trends to stay updated on latest developments • Offered a series of promotions and enhanced services to extend additional support to our customers
Employees	<ul style="list-style-type: none"> • Intranet and StarHub GreenR Community forum (ongoing) • Emails (regularly) • Workshops (regularly) • #HubberHangout Skype Broadcast communication session (fortnightly) • Employee engagement activities, such as webinars and volunteering activities (regularly) • Sustainability Report (annually) 	<ul style="list-style-type: none"> • Career and talent development • Pay and benefits • Work-life balance • Access to communication channels 	<ul style="list-style-type: none"> • Refined an annual Talent and Succession Planning framework and process • Implemented a flexi-benefit scheme in 2020 to cater for employees' needs at different life stages • COVID-19 proactive encouragement of safe work practices at the office and remote working arrangements • Introduced the #HubberHangout Skype Broadcast to address employees and maintain good communication during the COVID-19 work-from-home arrangement
Suppliers	<ul style="list-style-type: none"> • Company website (ongoing) • Face-to-face meetings (regularly) • Emails (regularly) • Teleconference (regularly) • Sustainability Report (annually) 	<ul style="list-style-type: none"> • Procurement process • Compliance with terms and conditions of purchasing policies, including StarHub's Supplier Code 	<ul style="list-style-type: none"> • Communicating our Supplier Code online • Implemented a Responsible Sourcing Policy • Implemented a Supplier Self-Assessment Questionnaire to guide compliance
Distributors and Retailers	<ul style="list-style-type: none"> • Face-to-face meetings (regularly) • Shop visits (regularly) • Emails (regularly) 	<ul style="list-style-type: none"> • Timely delivery • Quality assurance • Strong dealer collaboration, driving good customer experience • After-sales support • Offer attractive sales promotions 	<ul style="list-style-type: none"> • Continued to support partners with simplified processes and systems • Provided training and selling tools • Enhanced the service offerings in line with those provided at StarHub Shops • Introduced Salesforce tools to further improve our channel management in the Mobile Prepaid business

Stakeholder Group	Engagement Method & Frequency	Stakeholders' Expectations	StarHub's Response
Business Partners	<ul style="list-style-type: none"> • Teleconference (regularly) • Sustainability Report (annually) 	<ul style="list-style-type: none"> • Business opportunities partnership 	<ul style="list-style-type: none"> • Explored partnerships to seek mutually beneficial business opportunities
Investors	<ul style="list-style-type: none"> • Financial reports and disclosures (regularly) • Annual Report (annually) • Announcements via SGXNet (timely) • Annual General Meeting (annually) • Combined analyst and media briefing for Full Year results announcements, with webcast available for public participation (annually) • Combined analyst and media results update call (quarterly) • Investor conferences (regularly) • Investor meetings and non-deal roadshows (regularly) • Sustainability Report (annually) • IR contact – email address and phone number listed on IR website 	<ul style="list-style-type: none"> • Transparency, timely information on business performance, strategy, views on operating landscape and business outlook • Timely response to queries 	<ul style="list-style-type: none"> • Continued to actively engage the investment community, including face-to-face investor meetings, prompt response to email and phone queries, regular update meetings with research analysts • Provided timely and comprehensive information to the market, and remained committed to best corporate governance and disclosure practices
Local Communities	<ul style="list-style-type: none"> • Community outreach programmes (ongoing) • Corporate sponsorships (ongoing) • Sustainability Report (annually) 	<ul style="list-style-type: none"> • Addressing social needs, including digital inclusion and employability • Providing support during COVID-19, especially during the period of movement control measures implemented by the government 	<ul style="list-style-type: none"> • Regularly reviewing community needs • Partnering with VWOs • Investing in community projects to support underprivileged youths and families • Organised ground-up initiatives to help vulnerable groups affected by COVID-19
Media	<ul style="list-style-type: none"> • Media events / briefings • Media releases (regularly) • Media responses (timely) • Annual Report (annually) • Corporate Governance Report (annually) • Sustainability Report (annually) • Media contact - email address listed on corporate website 	<ul style="list-style-type: none"> • Exposure and access to company developments and news as well as breaking stories on products, services, entertainment and related content 	<ul style="list-style-type: none"> • Provided dedicated media contacts, and offering timely and accurate information on company affairs of public interest

SUSTAINABILITY REPORT

Stakeholder Group	Engagement Method & Frequency	Stakeholders' Expectations	StarHub's Response
Government and Regulators	<ul style="list-style-type: none"> • Face-to-face meetings (regularly) • Consultation sessions (regularly) • Calls for Proposals (regularly) • Sustainability Report (annually) 	<ul style="list-style-type: none"> • Compliance with regulations, including providing a resilient service for our customers • Support in digital readiness, online safety, narrowing digital divide 	<ul style="list-style-type: none"> • Complied with regulatory requirements, including relevant audits on our infrastructure • Participated and served as a member of the Digital Readiness Network
Trade Unions	<ul style="list-style-type: none"> • Face-to-face meetings (regularly) • Informal/formal consultations (regularly) • Sustainability Report (annually) 	<ul style="list-style-type: none"> • Access to employees for promoting membership • Open and honest dialogue with management • Knowledge sharing and capacity building 	<ul style="list-style-type: none"> • Signed MOU with SISEU • Signed MOU with NTUC • Offering union members-only promotions for lower-income groups
Non-Governmental Organisations (NGO) and Advocacy Groups	<ul style="list-style-type: none"> • Meetings (regularly) • Conferences (regularly) • Sustainability Report (annually) 	<ul style="list-style-type: none"> • Responsible business practices • Reducing environmental impact • Disclosing information about our sustainability performance 	<ul style="list-style-type: none"> • Developed plans to set science-based GHG emissions targets • Supported the GRI Regional Hub as a member of the founding consortium
The Board and SLT	<ul style="list-style-type: none"> • Board or Board Committee meetings (regularly) • StarHub Board Portal • Quarterly reports (quarterly) • Business reports and updates (regularly) • Emails • Annual General Meeting and the Extraordinary General Meeting (annually) 	<ul style="list-style-type: none"> • Access to relevant information and up-to-date policies • Receive complete, adequate and timely information • Develop sound strategies 	<ul style="list-style-type: none"> • Conducted orientation programme for newly-appointed Directors • Provided continual training and development • Conducted network and technology briefing

Membership and Associations in 2020

102-12, 102-13

American Chamber of Commerce in Singapore
 Asia Pacific Network Information Centre
 Asia Video Industry Association
 Association of Certified Fraud Examiners
 Association of Chartered Certified Accountants
 British Chamber of Commerce Singapore
 Chartered Institute of Management Accountants
 Chartered Secretaries Institute of Singapore
 CONEXUS Mobile Alliance
 Contact Centre Association of Singapore
 CPA Australia
 Digital Readiness Network
 Disaster Recovery Institute International
 Global Compact Network Singapore
 Global Reporting Initiative Regional ASEAN Hub-Founding Consortium
 GSMA
 IMDA's 5G Workforce Transformation Committee
 Information Systems Audit and Control Association
 Institute of Service Excellence at SMU

Institute of Singapore Chartered Accountants
 Intelligent Transportation Society Singapore
 International Information System Security Certification Consortium
 National Sustainable Procurement Roundtable
 Promax Asia
 Project Management Institute
 Scrum Alliance
 SGTech - Smart Nation Chapter
 Singapore Academy of Law
 Singapore Advanced Research & Education Network
 Singapore Association of the Institute of Chartered Secretaries and Administrators
 Singapore Business Federation
 Singapore Chinese Chamber of Commerce & Industry
 Singapore Computer Society
 Singapore Corporate Counsel Association
 Singapore Hotel Association
 Singapore Institute of Directors
 Singapore International Chamber of Commerce
 Singapore National Employers' Federation
 Wireless Broadband Alliance

APPENDIX

StarHub Value Creation Scorecard

Performance Indicators	FY2020	FY2019	FY2018
Environmental			
CO ₂ e emissions for Scope 1+2 (tonnes)	55,438	60,750	61,426
Carbon emission intensity per \$million revenue (tonnes CO ₂ e) ²⁹	27.3	26.1	26.0
Energy intensity per \$million revenue (gigajoules)	246	225	219
Electricity used (million kWh)	137	144	142
Energy consumption (gigajoules)	499,060	525,420	517,304
Water consumption (megalitres)	9.65	21.78	24.70
General waste (non-hazardous) (tonnes)	17.6	35	46
Internal e-waste recycled (tonnes)	49.1	387	213
Paper recycled (tonnes)	1.8	8.9	17.8
Social			
Employees			
Permanent employees	1,686	2,016	2,216
Local employees (% of Singapore citizens)	74	70	73
New hires	213	450	358
Female employees (%)	43	42	41
Female managers (% of Senior level)	35	36	37
Female managers (% of Middle level)	36	35	36
Female Heads of Department (% of HODs)	20	37	36
Average training hours per employee	9.4	14	19
Training expenditure per employee (\$)	238	421	618
Employee turnover rate ³⁰ (%)	29	24	32
Number of reported work injuries	2	3	1
Fatal accidents	0	0	0
Community			
Employee volunteerism participation (%)	4	7	3
Community investment and donations to charities (\$million)	1.7	1.0	0.8
Governance & Marketplace			
Revenue (\$million)	2,029	2,331	2,362
Net profit (\$million)	158	179	201
Dividends paid to shareholders (\$million)	82	186	277
Suppliers			
Share of local suppliers as percentage of total procurement spend ³¹ (%)	95	93	86
Proportion of local suppliers ³¹	90	88	89

Materiality Assessment

102-15, 102-46, 102-47

We followed the principle of materiality as set out in the GRI Standards, undertaking a five-stage approach.

Topic Identification:

Conducted desk-based research and a benchmarking exercise to identify any new topics that may have emerged since StarHub's latest materiality assessment in 2017. This stage filtered out topics that were not relevant and produced a list of 15 topics that were taken forward for prioritisation.

Topic Prioritisation:

Launched an internal and external stakeholder survey to prioritise (using the Likert scale of 1-5) and rank the list of 15 topics based on what are most important for StarHub to manage.

Interviews:

Conducted interviews with the SLT at StarHub and key external stakeholders to gather additional context and insights into the important issues facing StarHub and the industry.

Results Analysis:

Consolidated the information gathered and analysed the results to produce a preliminary matrix.

Validation:

Validated the materiality results with the SLT and the Board.

During the materiality assessment, we aimed to get balanced views from representatives of our most important stakeholder groups, namely StarHub employees, enterprise customers, government/regulators, investors, media, NGOs and suppliers. In the future, we will continue to review our material topics on a regular basis.

²⁹ Carbon emission intensities for 2019 and 2018 are restated to include only Scope 1 and 2 emissions.

³⁰ Figures include voluntary and involuntary turnover, including all employees who left the company during the reporting period.

³¹ Figures for all procurement spend during the reporting period, with or without PO, excluding those related to content acquisition. Suppliers are classified as local if the purchase is made from an entity located in Singapore.

SUSTAINABILITY REPORT

UN Global Compact (UNGC) – Communication on Progress (COP)

StarHub has been a signatory member of the UNGC since 2012. Progressively, we have taken appropriate actions to incorporate the ten principles in the way we conduct business. Progress on the implementation of the ten principles is provided in the sections of this report indicated below.

CEO Statement

StarHub reaffirms our support of the Ten Principles of the UNGC in the areas of Human Rights, Labour, Environment and Anti-Corruption.

Our sustainability report serves as our annual COP, describing our actions to continually improve the integration of the UNGC and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Key Areas	Principles	Reference
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Pages 153-154
	Principle 2: make sure that they are not complicit in human rights abuses.	Pages 153-154
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Pages 153-154
	Principle 4: the elimination of all forms of forced and compulsory labour;	Pages 153-154
	Principle 5: the effective abolition of child labour; and	Pages 153-154
	Principle 6: the elimination of discrimination in respect of employment and occupation.	Pages 143-145, 153-154
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;	Pages 121, 153-154
	Principle 8: undertake initiatives to promote greater environmental responsibility; and	Pages 122-130
	Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Pages 122-130
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Pages 153-154

Description and Boundary of StarHub's Material Sustainability Topics

Topic	Description	Suppliers	Infrastructure	Operations	Products	Customers
Protecting the Environment						
Energy and GHG Emissions	Improving energy efficiency within our operations, increasing the use of renewable energy and reducing our GHG emissions.	X	X	X	X	
Climate Change Adaptation	Building our business and infrastructure resiliency against the impact of climate change, including physical and regulatory risks.	X	X	X	X	
Waste Management	Enabling the reduction, reuse and recycling of waste, especially e-waste, within our operations and the community.	X	X	X	X	X
Water Use	Reducing the amount of water consumed in our operations and improving water efficiency.		X	X		
Enabling a Digital Society						
Product and Service Quality	Maintaining the highest level of product and service quality and reliability to establish trust and enhance customer experience.	X			X	
Cybersecurity and Data Privacy	Ensuring adequate systems and processes are put in place to prevent cyber breaches and leaks, respecting the rights to data privacy of our employees and customers.	X	X	X	X	X
Online Safety	Creating awareness and implementing measures to protect the safety of our online users, especially vulnerable groups such as children.					X

SUSTAINABILITY REPORT

Topic	Description	Suppliers	Infrastructure	Operations	Products	Customers
Caring for Our People and Communities						
Talent Management	Attracting highly-skilled individuals, engaging our employees and providing training and development opportunities to build a high-performing organisation.			X		
Workplace Equality, Diversity and Inclusion	Promoting a culture of diversity and equal opportunity, free from discrimination on the basis of age, race, gender identity, sexual orientation, disability, religion, family or marital status.			X		
Employee Health and Safety	Creating a work environment that promotes the health of our employees and ensures their safety.	X		X		
Investing in Local Communities	Investing in the communities in which we operate, particularly in supporting disadvantaged groups in the areas of digital inclusion and employability.			X		X

Responsible Business Practices						
Business Conduct and Ethics	Conducting our business activities responsibly, upholding the highest standards of ethics and integrity.	X		X		X
Supply Chain Management	Implementing responsible procurement practices and managing our supply chain impact through supplier engagement and collaboration.	X				
Public Health and Safety	Adhering to best-practice safety standards and regulations, while staying up-to-date with the latest research and findings on RF emissions risks.		X		X	X
Responsible Marketing and Selling	Marketing and advertising our products and services responsibly and ensuring clarity of our pricing and billing.			X		X

Independent Limited Assurance Report

To the Directors of StarHub Ltd

We were engaged by the Board of Directors of StarHub Ltd (the Company) to provide limited assurance on the accompanying StarHub Sustainability Report 2020 for the year ended 31 December 2020 (the Report), as set on pages 108 to 164, and the selected Global Reporting Initiative Sustainability Reporting Standards disclosures (Selected GRI Disclosures) as identified below.

Conclusion

Based on the evidence we obtained from the procedures performed as described in the *Auditors' Responsibilities* section of our report, nothing has come to our attention that causes us to believe that:

- (a) the Report has not described the sustainability practices on a comply-or-explain basis with reference to the following components as listed under Rule 711B of the Singapore Exchange's (SGX) Listing Manual:
 - Material environmental, social and governance factors;
 - Policies, practices and performance;
 - Targets;
 - Sustainability reporting framework; and
 - Board statement;
- (b) the Selected GRI Disclosures as identified in the table below, are not presented, in all material respects, in accordance with the relevant topic-specific disclosures requirements in the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards); and
- (c) the Selected GRI Disclosures as identified in the table below, are not calculated, in all material respects, in accordance with the relevant topic-specific disclosures requirements in the GRI Standards.

Material Topic	GRI Standards	Topic-specific Disclosure	Selected GRI Disclosures
Energy	GRI 302-1	Energy consumption within the organisation	497,759 gigajoules (GJ)
	GRI 302-2	Energy consumption outside of the organisation	1,301 gigajoules (GJ)
	GRI 302-3	Energy intensity	246 GJ per \$million revenue (including Exclusive Partners)
	GRI 302-4	Reduction of energy consumption	5%
Water Use	GRI 303-3	Water withdrawal	9.65 megalitres
Greenhouse Gases (GHG) Emissions	GRI 305-1	Direct (Scope 1) GHG emissions	2,103 tonnes CO ₂ e
	GRI 305-2	Energy indirect (Scope 2) GHG emissions (location-based)	55,949 tonnes CO ₂ e
	GRI 305-2	Energy indirect (Scope 2) GHG emissions (market-based)	53,335 tonnes CO ₂ e
	GRI 305-3	Other indirect (Scope 3) GHG emissions	8,658 tonnes CO ₂ e
GRI 305-4	GHG emissions intensity	27.3 tonnes CO ₂ e per \$million revenue	
Waste Management	GRI 306-2	Waste by type and disposal method	Internal e-waste recycled: 49.1 tonnes Paper recycled: 1.8 tonnes Non-hazardous general waste disposed: 17.6 tonnes

SUSTAINABILITY REPORT

Material Topic	GRI Standards	Topic-specific Disclosure	Selected GRI Disclosures					
Talent Management	GRI 401-1	New employee hires and employee turnover	Gender		Male	Female	Total	
			Number of new hires		124	89	213	
			Rate of new hires		12%	12%	12%	
			Number of turnover		325	192	517	
			Rate of turnover		32%	25%	29%	
			Age Group		< 30	30-50	> 50	Total
			Number of new hires		51	153	9	213
			Rate of new hires		24%	11%	5%	12%
			Number of turnovers		89	388	40	517
			Rate of turnover		41%	28%	20%	29%
Talent Management	GRI 404-1	Average hours of training per year per employee			Male	Female		
			Senior Management		11.89	13.05		
			Middle Management		12.06	12.58		
			Function Employees		8.06	9.08		
			Overall		9.12	9.78		
Workplace Equality, Diversity and Inclusion	GRI 405-1	Diversity of governance bodies and employees	Gender		Male	Female		
			Board		75%	25%		
			Senior Management		68%	32%		
			Middle Management		64%	36%		
			Function Employees		55%	45%		
			Overall Workforce (excl. Board)		57%	43%		
			Age Group		< 30	30-50	> 50	
			Board		0%	17%	83%	
			Senior Management		0%	71%	29%	
			Middle Management		0%	84%	16%	
			Function Employees		16%	75%	9%	
			Overall Workforce (excl. Board)		12%	77%	11%	
			Ethnic Group		Chinese	Malay	Indian	Others
			Board		42%	0%	16%	42%
			Senior Management		75%	0%	6%	19%
Middle Management		84%	1%	8%	7%			
Function Employees		71%	9%	5%	15%			
Overall Workforce (excl. Board)		73%	7%	6%	14%			

Material Topic	GRI Standards	Topic-specific Disclosure	Selected GRI Disclosures					
Workplace Equality, Diversity and Inclusion	GRI 405-2	Ratio of the basic salary and remuneration of women to men	Ratio of Base Salary	Female	Male			
			Senior Management	1.00	1.11			
			Middle Management	1.00	1.00			
			Function Employees	1.00	1.02			
			Overall	1.00	1.13			
Employee Health and Safety	GRI 403-9	Work-related injuries	Workplace Injury Frequency Rate	2020				
			Number of Workplace Accidents	2				
			Workplace Injury Frequency Rate	0.6				
			Workplace Injury Severity Rate	2020				
			Number of Man Days Lost	6				
			Workplace Injury Severity Rate	1.7				
			Workplace Injury Incidence Rate	2020				
			Number of Workplace Injuries	2				
			Workplace Injury Incidence Rate	112				
			Workplace Fatalities	2020				
			Number of Workplace Fatalities	0				
			Occupational Disease	2020				
			Number of Occupational Disease Incidences	0				
			Investing in Local Communities	GRI 204-1	Proportion of spending on local suppliers	Share of local suppliers as a percentage of total supplier payments: 95%		
						Proportion of local suppliers as a percentage of total suppliers: 90%		

Basis for Conclusion

We conducted our limited assurance engagement in accordance with Singapore Standard on Assurance Engagement 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* (SSAE 3000). Our responsibilities are further described in the Auditors' Responsibilities section of our report.

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies *Singapore Standard on Quality Control 1* and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

SUSTAINABILITY REPORT

Responsibilities of Management

Management is responsible for:

- preparing and presenting the Report in accordance with the GRI Standards and Rule 711B of the SGX Listing Manual, and the information and assertions contained within it;
- determining StarHub's objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues;
- establishing and maintaining appropriate internal control systems that enable the preparation and presentation of the Report and the selected GRI disclosures that are free from material misstatement, whether due to fraud or error;
- preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities; and
- ensuring that staff involved with the preparation and presentation of the Report are properly trained, information systems are properly updated and that any changes in reporting encompass all significant reporting units.

The directors' responsibilities include overseeing the Company's sustainability reporting process.

Auditors' Responsibilities

Our responsibility is to carry out a limited assurance engagement in accordance with SSAE 3000 and to express a conclusion based on the work performed. SSAE 3000 requires that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement. The extent of our work performed depends on our professional judgement and our assessment of the engagement risk.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- Inquiries of management to gain an understanding of StarHub's processes for determining the material issues for StarHub's key stakeholder groups;
- Interviews with senior management and relevant staff at group level and selected business unit level concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- Interviews with relevant staff at the corporate and business unit level responsible for providing the information in the Report;
- Inquiries about the design and implementation of the systems and methods used to collect and report on the GRI Disclosures, including the aggregation of the reported information;
- Comparison of the GRI Disclosures presented in the Report to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been appropriately included in the GRI Disclosures; and
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of the Company.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Due to the inherent limitations of any internal control structure it is possible that errors or irregularities in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Restriction on Use

This report has been prepared for the Directors of StarHub Ltd for the purpose of providing an assurance conclusion on the Report and Selected GRI Disclosures and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of StarHub Ltd, or for any other purpose than that for which it was prepared.



KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
19 March 2021

GRI Content Index

102-55

This report has been prepared in accordance with the GRI Standards: Core option. The table below presents our GRI content index, which specifies each of the GRI Standards used in this report with references to where the information can be found. Where we were not able to meet the GRI Standards reporting requirements, we have included our reasons for the omission in the table below.

GRI STANDARD DISCLOSURE	GRI DISCLOSURE	REFERENCES/REASONS FOR OMISSION
GENERAL DISCLOSURE		
GRI 102: General Disclosures 2016	Organisational Profile	
	102-1 Name of the organisation	StarHub Ltd
	102-2 Activities, brands, products, and services	18 -19
	102-3 Location of headquarters	Singapore
	102-4 Location of operations	99, 261
	102-5 Ownership and legal form	282
	102-6 Markets served	18-19, 230-233, 261
	102-7 Scale of the organisation	142
	102-8 Information on employees and other workers	142-145
	102-9 Supply chain	153 - 154
	102-10 Significant changes to the organisation and its supply chain	No significant changes
	102-11 Precautionary Principle or approach	100
	102-12 External initiatives	160, 162
	102-13 Membership of associations	160
	Strategy	
	102-14 Statement from senior decision-maker	113
	102-15 Key impacts, risks, and opportunities	100-105, 114, 161
	Ethics and Integrity	
	102-16 Values, principles, standards, and norms of behaviour	153
	102-17 Mechanisms for advice and concerns about ethics	153
	Governance	
	102-18 Governance structure	115
	102-19 Delegating authority	115
	102-20 Executive-level responsibility for economic, environmental, and social topics	115
	102-21 Consulting stakeholders on economic, environmental, and social topics	157
	Stakeholder Engagement	
	102-40 List of stakeholder groups engaged	157 - 160
	102-41 Collective bargaining agreements	37% of our workforce are members of SISEU
	102-42 Identifying and selecting stakeholders	157
	102-43 Approach to stakeholder engagement	157 - 160
102-44 Key topics and concerns raised	157 - 160	
Reporting Practice		
102-45 Entities included in the consolidated financial statements	230-233	
102-46 Defining report content and topic Boundaries	110	
102-47 List of material topics	114	
102-48 Restatements of information	125, 161	
102-49 Changes in reporting	No changes in reporting	
102-50 Reporting period	110	

SUSTAINABILITY REPORT

GRI STANDARD DISCLOSURE	GRI DISCLOSURE	REFERENCES/REASONS FOR OMISSION
GENERAL DISCLOSURE		
GRI 102: General Disclosures 2016	102-51 Date of most recent report	StarHub Sustainability Report 2019 published 8 April 2020
GRI 102: General Disclosures 2016	102-52 Reporting cycle	110
	102-53 Contact point for questions regarding the report	110
	102-54 Claims of reporting in accordance with the GRI Standards	110
	102-55 GRI content index	169 - 172
	102-56 External assurance	110, 165 - 168
TOPIC SPECIFIC DISCLOSURES		
PROTECTING THE ENVIRONMENT		
Energy and GHG Emissions		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	122, 123, 163
	103-2 The management approach and its components	122 - 123
	103-3 Evaluation of the management approach	118, 122 - 123
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	124
	302-2 Energy consumption outside of the organisation	124
	302-3 Energy intensity	124
	302-4 Reduction of energy consumption	123
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	125
	305-2 Energy indirect (Scope 2) GHG emissions	125
	305-3 Other indirect (Scope 3) GHG emissions	125
	305-4 GHG emissions intensity	124
Climate Change Adaptation		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	126, 163
	103-2 The management approach and its components	126
	103-3 Evaluation of the management approach	118, 126
Waste Management		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	128-129, 163
	103-2 The management approach and its components	128 - 129
	103-3 Evaluation of the management approach	118, 128 - 129
GRI 303: Effluents and Waste 2016	306-2 Waste by type and disposal method	128 Organisational default methods of the waste disposal contractor were used in the determination of the waste disposal method
Water Use		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	130, 163
	103-2 The management approach and its components	130
	103-3 Evaluation of the management approach	119, 130
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	130

GRI STANDARD DISCLOSURE	GRI DISCLOSURE	REFERENCES/REASONS FOR OMISSION
ENABLING A DIGITAL SOCIETY		
Product and Service Quality		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	131-133, 163
	103-2 The management approach and its components	131 - 133
	103-3 Evaluation of the management approach	119, 131 - 133
Cybersecurity and Data Privacy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	138-139, 163
	103-2 The management approach and its components	138 - 139
	103-3 Evaluation of the management approach	119, 138 - 139
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	139
Online Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	139, 163
	103-2 The management approach and its components	139
	103-3 Evaluation of the management approach	119, 139
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	139
CARING FOR OUR PEOPLE & COMMUNITIES		
Talent Management		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	140-142, 164
	103-2 The management approach and its components	140 - 142
	103-3 Evaluation of the management approach	120, 140 - 142
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	142 Data is not broken down by region since all employees are based in Singapore.
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	141
	401-3 Parental leave	145
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	143, 161
Workplace Equality, Diversity and Inclusion		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	143-145, 164
	103-2 The management approach and its components	143 - 145
	103-3 Evaluation of the management approach	120, 143 - 145
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	144 - 145
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	143

SUSTAINABILITY REPORT

GRI STANDARD DISCLOSURE	GRI DISCLOSURE	REFERENCES/REASONS FOR OMISSION
Employee Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	146-147, 164
	103-2 The management approach and its components	146 - 147
	103-3 Evaluation of the management approach	120, 146 - 147
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	147 Omission: Occupational Health and Safety data for our contractors is not currently tracked by StarHub.
Investing in Local Communities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	148-151, 164
	103-2 The management approach and its components	148 - 151
	103-3 Evaluation of the management approach	118, 148 - 151
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	134 - 137, 148 - 151
RESPONSIBLE BUSINESS PRACTICES		
Business Conduct and Ethics		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	153, 164
	103-2 The management approach and its components	153
	103-3 Evaluation of the management approach	120, 153
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	153
GRI 206: Anti-competitive Behaviour	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	153
Public Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	153, 64
	103-2 The management approach and its components	153
	103-3 Evaluation of the management approach	118, 153
GRI 416: Customer Health and Safety	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	153
Supply Chain Management		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	153-154, 164
	103-2 The management approach and its components	153 - 154
	103-3 Evaluation of the management approach	118, 153 - 154
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	153
Responsible Marketing and Selling		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	154 - 156, 164
	103-2 The management approach and its components	154 - 156
	103-3 Evaluation of the management approach	120, 154 - 156
GRI 417: Marketing and Labelling 2016	417-2 Incidents of non-compliance concerning product and service information and labelling	156

SASB Disclosure Index

TELECOMMUNICATION SERVICES			
SASB Code	Metric Description	2020	Page Reference
Activity Metric			
TC-TL-000.A	Number of wireless subscribers	1.9M	18
TC-TL-000.B	Number of wireline subscribers	273K	–
TC-TL-000.C	Number of broadband subscribers	498K	18
TC-TL-000.D	Network traffic (Petabytes)	2,793	–
Environmental Footprint of Operations			
TC-TL-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	499,060 gigajoules Grid: 94.4% Renewable: 4.6%	124
Data Privacy			
TC-TL-220a.1	Description of policies and practices relating to behavioural advertising and customer privacy	Refer to report	154 - 156
TC-TL-220a.2	Number of customers whose information is used for secondary purposes	0	–
TC-TL-220a.3	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	0	–
TC-TL-220a.4	(1) Number of law enforcement requests for customer information, (2) number of customers whose information was requested, (3) percentage resulting in disclosure	–	Not able to provide due to confidentiality obligations.
Data Security			
TC-TL-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	3 100% 3	139
TC-TL-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Refer to report	138 - 139
Product End-of-life Management			
TC-TL-440a.1	(1) Materials recovered through takeback programmes, percentage of recovered materials that were (2) reused, (3) recycled, and (4) landfilled	Internal e-waste: 49 tonnes External e-waste: 171 tonnes Reuse: 0% Recycled: 100% Landfilled: 0%	128 - 129
Competitive Behaviour & Open Internet			
TC-TL-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	0	153
TC-TL-520a.2	Average actual sustained download speed of (1) owned and commercially-associated content and (2) non-associated content	The speeds are non-specific to our owned content or other non-associated content.	–
TC-TL-520a.3	Description of risks and opportunities associated with net neutrality, paid peering, zero rating, and related practices	Refer to report	153

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SASB Code	Metric Description	2020	Page Reference
Managing Systemic Risks from			
TC-TL-550a.1	(1) System average interruption frequency and (2) customer average interruption duration	System average interruption frequency not available. Customer average interruption duration: 0.319322 hours Customer average interruption duration = total unplanned interruption duration (hours) / total subscription	132
TC-TL-550a.2	Discussion of systems to provide unimpeded service during service interruptions	Refer to report	126, 132, 139

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DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2020.

In our opinion:

- (a) the financial statements set out on pages 190 to 279 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance and the cash flows of the Group, and changes in equity of the Group and of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors in office at the date of this statement are as follows:

Steven Terrell Clontz (Chairman)
Ma Kah Woh
Stephen Geoffrey Miller
Nihal Vijaya Devadas Kaviratne CBE
Michelle Lee Guthrie
Nayantara Bali
Ng Shin Ein
Lionel Yeo Hung Tong
Teo Ek Tor
Lim Ming Seong
Nasser Marafih
Naoki Wakai

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the 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:

Names of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
The Company <i>Ordinary shares</i>		
Steven Terrell Clontz	199,300	250,400

DIRECTORS' INTERESTS (CONTINUED)

Names of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
The Company		
<i>Ordinary shares</i>		
Ma Kah Woh	145,780	175,780
Stephen Geoffrey Miller	57,000	83,700
Nihal Vijaya Devadas Kaviratne CBE	45,000	87,500
Michelle Lee Guthrie	32,200	58,800
Nayantara Bali	8,500	30,400
Ng Shin Ein	4,500	29,000
Lionel Yeo Hung Tong	–	19,000
Teo Ek Tor	232,238	257,238
Lim Ming Seong	308,036	336,936
Nasser Marafih	118,230	141,330
Related Corporations		
CapitaLand Limited		
<i>Ordinary Shares</i>		
Ma Kah Woh	7,539	7,539
Datameer, Inc.		
<i>Share Options</i>		
Stephen Geoffrey Miller	–	1,146,953 ⁽¹⁾
Olam International Limited		
<i>Ordinary Shares</i>		
Nihal Vijaya Devadas Kaviratne CBE	–	23,842
Singapore Technologies Engineering Ltd		
<i>Ordinary Shares</i>		
Lim Ming Seong	8,336	8,336
Singapore Technologies Telemedia Pte Ltd		
<i>Debentures</i>		
Stephen Geoffrey Miller	S\$250,000 ⁽²⁾	S\$250,000 ⁽²⁾

DIRECTORS' STATEMENT (continued)

DIRECTORS' INTERESTS (CONTINUED)

Names of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Related Corporations		
Singapore Telecommunications Limited		
<i>Ordinary Shares</i>		
Ma Kah Woh	380	380
Lionel Yeo Hung Tong	750	750
TeleChoice International Limited		
<i>Ordinary Shares</i>		
Stephen Geoffrey Miller	161,000	251,000
Lim Ming Seong	60,000	60,000

(1) Share Option under Datameer, Inc. 2009 Stock Plan held in trust for STT inTech Pte. Ltd. The share option is exercisable at US\$1.56 per share and expires on 15 November 2027.

(2) 5% Subordinated Perpetual Securities under Singapore Technologies Telemedia Pte Ltd's S\$2,000,000,000 Multicurrency Debt Issuance Programme.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants, share options or share awards of the Company, or of its related corporations, either at the beginning of the financial year or 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 2021.

Except as disclosed under the "Share-based Payments" section of this statement, neither at the end of nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE-BASED PAYMENTS

The Company has in place the StarHub Performance Share Plan 2014 and the StarHub Restricted Stock Plan 2014 (collectively, "StarHub Share Plans 2014", and each, "StarHub PSP 2014" and "StarHub RSP 2014" respectively). The StarHub Share Plans 2014 were approved and adopted at the Extraordinary General Meeting of the Company held on 14 April 2014.

The StarHub Share Plans 2014 are administered by the Company's Executive Resource and Compensation Committee ("ERCC") comprising three directors, namely Michelle Lee Guthrie, Stephen Geoffrey Miller and Lionel Yeo Hung Tong.

The Company designates Singapore Technologies Telemedia Pte Ltd as its parent company ("Parent Company") for purposes of the Plans.

SHARE-BASED PAYMENTS (CONTINUED)

StarHub Share Plans 2014

- (i) The StarHub Share Plans 2014 were implemented with the objectives of motivating key executives to strive for superior performance and sustaining long-term growth for the Group.
- (ii) The following persons were/shall be eligible to participate in the StarHub Share Plans, respectively at the absolute discretion of the ERCC:
 - (1) employees (including executive directors) and non-executive directors of the Group;
 - (2) employees (including executive directors) and non-executive directors of the Parent Group who meet the relevant age and rank criteria and whose services have been seconded to a company within the Group and who shall be regarded as an employee of the Group for the purposes of the StarHub Share Plans; and
 - (3) employees and non-executive directors of the Company's associated companies, who in the opinion of the ERCC, have contributed or will contribute to the success of the Group.
- (iii) Under the StarHub PSP 2014, awards of shares are granted on an annual basis, conditional on targets set for a performance period, currently prescribed to be a three-year period. Awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the participant achieving prescribed performance targets set based on medium-term corporate objectives.

Awards are released once the ERCC is satisfied that the prescribed performance targets have been achieved. The actual number of shares given will depend on the level of achievement of the prescribed performance targets over the performance period.

Since the commencement of the StarHub PSP 2014 to the financial year ended 31 December 2020, conditional awards aggregating 5,498,500 shares have been granted under the aforesaid plan. For share awards granted prior to and during the financial year ended 31 December 2016, no shares will be delivered if the threshold performance targets are not achieved, while up to 1.825 times the number of shares that are the subject of the award will be delivered if the stretch performance targets are met or exceeded. The performance targets benchmark (a) the performance of the Company's Total Shareholders' Return ("TSR") measured against the MSCI Asia-Pacific Telecommunications Index (including Japan) over the performance period, and (b) the Wealth Added which measures investment performance in terms of the Company's TSR against shareholders' expected returns using cost of equity as a benchmark.

For share awards granted during and from the financial year ended 31 December 2017 to financial year ended 31 December 2019, no shares will be delivered if the threshold performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the stretch performance targets are met or exceeded. The performance targets benchmark (a) Returns on Invested Capital ("ROIC"), and (b) the Wealth Added which measures investment performance in terms of the Company's TSR against shareholders' expected returns using cost of equity as a benchmark.

For share awards granted during and after the financial year ended 31 December 2019, no share awards will be delivered if the performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the stretch performance targets are met or exceeded. The performance targets benchmark (a) Absolute TSR against Cost of Equity hurdles (i.e. measure of Wealth added), and (b) the Relative TSR against selected peers from the MSCI Asia Pacific Telecommunications Index, and (c) Transformation Key Performance Indicators reflective of the strategic growth objectives of StarHub.

DIRECTORS' STATEMENT (continued)

SHARE-BASED PAYMENTS (CONTINUED)

StarHub Share Plans 2014 (continued)

Details of share awards granted under the StarHub PSP 2014 are as follows:

Participants	Share awards granted during the financial year	Aggregate share awards granted since commencement of the StarHub PSP 2014 to 31 December 2020	Share awards vested during the financial year	Aggregate share awards outstanding as at 31 December 2020
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StarHub PSP 2014

Key executives	564,000	5,498,500	107,056	2,165,133
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- (iv) Under the StarHub RSP 2014, awards granted vest only after the satisfactory completion of time-based service conditions (time-based restricted awards) or where the award is performance-related, after a further period of service beyond the performance period (performance-based restricted awards).

No minimum vesting periods are prescribed under the StarHub RSP 2014 and the length of the vesting period in respect of each award will be determined on a case-by-case basis. Performance-based restricted awards differ from awards granted under the StarHub PSP 2014 in that an extended vesting period is imposed beyond the performance period.

The performance-based restricted awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the participant achieving prescribed performance targets. The actual number of shares to be released depends on the level of attainment of the performance targets over the performance period.

For performance-based restricted awards granted prior to and during financial year ended 31 December 2016, the performance targets used were measured against the ROIC and the Earnings Before Interest, Taxation, Depreciation and Amortisation ("EBITDA").

For performance-based restricted awards granted during and from financial year ended 31 December 2017 to financial year ended 31 December 2018, the performance targets used were aligned to the overall strategic financial and operational goals of the Group.

For performance-based restricted awards granted during and from financial year ended 31 December 2019 onwards, the performance targets used are measured against the ROIC.

Since the commencement of the StarHub RSP 2014 to the financial year ended 31 December 2020:

- (1) performance-based restricted awards aggregating 15,409,450 shares have been granted under the aforesaid plan. For share awards granted prior to and during the financial year ended 31 December 2016, no shares will be delivered if the threshold performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award, will be delivered if the stretch performance targets are met or exceeded. For share awards granted during and after the financial year ended 31 December 2017, no shares will be delivered if the threshold performance target are not achieved, while up to the number of shares that are the subject of the award will be delivered if the stretch performance targets are met or exceeded;

SHARE-BASED PAYMENTS (CONTINUED)*StarHub Share Plans 2014 (continued)*

- (2) restricted awards aggregating 1,261,100 shares have been granted to non-executive directors of the Company as part of their directors' remuneration, and were vested immediately upon grant;
- (3) a time-based restricted award of 32,500 shares has been granted on 8 July 2015. The shares under this award were vested in two equal tranches over a 2-year period from 8 July 2015 to 7 July 2017 according to a specified vesting schedule;
- (4) a time-based restricted award of 240,000 shares has been granted on 20 May 2016. The shares under this award were vested in two equal tranches over a period from 20 May 2016 to 7 July 2017 according to a specified vesting schedule;
- (5) a time-based restricted award of 592,590 shares has been granted on 15 March 2017. The shares under this award were vested in two equal tranches over a period from 15 March 2017 to 15 January 2018;
- (6) a time-based restricted award of 400,000 shares has been granted on 6 April 2017. The shares under this award were vested in three tranches over a 3-year period from 13 April 2018 to 15 April 2020; and
- (7) a time-based restricted award of 118,700 shares has been granted on 7 September 2018. The shares under this award were vested in one tranche on 9 July 2019.

Details of share awards granted under the StarHub RSP 2014 are as follows:

Participants	Share awards granted during the financial year	Aggregate share awards granted since commencement of the StarHub RSP 2014 to 31 December 2020	Share awards vested during the financial year	Aggregate share awards outstanding as at 31 December 2020
StarHub RSP 2014				
Non-executive directors:				
Steven Terrell Clontz	51,100	210,300	51,100	-
Ma Kah Woh	30,000	97,200	30,000	-
Stephen Geoffrey Miller	26,700	83,700	26,700	-
Nihal Vijaya Devadas Kaviratne CBE	42,500	164,400	42,500	-
Michelle Lee Guthrie	26,600	58,800	26,600	-
Nayantara Bali	21,900	30,400	21,900	-
Ng Shin Ein	24,500	29,000	24,500	-
Lionel Yeo Hung Tong	19,000	19,000	19,000	-
Teo Ek Tor	25,000	126,600	25,000	-
Lim Ming Seong	28,900	138,700	28,900	-
Nasser Marafih	23,100	98,300	23,100	-
Key employees	3,335,450	16,793,240	1,704,474	4,372,705

DIRECTORS' STATEMENT (continued)

SHARE-BASED PAYMENTS (CONTINUED)

StarHub Share Plans 2014 (continued)

During the financial year, a total of 2,130,830 treasury shares were transferred pursuant to the StarHub Share Plans 2014.

As at 31 December 2020, no participant has been granted and/or received shares pursuant to the release of awards granted under the StarHub Share Plans 2014, which, in aggregate, represents 5% or more of the aggregate of:

- (a) the total number of new shares available under the StarHub Share Plans 2014 collectively; and
- (b) the total number of existing shares delivered pursuant to awards released under the StarHub Share Plans 2014 collectively.

AUDIT COMMITTEE

The members of the Audit Committee as at the date of this statement are as follows:

Ma Kah Woh, independent non-executive director (Chairman)

Nihal Vijaya Devadas Kaviratne CBE, lead independent non-executive director

Ng Shin Ein, independent non-executive director

Lim Ming Seong, non-executive director

The Audit Committee has held four meetings since the last directors' statement. In performing its functions in accordance with Section 201B of the 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 Group and the Company prior to their submission to the directors of the Company for adoption; and
- (3) interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited) of the Company and its subsidiaries and the Company's compliance with the review procedures of such transactions.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

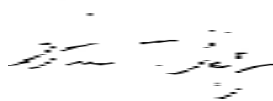
The Audit Committee has undertaken a review of all non-audit services provided by the external auditors, and is satisfied that the independence, objectivity and effectiveness of the external auditors are not compromised as a result thereof and has recommended to the Board of Directors that KPMG LLP be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

AUDITORS


The auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors



Steven Terrell Clontz
Director



Ma Kah Woh
Director

Singapore
14 March 2021

INDEPENDENT AUDITORS' REPORT

Members of the Company
StarHub Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of StarHub Ltd (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement of the Group, and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 190 to 279.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group, and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition (\$2,028.8 million) <i>(Refer to Note 3.9 'Significant accounting policies' and Note 24 'Revenue')</i>	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Group derives its key revenue mainly from the provision of Mobile, Pay TV, Broadband, Enterprise Fixed services and sales of equipment.</p> <p>The determination of the amount and timing of revenue to be recognised is a highly judgemental process which involves:</p> <ul style="list-style-type: none"> Identifying performance obligations for each product and service offerings; and Making assumptions related to estimates on stand-alone selling prices, variable considerations, redemption rates of programs, etc. <p>The Group uses data captured in network switches and source systems (such as customer record, point of sales), which are interfaced with billing and management IT reporting systems, to recognise revenue. Management relies on a combination of system automated controls and manual controls to ensure the revenue recognition is appropriate.</p> <p>Processes in place to capture revenue for financial reporting require regular changes to cater for business and product developments. There is inherently a lag in identifying and implementing the necessary changes.</p> <p>In addition, due to limitations with current system configuration, certain manual reconciliations are necessary to quantify the revenue amounts to be recognised in accordance with SFRS(I) 15 requirements.</p> <p>Owing to the varieties of products and services, different pricing models as well as numerous forms of rebate and discount offerings, together with complexities in telecommunication systems and related configurations, there is a risk that revenue may not be accurately recorded.</p>	<p>We obtained an understanding of the nature of various revenue streams and the related revenue recording processes.</p> <p>We assessed the appropriateness of revenue recognition policies for products and services offered by the Group and the appropriateness of performance obligations identified by management by reviewing samples of customer contracts.</p> <p>We tested the design and implementation, and operating effectiveness of controls over the capture and recording of revenue.</p> <p>We reviewed the basis of percentage of completion for selected projects and checked the accuracy of revenue recognised for these projects.</p> <p>Our IT specialist tested the relevant automated controls, including interface controls between different IT applications.</p> <p>We tested key manual reconciliation controls over revenue recognition used by management for certain revenue streams.</p>
<p>Findings</p> <p>We found that there are processes in place to capture revenue for financial reporting.</p>	

INDEPENDENT AUDITORS' REPORT (continued)

Members of the Company
StarHub Ltd

Acquisition of Strateq Sdn. Bhd. ("Strateq") <i>(Refer to Note 3.1 'Significant accounting policies' and Note 34 'Business combinations')</i>	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>During the year, the Group acquired 88.28% economic interest in Strateq through a series of structuring arrangements with the sellers and other stakeholders. Subsequent to the acquisition, Strateq became a subsidiary of the Group. The total consideration of the acquisition amounted to \$99.6 million which includes a contingent consideration of \$18.4 million.</p> <p>Management engaged external specialists to perform the purchase price allocation, and fair value the identified assets and liabilities of Strateq.</p> <p>As part of the acquisition, the Group also entered into an arrangement with the non-controlling interest shareholder to acquire the remaining interest over a period of 4 years from 2025. This resulted in the recognition of a forward liability at year end.</p> <p>There is judgement and inherent uncertainty involved in the identification and valuation of these assets and liabilities.</p>	<p>We assessed the appropriateness of the classification of the investment and the economic interest held by the Group by examining the terms and conditions of the sale and purchase agreement and all associated agreements entered in connection with the transaction.</p> <p>We assessed the accounting treatment for the recognition of and estimation of the fair values of the contingent consideration and forward liability.</p> <p>We considered the objectivity, independence and competency of external specialists, and the scope of their engagement.</p> <p>Together with our valuation specialist, we discussed with management and external specialists on the purchase price allocation to understand their basis of identifying and valuing the identified assets and liabilities.</p> <p>We assessed the reasonableness of key assumptions used in the future cash flows, including revenue growth, gross profit margin and operating expenses by comparing them to historical results, market data and industry forecasts.</p> <p>We considered the disclosures for the acquisition.</p>
<p>Findings</p> <p>We found the accounting treatment applied by the Group to be appropriate and complies with the relevant accounting standards, and the estimates used to allocate the purchase price to the assets acquired and liabilities assumed in the acquisition accounting and the determination of the contingent consideration and forward liability to be fair.</p> <p>We found the Group's disclosures to be appropriate.</p>	

Impairment assessment of goodwill (\$406.3 million) and investment in subsidiaries (\$3,272.8 million) <i>(Refer to Note 3.7 (ii) 'Significant accounting policies', Note 5 'Intangible assets' and Note 7 'Subsidiaries')</i>	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Goodwill is subject to an annual impairment test or more frequently if there are indications of impairment. Investment in subsidiaries is subject to impairment test when there are indicators of impairment.</p> <p>At 31 December 2020, the Group's statement of financial position includes goodwill amounting to \$406.3 million, predominately allocated to four cash-generating units ("CGUs") – fixed, mobile, cable and broadband operations ("Telco") CGU, D'Crypt Pte Ltd ("DPL") CGU, Ensign InfoSecurity Pte. Ltd. ("Ensign") CGU and Strateq Sdn Bhd ("Strateq") CGU (see Note 5).</p> <p>At 31 December 2020, the Company's statement of financial position includes investment in subsidiaries of \$3,272.8 million. The impairment assessment of investment in subsidiaries is performed at the CGU level.</p> <p>The Group and the Company performed an impairment assessment for each of the CGUs by estimating its recoverable amounts. The recoverable amounts of each CGU has been derived using its discounted cash flow forecast. The recoverable amount for each of the CGUs is determined to be in excess of the carrying amounts of the CGU and no impairment loss is determined to be required.</p> <p>A CGU is the smallest unit of assets that generate cash inflows that are largely independent of the cash inflow from other group of assets. The identification of a CGU involves judgement.</p> <p>Forecasting future cash flow is a highly judgemental process which involves making assumptions on revenue growth rates, margins, operating expense and discount rates.</p>	<p>We evaluated the appropriateness of CGU identified by management based on our knowledge of the business acquisition giving rise to the goodwill and our understanding of the current business of the Group and the Company.</p> <p>We assessed management's process of setting budgets on which the cash flow forecasts are based.</p> <p>We assessed key assumptions used in the cash flow projections by comparing them against historical performance, future business plans and external market reports.</p> <p>We independently derived applicable discount rates from comparable companies and compared these with those used by management.</p> <p>We performed sensitivity analyses, focusing on plausible changes in the key assumptions or discount rates, and analysed the impact to the carrying amount.</p> <p>We considered the appropriateness of the disclosures in the financial statements.</p>
<p>Findings</p> <p>We found the identification of CGUs to be based on reasonable basis.</p> <p>We found that the assumptions and resulting estimates used in the determining recoverable amounts to be within acceptable range.</p> <p>We found the Group's disclosure in notes to the financial statements to be appropriate.</p>	

INDEPENDENT AUDITORS' REPORT (continued)

Members of the Company
StarHub Ltd

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the Annual Report other than the financial statements and our auditors' report thereon. Other than the Directors' Statement, which we have obtained prior to the date of this auditors' report, the other sections included in the Annual Report are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

Auditors' responsibilities for the audit of the financial statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Ong Chai Yan.



KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
14 March 2021

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

	Note	Group		Company	
		2020 \$m	2019 \$m	2020 \$m	2019 \$m
Non-current assets					
Property, plant and equipment	4	755.0	820.3	392.1	421.0
Intangible assets	5	719.5	672.3	91.6	108.8
Right-of-use assets	6	150.1	150.0	99.7	116.7
Subsidiaries	7	–	–	3,272.8	3,256.0
Associate	8	22.9	22.1	27.8	27.8
Joint venture	8	1.9	–	–	–
Other investments	9	17.1	34.3	17.1	34.3
Amounts due from related parties	10	–	8.5	–	8.5
Contract assets	11	71.1	77.6	0.9	0.6
Contract costs	11	2.5	7.0	0.4	0.4
Prepayments	14	30.8	–	2.9	–
Deferred tax assets	20	0.8	–	–	–
		1,771.7	1,792.1	3,905.3	3,974.1
Current assets					
Inventories	12	79.9	98.3	5.0	5.5
Contract assets	11	317.4	334.1	24.1	27.5
Contract costs	11	36.3	32.5	1.2	1.5
Trade receivables	13	192.8	248.7	146.4	198.0
Other receivables, deposits and prepayments	14	98.5	88.7	41.3	33.1
Amounts due from related parties	10	19.3	21.9	13.9	15.4
Cash and cash equivalents	15	415.4	117.6	328.4	74.5
		1,159.6	941.8	560.3	355.5
Current liabilities					
Contract liabilities	11	(64.4)	(69.4)	(21.2)	(18.1)
Trade and other payables	16	(555.1)	(539.5)	(283.3)	(308.7)
Amounts due to related parties	10	(34.3)	(41.1)	(177.4)	(151.0)
Borrowings	17	(8.7)	(407.6)	–	(407.5)
Lease liabilities	18	(27.7)	(26.6)	(15.9)	(15.8)
Provision for taxation		(82.7)	(92.1)	(31.8)	(26.0)
		(772.9)	(1,176.3)	(529.6)	(927.1)
Net current assets/(liabilities)		386.7	(234.5)	30.7	(571.6)
Non-current liabilities					
Contract liabilities	11	(31.6)	(36.2)	(31.6)	(36.2)
Trade and other payables	16	(95.4)	(50.2)	(10.8)	(10.9)
Borrowings	17	(1,163.7)	(640.8)	(1,077.5)	(640.0)
Lease liabilities	18	(129.9)	(128.9)	(85.9)	(100.4)
Deferred tax liabilities	20	(111.3)	(121.4)	(63.3)	(70.6)
		(1,531.9)	(977.5)	(1,269.1)	(858.1)
Net assets		626.5	580.1	2,666.9	2,544.4
Equity					
Share capital	21	299.7	299.7	299.7	299.7
Reserves	22	38.7	18.5	2,167.3	2,044.8
Perpetual capital securities	23	199.9	199.9	199.9	199.9
Equity attributable to owners and perpetual capital securities holders					
		538.3	518.1	2,666.9	2,544.4
Non-controlling interests	36	88.2	62.0	–	–
Total equity		626.5	580.1	2,666.9	2,544.4

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2020

	Note	2020 \$m	Group 2019 \$m
Revenue	24	2,028.8	2,330.6
Operating expenses	25	(1,838.9)	(2,085.8)
Other income	26	41.4	11.0
Profit from operations		231.3	255.8
Finance income	27	1.8	1.6
Finance expense	27	(40.8)	(38.3)
Net finance costs		(39.0)	(36.7)
Share of profit/(loss) of associate, net of tax	8	0.6	(0.5)
Share of loss of joint venture, net of tax	8	(0.1)	–
		0.5	(0.5)
Profit before taxation		192.8	218.6
Taxation	28	(32.7)	(40.0)
Profit for the year		160.1	178.6
Profit attributable to:			
Owners of the Company		157.9	186.3
Non-controlling interests		2.2	(7.7)
Profit for the year		160.1	178.6
Earnings per share (in cents)			
– Basic	29	8.7	10.3
– Diluted	29	8.6	10.3
EBITDA	30	537.8	617.0

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	Group	
	2020 \$m	2019 \$m
Profit for the year	160.1	178.6
Other comprehensive loss		
<i>Items that will not be reclassified to profit or loss:</i>		
Net change in fair value of equity investments at fair value through other comprehensive income ("FVOCI"), net of taxation	(17.1)	(1.7)
	(17.1)	(1.7)
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Share of other comprehensive income/(loss) of associate	0.2	(0.1)
Foreign currency translation differences	(0.6)	0.1
Effective portion of changes in fair value of cash flow hedges, net of taxation	(0.1)	(1.9)
	(0.5)	(1.9)
Other comprehensive loss for the year, net of taxation	(17.6)	(3.6)
Total comprehensive income for the year	142.5	175.0
Total comprehensive income attributable to:		
Owners of the Company	140.3	182.7
Non-controlling interests	2.2	(7.7)
Total comprehensive income for the year	142.5	175.0

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2020

Group	Share capital \$m	Treasury shares \$m	Capital reserve \$m	Goodwill written off \$m	Share-based payments reserve \$m	Fair value reserve \$m	Hedging reserve \$m	Translation reserve \$m	Retained profits \$m	Total Reserves \$m	Perpetual capital securities \$m	Non-controlling interests \$m	Total equity \$m
At 1 January 2020	299.7	(0.1)	19.4	(276.3)	8.1	(7.6)	(2.2)	1.4	275.8	18.5	199.9	62.0	580.1
Total comprehensive income for the year													
Profit for the year	-	-	-	-	-	-	-	-	157.9	157.9	-	2.2	160.1
Other comprehensive (loss)/income													
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	-	-	(17.1)	-	-	-	(17.1)	-	-	(17.1)
Share of other comprehensive loss of associate	-	-	-	-	-	-	0.2	-	-	0.2	-	-	0.2
Foreign currency translation differences	-	-	-	-	-	-	-	(0.6)	-	(0.6)	-	-	(0.6)
Effective portion of changes in fair value of cash flow hedges, net of taxation	-	-	-	-	-	-	(0.1)	-	-	(0.1)	-	-	(0.1)
Total comprehensive (loss)/income for the year	-	-	-	-	-	(17.1)	0.1	(0.6)	157.9	140.3	-	2.2	142.5
Transactions with equity holders of the Company, recognised directly in equity													
Contributions by and distributions to equity holders of the Company													
Accrued perpetual capital securities distribution	-	-	-	-	-	-	-	-	(7.9)	(7.9)	7.9	-	-
Perpetual capital securities distribution paid	-	-	-	-	-	-	-	-	1.3	1.3	(7.9)	-	(6.6)
Purchase of treasury shares	-	(5.1)	-	-	-	-	-	-	-	(5.1)	-	-	(5.1)
Issue of shares pursuant to share plans	-	3.3	-	-	(3.3)	-	-	-	-	-	-	-	-
Share-based payment expenses	-	-	-	-	3.2	-	-	-	-	3.2	-	-	3.2
Dividends paid (Note 32)	-	-	-	-	-	-	-	-	(82.2)	(82.2)	-	-	(82.2)
Total contributions by and distributions to equity holders of the Company	-	(1.8)	-	-	(0.1)	-	-	-	(88.8)	(90.7)	-	-	(90.7)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (continued)

Year ended 31 December 2020

Group	Share Capital \$m	Treasury shares \$m	Capital reserve \$m	Goodwill written off \$m	Share-based payments reserve \$m	Fair value reserve \$m	Hedging reserve \$m	Translation reserve \$m	Retained profits \$m	Total reserves \$m	Perpetual capital securities \$m	Non-controlling interests \$m	Total equity \$m
Changes in ownership interests in subsidiaries													
Net effect from business combinations (Note 34)	-	-	(32.7)	-	-	-	-	-	-	(32.7)	-	5.4	(27.3)
Changes in ownership interests without a change of control (Note 34)	-	-	3.3	-	-	-	-	-	-	3.3	-	18.6	21.9
Total changes in ownership interests in subsidiaries	-	-	(29.4)	-	-	-	-	-	-	(29.4)	-	24.0	(5.4)
Total transactions with equity holders of the Company	-	(1.8)	(29.4)	-	(0.1)	-	-	-	(88.8)	(120.1)	-	24.0	(96.1)
At 31 December 2020	299.7	(1.9)	(10.0)	(276.3)	8.0	(24.7)	(2.1)	0.8	344.9	38.7	199.9	88.2	626.5

The accompanying notes form an integral part of these financial statements.

Group	Share capital \$m	Treasury shares \$m	Capital reserve \$m	Goodwill written off \$m	Share-based payments reserve \$m	Fair value reserve \$m	Hedging reserve \$m	Translation reserve \$m	Retained profits \$m	Total reserves \$m	Perpetual capital securities \$m	Non-controlling interests \$m	Total equity \$m
At 1 January 2019	299.7	(3.0)	1.6	(276.3)	8.7	(5.9)	(0.2)	1.3	282.2	8.4	199.9	80.0	588.0
Total comprehensive income for the year													
Profit for the year	-	-	-	-	-	-	-	-	186.3	186.3	-	(7.7)	178.6
Other comprehensive (loss)/income													
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	-	-	(1.7)	-	-	-	(1.7)	-	-	(1.7)
Share of other comprehensive loss of associate	-	-	-	-	-	-	(0.1)	-	-	(0.1)	-	-	(0.1)
Foreign currency translation differences	-	-	-	-	-	-	-	0.1	-	0.1	-	-	0.1
Effective portion of changes in fair value of cash flow hedges, net of taxation	-	-	-	-	-	-	(1.9)	-	-	(1.9)	-	-	(1.9)
Total comprehensive (loss)/income for the year	-	-	-	-	-	(1.7)	(2.0)	0.1	186.3	182.7	-	(7.7)	175.0
Transactions with equity holders of the Company, recognised directly in equity													
Contributions by and distributions to equity holders of the Company													
Accrued perpetual capital securities distribution	-	-	-	-	-	-	-	-	(7.9)	(7.9)	7.9	-	-
Perpetual capital securities distribution paid	-	-	-	-	-	-	-	-	1.3	1.3	(7.9)	-	(6.6)
Purchase of treasury shares	-	(1.5)	-	-	-	-	-	-	-	(1.5)	-	-	(1.5)
Issue of shares pursuant to share plans	-	4.4	-	-	(4.4)	-	-	-	-	-	-	-	-
Share-based payment expenses	-	-	-	-	3.8	-	-	-	-	3.8	-	-	3.8
Dividends paid (Note 32)	-	-	-	-	-	-	-	-	(186.1)	(186.1)	-	-	(186.1)
Total contributions by and distributions to equity holders of the Company	-	2.9	-	-	(0.6)	-	-	-	(192.7)	(190.4)	-	-	(190.4)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (continued)

Year ended 31 December 2020

Group	Share capital \$m	Treasury shares \$m	Capital reserve \$m	Goodwill written off \$m	Share-based payments reserve \$m	Fair value reserve \$m	Hedging reserve \$m	Translation reserve \$m	Retained profits \$m	Total reserves \$m	Perpetual capital securities \$m	Non-controlling interests \$m	Total equity \$m
Changes in ownership interests in subsidiaries													
Net effect from business combinations (Note 34)	-	-	(15.2)	-	-	-	-	-	-	(15.2)	-	(10.3)	(25.5)
Net changes in fair value of put liability to acquire non-controlling interests	-	-	(1.0)	-	-	-	-	-	-	(1.0)	-	-	(1.0)
Derecognition of put liability to acquire non-controlling interests (Note 34)	-	-	34.0	-	-	-	-	-	-	34.0	-	-	34.0
Total changes in ownership interests in subsidiaries	-	-	17.8	-	-	-	-	-	-	17.8	-	(10.3)	7.5
Total transactions with equity holders of the Company	-	2.9	17.8	-	(0.6)	-	-	-	(192.7)	(172.6)	-	(10.3)	(182.9)
At 31 December 2019	299.7	(0.1)	19.4	(276.3)	8.1	(7.6)	(2.2)	1.4	275.8	18.5	199.9	62.0	580.1

The accompanying notes form an integral part of these financial statements.

Company	Share capital \$m	Treasury shares \$m	Share-based payments reserve \$m	Fair value reserve \$m	Retained profits \$m	Total reserves \$m	Perpetual capital securities \$m	Total equity \$m
At 1 January 2020	299.7	(0.1)	8.1	(7.6)	2,044.4	2,044.8	199.9	2,544.4
Total comprehensive income for the year								
Profit for the year	-	-	-	-	230.3	230.3	-	230.3
Other comprehensive income								
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	(17.1)	-	(17.1)	-	(17.1)
Total comprehensive income for the year	-	-	-	(17.1)	230.3	213.2	-	213.2
Transactions with equity holders of the Company, recognised directly in equity								
Contributions by and distributions to equity holders of the Company								
Accrued perpetual securities distribution	-	-	-	-	(7.9)	(7.9)	7.9	-
Perpetual securities distribution paid	-	-	-	-	1.3	1.3	(7.9)	(6.6)
Purchase of treasury shares	-	(5.1)	-	-	-	(5.1)	-	(5.1)
Issue of shares pursuant to share plans	-	3.3	(3.3)	-	-	-	-	-
Share-based payment expenses	-	-	3.2	-	-	3.2	-	3.2
Dividends paid (Note 32)	-	-	-	-	(82.2)	(82.2)	-	(82.2)
Total transactions with equity holders of the Company	-	(1.8)	(0.1)	-	(88.8)	(90.7)	-	(90.7)
At 31 December 2020	299.7	(1.9)	8.0	(24.7)	2,185.9	2,167.3	199.9	2,666.9

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (continued)

Year ended 31 December 2020

Company	Share capital \$m	Treasury shares \$m	Share-based payments reserve \$m	Fair value reserve \$m	Retained profits \$m	Total reserves \$m	Perpetual capital securities \$m	Total equity \$m
At 1 January 2019	299.7	(3.0)	8.7	(5.9)	2,118.0	2,117.8	199.9	2,617.4
Total comprehensive income for the year								
Profit for the year	-	-	-	-	119.1	119.1	-	119.1
Other comprehensive income								
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	(1.7)	-	(1.7)	-	(1.7)
Total comprehensive income for the year	-	-	-	(1.7)	119.1	117.4	-	117.4
Transactions with equity holders of the Company, recognised directly in equity								
Contributions by and distributions to equity holders of the Company								
Accrued perpetual securities distribution	-	-	-	-	(7.9)	(7.9)	7.9	-
Perpetual securities distribution paid	-	-	-	-	1.3	1.3	(7.9)	(6.6)
Purchase of treasury shares	-	(1.5)	-	-	-	(1.5)	-	(1.5)
Issue of shares pursuant to share plans	-	4.4	(4.4)	-	-	-	-	-
Share-based payment expenses	-	-	3.8	-	-	3.8	-	3.8
Dividends paid (Note 32)	-	-	-	-	(186.1)	(186.1)	-	(186.1)
Total transactions with equity holders of the Company	-	2.9	(0.6)	-	(192.7)	(190.4)	-	(190.4)
At 31 December 2019	299.7	(0.1)	8.1	(7.6)	2,044.4	2,044.8	199.9	2,544.4

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2020

	2020 \$m	2019 \$m
Cash flow from operating activities		
Profit before taxation	192.8	218.6
Adjustments for:		
Depreciation and amortisation	306.5	361.2
Income related grants	-	(1.9)
Share-based payments	3.2	3.8
Net finance costs	39.0	36.7
Loss on disposal of plant and equipment and intangible assets	0.8	1.8
Share of (gain)/loss of associate, net of tax	(0.6)	0.5
Share of loss of joint venture, net of tax	0.1	-
	541.8	620.7
Changes in:		
Inventories	18.9	(18.2)
Contract assets	28.9	(74.7)
Contract costs	1.3	(9.2)
Trade receivables	75.0	34.1
Other receivables, deposits and prepayments	(5.4)	(5.6)
Contract liabilities	(9.6)	2.9
Trade and other payables	(8.6)	(10.0)
Amounts due from related parties	2.5	(3.6)
Amounts due to related parties	(6.8)	(16.4)
Cash generated from operations	638.0	520.0
Income tax paid	(59.1)	(71.9)
Net cash from operating activities	578.9	448.1
Cash flow from investing activities		
Interest received	2.7	1.2
Proceeds from disposal of property, plant and equipment and intangible assets	0.3	0.4
Purchase of property, plant and equipment and intangible assets	(191.2)	(229.5)
Repayment of loan by an associate	7.5	-
Investment in joint venture	(2.0)	-
Acquisition of subsidiary, net of cash acquired (Note 34)	(74.0)	-
Proceeds from dilution of interest in a subsidiary (Note 34)	-	5.0
Net cash used in investing activities	(256.7)	(222.9)
Cash flow from financing activities		
Payment of lease liabilities	(30.8)	(61.1)
Grants received	-	0.7
Proceeds from bank loans	344.6	70.0
Repayment of bank loans	(237.9)	(50.0)
Dividend paid to owners of the Company	(82.2)	(186.1)
Purchase of treasury shares	(5.1)	(1.5)
Perpetual capital securities distribution paid	(7.9)	(7.9)
Interest paid	(38.0)	(37.8)
Capital contribution from a non-controlling interest shareholder	21.9	-
Net cash used in financing activities	(35.4)	(273.7)
Net change in cash and cash equivalents	286.8	(48.5)
Cash and cash equivalents at beginning of year	116.9	165.4
Cash and cash equivalents at end of year (Note 15)	403.7	116.9

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors of StarHub Ltd on 14 March 2021.

1 DOMICILE AND ACTIVITIES

StarHub Ltd (“StarHub” or the “Company”) is incorporated in the Republic of Singapore and has its registered office at 67 Ubi Avenue 1, #05-01 StarHub Green, Singapore 408942.

The principal activities of the Company are those relating to the operation and provision of telecommunications services and other businesses relating to the info-communications industry. The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

The consolidated financial statements relate to the Company and its subsidiaries (together the “Group” and individually as “Group entities”), and the Group’s interest in its equity-accounted investee.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)"). The changes to significant accounting policies are described in Note 2.5.

2.2 Basis of measurement

The financial statements are prepared on a historical cost basis, except as otherwise described in the notes below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Group’s functional currency. All financial information presented in Singapore dollars has been rounded to the nearest million, unless otherwise stated.

2.4 Significant accounting estimates and judgements

The preparation of financial statements in conformity with SFRS(I) requires management to make judgements in the application of accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported income and expenses during the financial year. These estimates are based on management’s best knowledge and judgement of current events and environment. Actual results may ultimately differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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 3, management is of the opinion that there is no instance of application of judgement which is expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations described below.

2 BASIS OF PREPARATION (CONTINUED)

2.4 Significant accounting estimates and judgements (continued)

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Measurement of recoverable amounts relating to goodwill impairment

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. The impairment assessment requires an estimation of the value-in-use of the cash generating unit ("CGU") to which the goodwill is allocated.

Assessing the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and applying an appropriate discount rate in order to calculate the present value of those cash flows. Actual cash flows will differ from these estimates as a result of differences between assumptions used and actual operations (see Note 5).

- Measurement of impairment losses on investments in subsidiaries

The carrying values of investments in subsidiaries are reviewed for impairment whenever there is any indication that the investment is impaired. This determination requires significant judgement. The Group's fixed, mobile, cable and broadband operations are integrated and considered as one CGU. The impairment assessment is performed on the same CGU determined for purposes of assessing impairment of goodwill (see Note 5).

- Measurement of expected credit loss ("ECL") allowance for trade and other receivables and contract assets

The Group estimates the ECL allowance on trade receivables, amounts due from related parties and contract assets by applying a provision matrix, incorporating both historical default rates and forward-looking statements. The Group has a policy to provide allowance for receivable balances on specific individual balances and on its receivables portfolio collectively. If financial conditions of the debtors were to deteriorate, actual write-offs would be higher than that estimated.

- Revenue recognition – Determining the transaction price, stand-alone selling price ("SSP") and the amounts allocated to performance obligations

Determining the transaction price requires the Group to make judgments and estimates on variable considerations in the contract. Management estimates the amount of variable consideration based on historical, current and forecasted information using most likely or expected value method. Determination of the variable consideration is subjective as the Group has a practice of offering a broad range of price concessions and the fact that variable consideration is highly susceptible to factors outside the Group's influence. Changes in customer's expectation and Group's intent, as well as the method used in quantifying the amount of variable consideration may affect the amount of revenue recognised in the Group's income statements in the future.

Transaction price is allocated in proportion to the estimated SSP for each performance obligation at the inception of the contract. Therefore, management estimates the SSP of each performance obligation, especially those goods or services that are not regularly offered separately to customers. The Group establishes SSP using observable price or in case observable price is not available, the estimated cost plus a reasonable margin for each identified performance obligation. If both observable price or cost plus method is not available, SSP is determined based on residual method. Change or absence of SSP of a performance obligation affects the amount of consideration allocated to each performance obligation. Variable considerations are allocated solely to the service component of the contract since they relate specifically to the effort to satisfy the service performance obligation.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

2 BASIS OF PREPARATION (CONTINUED)

2.4 Significant accounting estimates and judgements (continued)

- Revenue recognition – Determining the transaction price, stand-alone selling price (“SSP”) and the amounts allocated to performance obligations (continued)

The Group operates loyalty programmes that provide various discounts on future goods or services. A portion of revenue is allocated to these discounts and deferred until they are redeemed or expire. The deferral of revenue is estimated based on historical redemption rates and values, adjusted for any anticipated changes in future periods. As actual redemption rates may differ, the estimates are reviewed and adjusted where necessary in each reporting period when determining the amount of revenue to be deferred.

- Adequacy of accruals

Assessing the adequacy of accruals made at the reporting date requires the Group to make judgements in determining the level of accruals needed for costs that span the year end where settlement has not been fully and finally made. Due to the complexities in the telecommunication industry, agreement on amounts payable to suppliers may take a significant amount of time. The Group determines the sufficiency of these accruals based on historical trend of observable claims and actual costs. Actual payments may differ from these estimates when the final settlements are reached between the parties.

- Acquisition through business combinations (see Note 34)
 - determination of fair value of the assets acquired and liabilities assumed;
 - determination of fair value of consideration transferred, including contingent consideration; and
 - determination of fair value of the forward liability to purchase non-controlling interests (“NCI”).

Management has engaged external firms of specialists to perform the purchase price allocation, including valuation of the identified assets and liabilities. There is judgement and inherent uncertainty involved in the identification and valuation of these assets and liabilities.

The determination of the contingent consideration and forward liability to purchase NCI associated with the acquisition of subsidiaries requires significant management judgement and assumptions. The contingent consideration and forward liability are based on estimates from the associated probability of achieving performance targets by the investee and the expected payment amount.

2.5 New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2020:

- *Amendments to References to Conceptual Framework in SFRS(I) Standards*
- *Definition of a Business* (Amendments to SFRS(I) 3)
- *Definition of Material* (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)
- *Interest Rate Benchmark Reform* (Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7)

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.5, which addresses changes in accounting policies.

The accounting policies have been applied consistently by Group entities.

3.1 Basis of consolidation

(i) *Business combinations*

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in income statement.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition date at fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in the income statement. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(iii) *Acquisition from entities under common control*

Acquisitions of subsidiaries from related corporations controlled by the ultimate holding company, Temasek Holdings (Private) Limited (“Temasek”), are accounted for using the acquisition method in accordance with SFRS(I) 3 *Business Combinations* as at the date of acquisition.

(iv) *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in the income statement. Any interest retained in the former subsidiary is measured at fair value on the date that control is lost.

(v) *Investment in associate and joint venture (equity-accounted investees)*

Associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to substantially all the economic benefits to its assets and obligations for its liabilities. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing the control.

Investment in associate and joint venture are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the income statement and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence ceases.

When the Group’s share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee’s operations or has made payments on behalf of the investee.

(vi) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) *Subsidiaries, associate and joint venture in the separate financial statements*

Investments in subsidiaries, associate and joint venture are stated in the Company’s statement of financial position at cost less accumulated impairment losses.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(viii) *Put and call options with non-controlling interest*

When an entity within the Group writes a put option with the non-controlling shareholders as part of the acquisition of a subsidiary for settlement in cash or in another financial asset, a put liability is recognised for the present value of the exercise price of the option. This creates an obligation or potential obligation for the entity to purchase its subsidiary's equity instruments (constitutes the Group's own equity in the consolidated financial statements) for cash or another financial asset.

When the non-controlling shareholders still have present access to the returns associated with the underlying ownership interests, the Group has chosen an accounting policy in which the non-controlling shareholders continue to be recognised. Therefore, the present value of the option is recognised in equity. Subsequent to initial recognition of the financial liability, changes in the carrying amount of the financial liability is recognised within equity.

If the put option expires unexercised or is cancelled, then the charge to equity will be reversed and the financial liability will be derecognised. If the put option is exercised, then the charge to equity will be reversed and the financial liability will be derecognised and acquisition accounting will be applied.

At the Company level, the put and call options are accounted for as embedded derivatives.

(ix) *Forward liability to purchase non-controlling interest*

When an entity within the Group enters into an agreement with a non-controlling shareholder as part of the acquisition of a subsidiary, to purchase its subsidiary's equity interests for settlement in cash or in another financial asset, a financial liability is recognised at present value. This creates an obligation for the entity to purchase its subsidiary's equity instruments (constitutes the Group's own equity in the consolidated financial statements).

When the non-controlling shareholder still has present access to the returns associated with the underlying ownership interests, the Group has chosen an accounting policy in which the non-controlling shareholder continues to be recognised. Therefore, the present value of the financial liability is recognised in equity. Subsequent to initial recognition of the financial liability, changes in the carrying amount of the financial liability are recognised in the income statement.

3.2 Foreign currencies

(i) *Foreign currencies transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the income statement, except for the differences arising on the translation of qualifying cash flow hedges to the extent the hedges are effective, which are recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Foreign currencies (continued)

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at the dates of the transactions.

Foreign currency translation differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign subsidiary is disposed of such that control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign subsidiary is transferred to the income statement as an adjustment to profit or loss arising on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

3.3 Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, and when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the assets and restoring the site on which they are located, and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate item (major components) of property, plant and equipment.

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the income statement on the date of retirement or disposal.

(ii) Subsequent costs

Subsequent expenditure relating to existing property, plant and equipment is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Property, plant and equipment (continued)

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of the asset, that component is depreciated separately.

Depreciation is recognised as an expense in the income statement on a straight-line basis over the estimated useful lives (or lease term, if shorter) of each part of an item of property, plant and equipment as follows:

Buildings	-	30 years to 57 years
Leasehold improvements	-	Shorter of lease term or 5 years
Network equipment and infrastructure	-	2 years to 15 years
Office equipment, computers and furniture and fittings	-	2 years to 10 years
Motor vehicles	-	5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at the end of each reporting date.

No depreciation is provided on freehold property or in respect of property, plant and equipment under construction.

3.4 Intangible assets

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets.

Goodwill at the acquisition date represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment on an annual basis as described in Note 3.7(ii).

Goodwill that has previously been taken to the reserves is not taken to the income statement when the business is disposed of or the goodwill is impaired. Similarly, negative goodwill that has previously been taken to reserves is not taken to the income statement when the business is disposed.

In respect of associate and joint venture, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associate and joint venture.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Intangible assets (continued)

(ii) *Telecommunications and spectrum licences*

Telecommunications and spectrum licences costs incurred are measured at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income statement using the straight-line method over the period of the licence, being 10 years to 21 years, commencing from the effective date of the licence.

(iii) *Computer software*

Computer software comprises software purchased from third parties, and also the cost of internally developed software. Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income statement using the straight-line method over their estimated useful lives of 2 years to 5 years.

Subsequent expenditure on capitalised intangible assets is added to the carrying value only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the income statement as incurred.

Computer software integral to a related item of equipment is accounted for as property, plant and equipment.

(iv) *Deferred development costs*

Deferred development activities involve a plan or design for the production of new or substantially improved products and processes. Deferred development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in the income statement as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised over 5 to 6 years.

(v) *Customer contracts and relationships*

Customer contracts and relationships are acquired in business combinations and carried at fair value at the date of acquisition, and amortised to the income statement using either the straight-line method over the estimated useful lives of 1 to 15 years, or when there is a high correlation with the revenue and margin to be generated, based on units of production method.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

3.5 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of goods held for resale is determined on the weighted average basis. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. Allowance for obsolescence is made for all deteriorated, damaged, obsolete and slow-moving inventories.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Inventories (continued)

Gross amounts due for contract work

Gross amounts due for contract work represent the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities.

Gross amounts due for contract work are presented as part of contract assets in the statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed costs incurred plus recognised profits, the difference is presented as part of contract liabilities in the statement of financial position.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

3.6 Financial instruments

(i) *Recognition and initial measurement*

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables (including amounts due from related parties), cash and cash equivalents, trade and other payables (including amounts due to related parties), lease liabilities and borrowings.

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) *Classification and subsequent measurement*

Non-derivative financial assets

On initial recognition, a financial asset is classified as subsequently measured at amortised cost, equity investments at FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (continued)

(ii) *Classification and subsequent measurement (continued)*

Non-derivative financial assets (continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

The determination of classification at initial recognition and subsequent measurement into each of the measurement categories are as described below.

(a) *Financial assets at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by loss allowances. Interest income, foreign exchange gains and losses and loss allowances are recognised in the income statement. Any gain or loss on derecognition is recognised in the income statement.

(b) *Equity investments at FVOCI*

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognised as income in the income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the income statement. On de-recognition, cumulative gains and losses recognised in other comprehensive income are transferred to retained profits.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (continued)

(ii) *Classification and subsequent measurement (continued)*

Non-derivative financial liabilities

(a) *Trade and other payables*

Trade and other payables (including amounts due to related parties, excluding deferred income, marked-to-market financial instruments, forward liability to acquire non-controlling interests, net GST payable, employee benefits and forward exchange contracts) are carried at amortised cost using the effective interest method.

(b) *Borrowings*

Borrowings are carried 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 the income statement over the period of the borrowings.

(c) *Lease liabilities*

Lease liabilities are carried at amortised cost using the effective interest method.

(d) *Contingent consideration*

Contingent consideration is initially measured at fair value. Subsequent changes in the fair value of the contingent consideration are recognised in the income statement.

(iii) *Derecognition*

Financial assets are derecognised when the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of ownership of the asset. On disposal of a financial asset, the difference between the sale proceeds and the carrying amount is recognised in the income statement. Any amount in the fair value reserve relating to that asset is reclassified to the income statement.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the income statement.

(iv) *Offset*

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances, deposits with financial institutions with maturities of three months or less, and bank overdrafts. For the purpose of presentation in the consolidated cash flow statement, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (continued)

(vi) *Derivative financial instruments and hedge accounting*

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the income statement as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the income statement.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the income statement.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the income statement in the same period or periods as the hedged expected future cash flows affect the income statement.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to the income statement.

(vii) *Share capital*

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (continued)

(vii) *Share capital (continued)*

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

(viii) *Perpetual capital securities*

The Group's perpetual securities do not have a maturity date, and the Company is able to elect to defer making a distribution subject to the terms and conditions of the securities issue. Accordingly, the Company is not considered to have a contractual obligation to make principal repayments or distributions in respect of its perpetual capital securities issue. The perpetual securities are presented within equity. Discretionary dividends thereon are recognised as equity distributions on approval by the Company's shareholders. Costs directly attributable to the issue of the perpetual capital securities are deducted against the proceeds from the issue.

(ix) *Financial guarantee*

Financial guarantee contracts are accounted for as insurance contracts and treated as contingent liabilities until such time as they become probable that the Company will be required to make payment under the guarantee. A provision is recognised based on the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

3.7 Impairment

(i) *Non-derivative financial assets and contract assets*

The Group recognises loss allowances for ECL on financial assets measured at amortised cost, and contract assets.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment (continued)

(i) *Non-derivative financial assets and contract assets (continued)*

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held) or the financial asset is more than 360 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment (continued)

(i) *Non-derivative financial assets and contract assets (continued)*

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than inventories, contract assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

The recoverable amount of an asset or its CGU is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. For the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level within the Group at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses recognised in the income statement in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of units) and then, to reduce the carrying amount of other assets in the CGU (group of units) on a *pro rata* basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment (continued)

(ii) *Non-financial assets (continued)*

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. All reversals of impairment are recognised in the income statement.

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

3.8 Employee benefits

(i) *Share-based payment*

Performance Share Plans and Restricted Stock Plans

The Performance Share Plans and the Restricted Stock Plans are accounted as equity-settled share-based payments. Equity-settled share-based payments are measured at fair value at the date of grant. The share-based expense is amortised and recognised in the income statement on a straight line basis over the vesting period. At each reporting date, the Company revises its estimates of the number of shares that the participating employees and directors are expected to receive based on non-market vesting conditions. The difference is charged or credited to the income statement, with a corresponding adjustment to equity.

(ii) *Defined contribution plans*

Contributions to defined contribution plans are recognised as an expense in the income statement in the periods during which related service are rendered by employees.

(iii) *Other short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(iv) *Other long-term benefits*

Long-term employee benefit obligations are measured on performance conditions over a period of three years. The Group adopts an incentive compensation plan, which is tied to the creation of Economic Value Added ("EVA") for its management personnel executives. An EVA bank is used to hold incentive compensation credited in any year. Typically, one-third of the accumulated EVA-based bonus, comprising the EVA declared in the financial year and the balance of such bonus brought forward from preceding years is paid out in cash each year, with the balance being carried forward to the following year. The balances of the EVA bank in future will be adjusted by the yearly EVA performance of the Group and the payouts made from the EVA bank.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Revenue recognition

Revenue comprises fees earned from telecommunications services, managed services, system integration and solution projects, broadband access, Pay TV, related advertising space and sales of equipment. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligations.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer.

Revenue is recognised in the income statement as follows:

- Revenue from bundled products and services is recognised either at a point in time or over time based on the SSP allocated to the individual elements of the bundled products at contract inception. Invoices are issued on a monthly basis and are payable within 14 days.
- Revenue from telecommunications, broadband and cable television services and advertising space is recognised over time when such services are rendered. Revenue billed in advance of the rendering of services is deferred and presented in the statement of financial position as contract liability. Invoices for telecommunications, broadband and cable television services are issued on a monthly basis and are payable within 14 days. Invoices for advertising space are issued when services have been performed and are payable within 30 days.
- Revenue from sales of pre-paid phone cards for which services have not been rendered is deferred and presented in the statement of financial position as contract liability. Revenue is recognised over time upon usage of the pre-paid phone cards and upon expiry, any unutilised value of the cards is taken to the income statement. Payment is due when the cards are delivered to customers.
- Revenue from sales of equipment is recognised at a point in time when control of the equipment has been transferred, being at the point of delivery and acceptance of the equipment sold. Delivery occurs when the goods have been shipped to the customer's specified location. When the customer initially purchases the goods online, the transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customer. Payment is due when the equipment is delivered to customers.
- Revenue from managed services, system integration and solution projects are recognised based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, multiplied by the total estimated contract revenue. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under SFRS(I) 15. The Group becomes entitled to invoice customers based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer is sent a relevant statement of work signed by a third-party assessor and an invoice for the related milestone payment which is due within 14 to 30 days. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date, then the Group recognises a contract liability for the difference. This is not considered to be a significant financing component in construction contracts with customers as the period between the recognition of revenue and the milestone payment is always less than one year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Revenue recognition (continued)

Any difference between the revenue recognised in relation to the satisfied performance obligation and the amount of consideration received or receivable is presented either as contract asset or contract liability. Contract asset represents the Group's right to consideration, excluding any amount presented as trade receivable, in exchange for the goods or services transferred to customers. Contract liability, on the other hand represents the Group's obligation to transfer goods and services to a customer for which the Group has received consideration from the customer.

Variable consideration

Certain contracts with customers include variable considerations like right of return, trade discounts or rebates. Currently, the Group recognises revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowance, trade discounts and certain rebates. Under SFRS(I) 15, such provisions will be estimated at contract inception and at every reporting period, adjusted against revenue.

Material right

Under SFRS(I) 15, options to acquire additional goods or services represent separate performance obligations if they provide the customer a material right that the customer would not otherwise receive. In these cases, revenue from the contract is deferred and recognised when future goods and services are transferred or when the option expires. The transaction price is allocated to performance obligations (including the option) based on relative SSP.

Contract modification

Changes in scope or price (or both) of a contract that is approved by parties to the contract are contract modifications. SFRS(I) 15 prescribes the treatments of contract modifications depending on the attributes of the modification and the remaining goods and/or services.

Contract cost

SFRS(I) 15 requires the incremental costs of obtaining or fulfilling a contract to be recognised as an asset if the entity expects to recover those costs. Those incremental costs are limited to the costs that the entity would not have incurred if the contract had not been successfully obtained. The Group has applied the practical expedient, where the incremental costs of obtaining a contract is expensed if the associated amortisation period is 12 months or less.

3.10 Finance income and costs

Finance income comprises interest income on bank deposits and amount due from associate. Interest income is recognised using the effective interest method.

Finance costs comprise interest expense and similar charges. They are recognised in the income statement using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to prepare for its intended use or sale.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Government grants

Government grants received, which are designated for the purchase of property, plant and equipment, are accreted to the income statement on a straight-line basis over the estimated useful lives of the related assets, so as to match the related depreciation expense.

Government grants received, which are designated for operating expenditure, are recognised on a systematic basis in the income statement over the periods necessary to match the related cost which they are intended to compensate.

Other government grants are recognised in the income statement when there is reasonable assurance that the Group has complied with the attached conditions and the amount will be received.

3.12 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group capitalises only the consideration attributable to lease components.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the Group changes its assessment of whether it will exercise an extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Leases (continued)

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.13 Income taxes

Income taxes comprise current tax and deferred tax. Income taxes are recognised in the income statement except to the extent that it relates to a business combination, or items recognised directly in equity, or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS (I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences at the balance sheet date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences relating to investments in subsidiaries and associate to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences on the initial recognition of goodwill.

Deferred tax is provided based on the expected realisation or settlement of the temporary differences, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.14 Dividends

Interim dividends to the Company's shareholders are recognised in the financial year in which they are declared payable. Final dividends to the Company's shareholders are recognised in the financial year in which the dividends are approved by the shareholders.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Segment reporting

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, Enterprise Fixed revenue and equipment sales on an operationally integrated network and is also involved in the provision of Regional Information Communication Technology (“Regional ICT”) and cybersecurity services.

Based on the financial information regularly reviewed by the CODM, the Group has four operating and two reporting segments. Where there are changes to the reportable segments, segment information for the comparative period is restated.

3.16 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

The following amendments to SFRS(I)s are not expected to have a significant impact on the Group’s consolidated financial statements and the Company’s statement of financial position.

- SFRS(I) 17 *Insurance Contracts*
- *Classification of Liabilities as Current or Non-current* (Amendments to SFRS(I) 1-1)
- *Covid-19-Related Rent Concessions* (Amendment to SFRS(I) 16)
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28)

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

4 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold property \$m	Buildings \$m	Leasehold improvements \$m	Network equipment and infrastructure \$m	Office equipment, computers and furniture and fittings \$m	Motor vehicles \$m	Construction in progress \$m	Total \$m
Cost								
At 1 January 2019	1.7	45.3	48.5	3,387.8	211.3	8.1	78.8	3,781.5
Additions	-	0.6	7.8	3.0	14.1	0.9	166.6	193.0
Transfers	-	-	1.9	142.9	4.9	0.3	(150.0)	-
Disposals/Write-offs	-	-	(2.8)	(410.3)	(7.1)	(1.0)	-	(421.2)
Reclassified to right-of-use assets, inventory and intangible assets	-	-	(5.2)	(17.7)	(0.4)	-	-	(23.3)
At 31 December 2019	1.7	45.9	50.2	3,105.7	222.8	8.3	95.4	3,530.0
At 1 January 2020	1.7	45.9	50.2	3,105.7	222.8	8.3	95.4	3,530.0
Additions	-	-	0.6	0.7	10.2	0.3	112.2	124.0
Transfers	-	-	0.5	82.3	0.2	-	(83.0)	-
Acquisition through business combination (Note 34)	-	-	1.0	-	4.9	-	-	5.9
Disposals/Write-offs	-	-	(5.4)	(48.7)	(24.7)	(2.3)	(0.1)	(81.2)
Reclassified from/(to) intangible assets and other assets	-	-	-	-	(0.6)	(0.1)	-	(0.7)
At 31 December 2020	1.7	45.9	46.9	3,140.0	212.8	6.2	124.5	3,578.0
Accumulated depreciation and impairment losses								
At 1 January 2019	-	3.7	40.4	2,670.3	168.1	5.8	-	2,888.3
Charge for the year	-	1.3	4.2	196.4	28.4	0.7	-	231.0
Disposals/Write-offs	-	-	(2.6)	(384.8)	(5.5)	(0.9)	-	(393.8)
Reclassified to right-of-use assets, inventory and intangible assets	-	-	(4.4)	(11.0)	(0.4)	-	-	(15.8)
At 31 December 2019	-	5.0	37.6	2,470.9	190.6	5.6	-	2,709.7
At 1 January 2020	-	5.0	37.6	2,470.9	190.6	5.6	-	2,709.7
Charge for the year	-	1.3	2.8	169.0	20.4	0.9	-	194.4
Disposals/Write-offs	-	-	(5.3)	(48.6)	(24.5)	(2.2)	-	(80.6)
Reclassified from/(to) intangible assets and other assets	-	-	-	-	(0.4)	(0.1)	-	(0.5)
At 31 December 2020	-	6.3	35.1	2,591.3	186.1	4.2	-	2,823.0
Carrying amount								
At 1 January 2019	1.7	41.6	8.1	717.5	43.2	2.3	78.8	893.2
At 31 December 2019	1.7	40.9	12.6	634.8	32.2	2.7	95.4	820.3
At 31 December 2020	1.7	39.6	11.8	548.7	26.7	2.0	124.5	755.0

Staff costs capitalised in construction in progress for the Group during the year amounted to \$2.8 million (2019: \$2.7 million).

4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Buildings \$m	Leasehold improvements \$m	Network equipment and infrastructure \$m	Office equipment, computers and furniture and fittings \$m	Motor vehicles \$m	Construction in progress \$m	Total \$m
Cost							
At 1 January 2019	41.0	42.6	1,470.9	136.6	2.4	33.9	1,727.4
Additions	0.7	0.3	-	4.3	0.9	51.3	57.5
Transfers	-	0.3	62.4	-	-	(62.7)	-
Reclassification to right-of-use assets and inventory	-	(4.4)	(12.9)	-	-	-	(17.3)
Disposals/Write-offs	-	-	(8.2)	(2.3)	(0.3)	-	(10.8)
At 31 December 2019	41.7	38.8	1,512.2	138.6	3.0	22.5	1,756.8
At 1 January 2020	41.7	38.8	1,512.2	138.6	3.0	22.5	1,756.8
Additions	-	-	-	4.7	0.1	48.8	53.6
Transfers	-	0.7	43.7	-	-	(44.4)	-
Disposals/Write-offs	-	(1.8)	(26.2)	(1.0)	(0.7)	-	(29.7)
At 31 December 2020	41.7	37.7	1,529.7	142.3	2.4	26.9	1,780.7
Accumulated depreciation and impairment losses							
At 1 January 2019	3.6	37.1	1,099.6	120.1	1.9	-	1,262.3
Charge for the year	1.2	2.2	76.5	15.1	0.2	-	95.2
Reclassification to right-of-use assets and inventory	-	(4.4)	(6.9)	-	-	-	(11.3)
Disposals/Write-offs	-	-	(7.9)	(2.2)	(0.3)	-	(10.4)
At 31 December 2019	4.8	34.9	1,161.3	133.0	1.8	-	1,335.8
At 1 January 2020	4.8	34.9	1,161.3	133.0	1.8	-	1,335.8
Charge for the year	1.2	1.3	71.3	8.3	0.3	-	82.4
Disposals/Write-offs	-	(1.8)	(26.1)	(1.0)	(0.7)	-	(29.6)
At 31 December 2020	6.0	34.4	1,206.5	140.3	1.4	-	1,388.6
Carrying amount							
At 1 January 2019	37.4	5.5	371.3	16.5	0.5	33.9	465.1
At 31 December 2019	36.9	3.9	350.9	5.6	1.2	22.5	421.0
At 31 December 2020	35.7	3.3	323.2	2.0	1.0	26.9	392.1

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

5 INTANGIBLE ASSETS

Group	Telecommunications and spectrum licences \$m	Computer software, deferred development and development expenditure \$m	Software in development \$m	Goodwill \$m	Customer contracts and relationships \$m	Total \$m
Cost						
At 1 January 2019	305.4	631.5	27.3	346.9	45.3	1,356.4
Additions	-	2.6	46.4	-	-	49.0
Transfers	-	46.3	(46.3)	-	-	-
Reclassified from plant and equipment	-	0.3	-	-	-	0.3
Disposals/Write-offs	-	(0.3)	-	-	-	(0.3)
At 31 December 2019	305.4	680.4	27.4	346.9	45.3	1,405.4
At 1 January 2020	305.4	680.4	27.4	346.9	45.3	1,405.4
Additions	-	0.8	30.5	-	-	31.3
Transfers	-	44.2	(44.2)	-	-	-
Acquisition through business combination (Note 34)	-	22.0	-	58.9	14.7	95.6
Disposals/Write-offs	-	(0.5)	(0.5)	-	-	(1.0)
Translation	-	-	-	0.5	0.1	0.6
Reclassified to plant and equipment	-	(0.3)	-	-	-	(0.3)
At 31 December 2020	305.4	746.6	13.2	406.3	60.1	1,531.6
Accumulated amortisation						
At 1 January 2019	123.2	536.7	-	-	8.5	668.4
Charge for the year	19.4	39.4	-	-	5.6	64.4
Reclassified from plant and equipment	-	0.3	-	-	-	0.3
At 31 December 2019	142.6	576.4	-	-	14.1	733.1
At 1 January 2020	142.6	576.4	-	-	14.1	733.1
Charge for the year	19.4	52.7	-	-	7.7	79.8
Disposals/Write-offs	-	(0.5)	-	-	-	(0.5)
Reclassified to plant and equipment	-	(0.3)	-	-	-	(0.3)
At 31 December 2020	162.0	628.3	-	-	21.8	812.1
Carrying amount						
At 1 January 2019	182.2	94.8	27.3	346.9	36.8	688.0
At 31 December 2019	162.8	104.0	27.4	346.9	31.2	672.3
At 31 December 2020	143.4	118.3	13.2	406.3	38.3	719.5

Staff costs and other operating expenses capitalised in software in development for the Group during the year amounted to \$0.9 million (2019: \$0.1 million).

5 INTANGIBLE ASSETS (CONTINUED)

Impairment testing for CGUs containing goodwill

The following represents the lowest level within the Group at which goodwill is monitored for impairment for internal management purposes.

- The Group, through its “Hubbing” strategy, operates and delivers its Mobile, Pay TV, Broadband and Enterprise Fixed services on an operationally integrated network, customer service, sales, marketing and administration support. Accordingly, the Group’s integrated fixed, mobile, cable and broadband operations is considered one CGU (“Telco”).
- Ensign InfoSecurity Pte. Ltd. (“Ensign”) was incorporated in 2018 to undertake a cybersecurity business with end-to-end capabilities. The Group’s cybersecurity segment (the “Ensign”) is assessed to be a separate CGU.
- In September 2019, StarHub Ltd divested of its interest in its subsidiary D’Crypt Pte Ltd (“DPL”). Subsequent to the divestment, StarHub continued to exercise control over DPL through its subsidiary, Ensign. As DPL generates independent cash inflows, DPL is a separate CGU on its own.
- In July 2020, the Group completed the acquisition of Strateq Sdn Bhd (“Strateq”). Strateq is in the business of undertaking Information Communication Technology (“ICT”) projects. The Group’s ICT segment is assessed to be a separate CGU.

The carrying amount of the Group’s goodwill as at 31 December 2020 were assessed for impairment during the financial year and attributed to the respective CGUs.

Group	2020 \$m	2019 \$m
Carrying amount of goodwill from acquisition of:		
– StarHub Cable Vision Ltd (“SCV”) – Telco	220.3	220.3
– DPL	25.8	25.8
– Ensign	100.8	100.8
– Strateq	59.4	–
	406.3	346.9

The recoverable amounts of the CGUs are determined based on value-in-use calculations. The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management. The cash flow projections of 5 years are based on management’s assessment of future trends and actual operating results. The cash flow projections greater than 5 years used in the impairment assessment of a CGU at the reporting date reflect the long-term future performance of the CGU as it reaches a steady state of operations.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

5 INTANGIBLE ASSETS (CONTINUED)

Impairment testing for CGUs containing goodwill (continued)

Key assumptions used in the estimation of value-in-use were as follows:

- The discount rates applied to the cash flow projections are based on Weighted Average Cost of Capital ("WACC") calculated using the Capital Asset Pricing Model ("CAPM").

	Pre-tax discount rate		Terminal growth rates	
	2020	2019	2020	2019
Telco	5.4%	5.9%	–	–
DPL	12.8%	14.1%	2.5%	–
Ensign	9.8%	10.8%	2.5%	–
Strateq	16.4%	–	–	–

- Growth rates and EBITDA margins take into consideration competitive pressures in the industry and effects from the prolonged COVID-19 pandemic.

As at 31 December 2019 and 2020, no impairment charge was required for the carrying amount of goodwill as the recoverable amounts were in excess of their carrying amount. For Telco, DPL and Strateq CGUs, a reasonable change to the key assumptions applied is not likely to cause the recoverable amounts to be below their carrying amounts.

For the Ensign CGU, the following table shows the amount by which key assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal the recoverable amount	
	2020	2019
	%	%
Ensign		
Revenue growth rate	(4.9)	(6.2)
EBITDA margin	(2.6)	(2.8)

5 INTANGIBLE ASSETS (CONTINUED)

Company	Telecom- munications licences \$m	Computer software \$m	Software in development \$m	Total \$m
Cost				
At 1 January 2019	0.3	546.5	22.4	569.2
Additions	-	-	40.0	40.0
Transfers	-	37.6	(37.6)	-
At 31 December 2019	0.3	584.1	24.8	609.2
At 1 January 2020	0.3	584.1	24.8	609.2
Additions	-	-	26.9	26.9
Transfers	-	40.4	(40.4)	-
Write-offs	-	(0.2)	(0.6)	(0.8)
At 31 December 2020	0.3	624.3	10.7	635.3
Accumulated amortisation				
At 1 January 2019	0.1	467.0	-	467.1
Charge for the year	-	33.3	-	33.3
At 31 December 2019	0.1	500.3	-	500.4
At 1 January 2020	0.1	500.3	-	500.4
Charge for the year	0.1	43.4	-	43.5
Write-offs	-	(0.2)	-	(0.2)
At 31 December 2020	0.2	543.5	-	543.7
Carrying amount				
At 1 January 2019	0.2	79.5	22.4	102.1
At 31 December 2019	0.2	83.8	24.8	108.8
At 31 December 2020	0.1	80.8	10.7	91.6

Staff costs capitalised in software in development for the Company during the year amounted to \$0.1 million (2019: \$0.1 million).

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

6 RIGHT-OF-USE ASSETS

Leases as lessee

The Group leases land and buildings, base transceiver stations and other network equipment, computers and infrastructure. The leases typically run for a period of 1 to 35 years, with an option to renew the lease after that date. Lease payments are renegotiated at the end of the lease term to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

Information about leases for which the Group is a lessee is presented below.

Group	Land and buildings \$m	Base transceiver stations \$m	Network equipment, computers and infrastructure \$m	Total \$m
Cost				
At 1 January 2019	153.9	17.6	29.2	200.7
Reclassification from property, plant and equipment	1.7	–	0.9	2.6
Additions and modifications to right-of-use assets	3.4	9.3	0.2	12.9
Terminations	–	–	(20.0)	(20.0)
At 31 December 2019	159.0	26.9	10.3	196.2
Additions and modifications to right-of-use assets	10.4	3.0	1.7	15.1
Acquisition through business combination (Note 34)	20.2	–	0.2	20.4
Terminations	(3.8)	(1.2)	(8.0)	(13.0)
Translation	0.2	–	–	0.2
At 31 December 2020	186.0	28.7	4.2	218.9
Accumulated depreciation				
Depreciation	26.2	13.8	26.4	66.4
Modifications	(0.3)	–	–	(0.3)
Terminations	–	–	(19.9)	(19.9)
At 31 December 2019	25.9	13.8	6.5	46.2
Depreciation	27.2	3.4	2.1	32.7
Terminations	(2.6)	(0.3)	(7.2)	(10.1)
At 31 December 2020	50.5	16.9	1.4	68.8
Carrying amount				
At 31 December 2019	133.1	13.1	3.8	150.0
At 31 December 2020	135.5	11.8	2.8	150.1

6 RIGHT-OF-USE ASSETS (CONTINUED)

Leases as lessee (continued)

Company	Land and buildings \$m	Other network equipment and infrastructure \$m	Total \$m
Cost			
At 1 January 2019	130.2	9.1	139.3
Reclassification from property, plant and equipment	1.7	–	1.7
Additions to right-of-use assets	1.8	–	1.8
At 31 December 2019	133.7	9.1	142.8
Additions and modifications to right-of-use assets	3.9	0.2	4.1
Terminations	(1.6)	(7.0)	(8.6)
At 31 December 2020	136.0	2.3	138.3
Accumulated depreciation			
Depreciation	20.0	6.1	26.1
At 31 December 2019	20.0	6.1	26.1
Depreciation	19.3	1.8	21.1
Terminations	(1.6)	(7.0)	(8.6)
At 31 December 2020	37.7	0.9	38.6
Carrying amount			
At 31 December 2019	113.7	3.0	116.7
At 31 December 2020	98.3	1.4	99.7

7 SUBSIDIARIES

	Company	
	2020 \$m	2019 \$m
Investments in subsidiaries, at cost or deemed cost	3,272.8	3,256.0
Loss allowance	–	–
	3,272.8	3,256.0

Movements in loss allowance during the year are as follows:

	2020 \$m	2019 \$m
At beginning of year	–	(28.9)
Write-back of allowance on strike off of a subsidiary company	–	28.9
	–	–

During 2020, a subsidiary of the Company completed the acquisition of Strateq Sdn Bhd (“Strateq”). See Note 34 for details of the transaction.

As at 31 December 2020 and 2019, no impairment charge was required for the carrying amounts of the Company’s cost of investment in subsidiaries as the recoverable amounts were in excess of their carrying amounts. The recoverable amounts were based on its value-in-use (refer to Note 5 for details).

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

7 SUBSIDIARIES (CONTINUED)

Details of subsidiaries

The subsidiaries directly held by the Company are as follows:

Name of company	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group	
			2020 %	2019 %
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 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
StarHub (Mauritius) Ltd ⁽²⁾	Dormant; under liquidation	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
Ensign InfoSecurity Pte. Ltd. ("Ensign") ⁽³⁾	Provision of computer systems integration activities, other professional, scientific and technical activities	Singapore	58.38 ⁽⁶⁾	60 ⁽⁶⁾
Malaren International Sdn Bhd ("Malaren") ⁽³⁾	Investment holding	Malaysia	100	–

7 SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)

The significant subsidiaries held by the Company's subsidiary companies are as follows:

Name of company	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group	
			2020 %	2019 %
Subsidiaries of Ensign				
Ensign InfoSecurity (Cybersecurity) Pte. Ltd. ("EIC") ⁽³⁾	Investment holding	Singapore	58.38 ⁽⁶⁾	60 ⁽⁶⁾
Ensign InfoSecurity (Systems) Pte. Ltd. ("EIS") ⁽³⁾	Provision of cybersecurity solutions, professional services for system integration and security operations and management	Singapore	58.38 ⁽⁶⁾	60 ⁽⁶⁾
Keele Investments Pte. Ltd. ("Keele") ⁽³⁾	Investment holding	Singapore	58.38 ⁽⁶⁾	60 ⁽⁶⁾
Subsidiaries of Keele				
D'Crypt Pte Ltd ("DPL") ⁽³⁾	Provision of design and development of high security products and technology	Singapore	58.38 ⁽⁶⁾	60 ⁽⁶⁾
Subsidiaries of EIC				
Ensign InfoSecurity (Asia Pacific) Pte. Ltd. ("EIS Asia Pacific") ⁽³⁾	Provision of network and protection services	Singapore	58.38 ⁽⁶⁾	60 ⁽⁶⁾
Ensign InfoSecurity (SmartTech) Pte. Ltd. ⁽³⁾	Provision of recovery planning services and sales of IT security products	Singapore	58.38 ⁽⁶⁾	60 ⁽⁶⁾
Ensign InfoSecurity (Networks) Pte. Ltd. ⁽³⁾	Provision of network and protection services	Singapore	58.38 ⁽⁶⁾	60 ⁽⁶⁾
Subsidiaries of EIS Asia Pacific				
Ensign InfoSecurity (Malaysia) Sdn Bhd ⁽³⁾	Provision of electronic and internet security services and trading and installation of electronic devices	Malaysia	58.38 ⁽⁶⁾	60 ⁽⁶⁾
Ensign InfoSecurity (East Asia) Limited ⁽³⁾	Provision of internet security surveillance services	People's Republic of China	58.38 ⁽⁶⁾	60 ⁽⁶⁾
Ensign InfoSecurity (Singapore) Pte. Ltd. ⁽³⁾	Provision of internet security surveillance services	Singapore	58.38 ⁽⁶⁾	60 ⁽⁶⁾
Vectra Information Security Pte. Ltd. ⁽³⁾	Provision of services for development and implementation of computer systems	Singapore	58.38 ⁽⁶⁾	60 ⁽⁶⁾

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

7 SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)

Name of company	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group	
			2020 %	2019 %
Subsidiaries of EIS Asia Pacific (continued)				
Vectra Information Security Sdn Bhd ⁽⁴⁾	Liquidated during the year	Malaysia	–	60 ⁽⁶⁾
e-Cop Technology Beijing Co., Ltd ⁽⁴⁾	Dormant	People's Republic of China	58.38 ⁽⁶⁾	60 ⁽⁶⁾
Subsidiary of Malaren				
Nettilling Sdn. Bhd. ("Nettilling") ⁽³⁾	Investment holding	Malaysia	88.28	–
Subsidiary of Nettilling				
Taman Kenyir Holdings Sdn. Bhd. ("Taman Kenyir") ⁽³⁾	Investment holding	Malaysia	43.26 ⁽⁵⁾	–
Subsidiary of Taman Kenyir				
Strateq Sdn. Bhd. ⁽³⁾	Implementation of Information Communication Technology projects.	Malaysia	43.26 ⁽⁵⁾	–
Subsidiaries of Strateq Sdn. Bhd.				
Strateq Systems Sdn. Bhd. ⁽³⁾	System integration, supply and implementation of hardware and software solutions and provision of maintenance services	Malaysia	43.26 ⁽⁵⁾	–
Strateq (Singapore) Pte Ltd ⁽³⁾	Provision of petrol station retail solutions and fuel logistics management solutions and data centre and business continuity services	Singapore	43.26 ⁽⁵⁾	–
Strateq Oil & Gas Sdn Bhd. ⁽³⁾	Provision of petrol station retail solutions and fuel logistics management solutions	Malaysia	43.26 ⁽⁵⁾	–
Strateq Health Sdn Bhd. ⁽³⁾	Provision of hospital information systems solutions	Malaysia	43.26 ⁽⁵⁾	–
Strateq Global Services Sdn. Bhd. ⁽³⁾	Development and provision of software as a service application	Malaysia	43.26 ⁽⁵⁾	–
Strateq Business Solutions Sdn. Bhd. ⁽³⁾	Provision of business application solutions and related services	Malaysia	43.26 ⁽⁵⁾	–

7 SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)

Name of company	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group	
			2020 %	2019 %
Subsidiaries of Strateq Sdn. Bhd. (continued)				
Strateq Sentry Sdn. Bhd. ⁽³⁾	Provision of architecting ICT solutions and project management services into building complexes and infrastructure related projects	Malaysia	43.26 ⁽⁵⁾	–
Strateq Capital Sdn. Bhd. ⁽³⁾	Investment holding and provision of management services	Malaysia	43.26 ⁽⁵⁾	–
Subsidiaries of Strateq Systems Sdn. Bhd.				
Strateq Data Centre Sdn. Bhd. ⁽³⁾	Provision of data centre and business continuity services	Malaysia	43.26 ⁽⁵⁾	–
Strateq Systems (Thailand) Co. Ltd ⁽³⁾	Provision of petrol station retail solutions and fuel logistics management solutions	Thailand	43.26 ⁽⁵⁾	–
Subsidiary of Strateq Capital Sdn. Bhd.				
Strateq Health B.V. ⁽⁴⁾	Provision of healthcare information technology products and services globally	Netherlands	42.54 ⁽⁵⁾	–
Subsidiary of Strateq Health B.V				
Strateq Health Inc ⁽⁴⁾	Provision of healthcare information technology software, research and development services and support services	United States	42.54 ⁽⁵⁾	–

(1) Audited by KPMG LLP Singapore

(2) Not audited as under liquidation

(3) Audited by another firm

(4) Not required to be audited by laws of the country of incorporation

(5) Although the Group owns less than half of the voting rights, the Group controls these companies as it has the power to appoint the majority of the board of directors and is able to exercise control over their financial and operating policies. See Note 34 for further details.

(6) The Group controls these companies as 20% of the rights, benefits and interests in Ensign have been assigned to the Company by the non-controlling interest shareholder. During the year, the Group's interest decreased from 60% to 58.38% (see Note 34).

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

8 ASSOCIATE AND JOINT VENTURE

	Group		Company	
	2020 \$m	2019 \$m	2020 \$m	2019 \$m
Interests in associate				
Unquoted equity investments	27.8	27.8	27.8	27.8
Share of post-acquisition reserves	(4.9)	(5.7)	-	-
	22.9	22.1	27.8	27.8
Interests in joint venture				
Unquoted equity investments	2.0	-	-	-
Share of post-acquisition reserves	(0.1)	-	-	-
	1.9	-	-	-

Associate

Details of the associate are as follows:

Name of associate	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group	
			2020 %	2019 %
SHINE Systems Assets Pte. Ltd. ⁽¹⁾	Investment in, ownership or lease of infrastructure assets and provision of data centre services	Singapore	30	30

(1) Audited by KPMG LLP Singapore

The following summarises the financial information of the associate, based on its financial statements prepared in accordance with SFRS(I), amended for fair value adjustments on acquisition:

	2020 \$m	2019 \$m
Revenue	30.3	29.2
Profit/(loss) from continuing operations	2.1	(1.7)
Other comprehensive income/(loss)	0.4	(0.4)
Total comprehensive income/(loss)	2.5	(2.1)
Non-current assets	255.3	239.1
Current assets	17.5	18.3
Non-current liabilities	(186.1)	(34.6)
Current liabilities	(10.6)	(149.2)
Net assets	76.1	73.6
Group's interest in net assets of associate at beginning of the year	22.1	22.7
Group's share of:		
- Profit/(loss) from continuing operations	0.6	(0.5)
- Other comprehensive income/(loss)	0.2	(0.1)
Total comprehensive income/(loss)	0.8	(0.6)
Carrying amount of interest in associate at end of the year	22.9	22.1

8 ASSOCIATE AND JOINT VENTURE (CONTINUED)

Joint Venture

On 3 September 2020, StarHub Mobile Pte Ltd (a wholly-owned subsidiary of the Company), and M1 Limited, jointly incorporated a joint venture company, Antina Pte. Ltd., to develop, deploy and operate a 5G mobile network in Singapore.

Details of the joint venture are as follows:

Name of joint venture	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group	
			2020 %	2019 %
Antina Pte. Ltd. ⁽¹⁾	Provision of mobile telecommunication services	Singapore	50	-

(1) Audited by another firm

The following summarises the financial information of the joint venture, based on its financial statements prepared in accordance with SFRS(I):

	2020 \$m
Revenue	-
Loss from continuing operations	(0.2)
Total comprehensive loss	(0.2)
Non-current assets	0.4
Current assets	3.9
Non-current liabilities	(0.3)
Current liabilities	(0.2)
Net assets	3.8
Group's interest in net assets of joint venture at beginning of the year	-
Group's contributions	2.0
Group's share of:	
- Loss from continuing operations	(0.1)
Total comprehensive loss	(0.1)
Carrying amount of interest in joint venture at end of the year	1.9

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

9 OTHER INVESTMENT

	Group and Company	
	2020	2019
	\$m	\$m
Equity investment – at FVOCI	17.1	34.3

The Group designated the investment as equity investment at FVOCI because the equity investment represents investment that the Group intends to hold long-term for strategic purposes.

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

	Group		Company	
	2020	2019	2020	2019
	\$m	\$m	\$m	\$m
Current				
Amounts due from (trade):				
– Subsidiaries	–	–	518.1	425.1
– Related corporations	19.3	21.9	12.4	13.2
	19.3	21.9	530.5	438.3
Less: Loss allowance	–	–	(516.6)	(422.9)
	19.3	21.9	13.9	15.4
Non-current				
Loan to associate	–	8.5	–	8.5

Movements in loss allowance during the year are as follows:

	Company	
	2020	2019
	\$m	\$m
At beginning of year	422.9	174.4
Loss allowances recognised	93.7	248.5
	516.6	422.9

Included in current amounts due from subsidiaries are amounts of \$473.8 million (2019: \$263.0 million) from certain subsidiaries which are unsecured, bear interest of 7.75% (2019: 7.75%) per annum and are repayable on demand. During the year, the Company impaired the additional balances owing by certain subsidiaries amounting to \$93.7 million (2019: \$248.5 million). Other than the above, there is no loss allowance arising from these outstanding balances with subsidiaries and related corporations as the ECL is not material.

The non-current loan to associate was unsecured, bore interest at 3.53% per annum and was repaid during the year. All other amounts are unsecured, interest-free and repayable on demand.

10 BALANCES WITH RELATED PARTIES (CONTINUED)

10.2 Amounts due to related parties

	Group		Company	
	2020 \$m	2019 \$m	2020 \$m	2019 \$m
Current				
Amounts due to (trade):				
- Subsidiaries	-	-	162.9	134.3
- Associate	2.2	1.5	2.2	1.5
- Related corporations	32.1	39.6	12.3	15.2
	34.3	41.1	177.4	151.0

The current amounts due to subsidiaries comprise:

- (i) Amounts of \$130.7 million (2019: \$69.4 million) which are unsecured, interest-free and repayable on demand.
- (ii) Amounts of \$32.2 million (2019: \$64.9 million) placed by certain subsidiaries with the Company under a cash pooling arrangement.

Amounts due to related corporations and associate are unsecured, interest-free and repayable on demand.

- 10.3** The Company's balances with subsidiaries included amounts netted under agreed master netting arrangements. The amounts, after impairment, before netting are as follows:

Company	Gross amounts \$m	Gross amounts offset \$m	Net amounts \$m
2020			
Current			
Amounts due from subsidiaries	30.8	(29.3)	1.5
Amounts due to subsidiaries	192.2	(29.3)	162.9
2019			
Current			
Amounts due from subsidiaries	218.5	(216.3)	2.2
Amounts due to subsidiaries	350.6	(216.3)	134.3

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

11 CONTRACT BALANCES

The following section provides information about contract assets, contract liabilities and contract cost from contracts with customers.

11.1 Contract assets

	Group		Company	
	2020 \$m	2019 \$m	2020 \$m	2019 \$m
Contract assets	394.9	419.1	25.0	28.1
Loss allowance	(6.4)	(7.4)	-	-
	388.5	411.7	25.0	28.1
Analysed as:				
Third parties	386.8	408.9	24.4	26.6
Related parties	1.7	2.8	0.6	1.5
	388.5	411.7	25.0	28.1
Current	317.4	334.1	24.1	27.5
Non-current	71.1	77.6	0.9	0.6
	388.5	411.7	25.0	28.1

The contract assets primarily relate to the Group's rights to consideration for goods and services provided but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customers.

Movements in the contract asset balances during the year are as follows:

	Group		Company	
	2020 \$m	2019 \$m	2020 \$m	2019 \$m
At beginning of year	419.1	343.7	28.1	18.8
Prior year contract assets reclassified to trade receivables and contract liabilities	(340.7)	(289.7)	(21.3)	(15.1)
Contract assets recognised, net of reclassification to trade receivables	315.0	369.1	18.2	24.4
Acquisition through business combination	5.9	-	-	-
Contract asset written off	(4.4)	(4.0)	-	-
	394.9	419.1	25.0	28.1
Less: Loss allowance	(6.4)	(7.4)	-	-
	388.5	411.7	25.0	28.1

11 CONTRACT BALANCES (CONTINUED)

11.1 Contract assets (continued)

The Group uses an allowance matrix to measure the ECL of contract assets. In determining the ECL, the Group has taken into account the historical termination write-off experience of the corporate and consumer customer bases, adjusted for factors based on the Group's view of economic conditions over the remaining lifetime of future performance obligations.

The following table details the risk profile of contract assets based on the Group's provision matrix.

	Group					
	2020			2019		
	Weighted average loss rate	Gross carrying amount \$m	Loss allowance \$m	Weighted average loss rate	Gross carrying amount \$m	Loss allowance \$m
Current	1.62%	394.9	6.4	1.77%	419.1	7.4

Movements in loss allowance (lifetime ECL) during the year are as follows:

	Group		Company	
	2020 \$m	2019 \$m	2020 \$m	2019 \$m
At beginning of year	7.4	6.7	-	-
Loss allowances recognised	12.1	2.9	-	-
Allowance utilised	(13.1)	(2.2)	-	-
	6.4	7.4	-	-

Based on the Company's credit assessment, management believes that credit exposure is low and the expected credit loss is negligible.

11.2 Contract liabilities

Contract liabilities primarily relate to amounts billed in advance for telecommunications, broadband and pay TV services, advance consideration received from customers for prepaid mobile services and excess of progress payments over the revenue recognised for managed services.

	Group		Company	
	2020 \$m	2019 \$m	2020 \$m	2019 \$m
Managed services contracts	20.2	15.3	6.7	6.3
Amounts billed in advance for telecommunications, broadband and pay TV services	53.4	66.6	46.1	48.0
Amounts received in advance for prepaid mobile services	22.4	23.7	-	-
	96.0	105.6	52.8	54.3

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

11 CONTRACT BALANCES (CONTINUED)

11.2 Contract liabilities (continued)

	Group		Company	
	2020 \$m	2019 \$m	2020 \$m	2019 \$m
Analysed as:				
Third parties	87.4	96.5	44.2	45.2
Related parties	8.6	9.1	8.6	9.1
	96.0	105.6	52.8	54.3
Current	64.4	69.4	21.2	18.1
Non-current	31.6	36.2	31.6	36.2
	96.0	105.6	52.8	54.3

Movements in the contract liability balances during the year are as follows:

	Group		Company	
	2020 \$m	2019 \$m	2020 \$m	2019 \$m
At beginning of year	105.6	102.7	54.3	55.9
Revenue recognised that was included in the contract liability balance at the beginning of the year	(66.5)	(77.4)	(16.1)	(31.2)
Cash received, excluding amounts recognised as revenue during the year	6.0	3.4	6.0	0.9
Billings in advance, excluding amounts recognised as revenue during the year	50.8	76.9	8.6	28.7
Acquisition through business combination	0.1	-	-	-
	96.0	105.6	52.8	54.3

11.3 Contract costs

	Group		Company	
	2020 \$m	2019 \$m	2020 \$m	2019 \$m
Costs to obtain contracts	11.0	19.4	1.6	1.9
Costs to fulfil contracts	27.8	20.1	-	-
	38.8	39.5	1.6	1.9
Current	36.3	32.5	1.2	1.5
Non-current	2.5	7.0	0.4	0.4
	38.8	39.5	1.6	1.9

11 CONTRACT BALANCES (CONTINUED)

11.3 Contract costs (continued)

Costs to obtain contracts relate to commission fees paid to dealers as a result of obtaining mobile, pay TV and broadband service contracts. Costs to fulfil contracts relate to costs of materials which generate or enhance resources that will be used in satisfying future performance obligations.

These costs are amortised on a straight-line basis over the contract period. In 2020, amortisation amounting to \$128.5 million (2019: \$84.2 million) and \$28.5 million (2019: \$25.9 million) was recognised as cost of services and marketing and promotion expenses, respectively, in the income statement. There was no loss allowance in relation to the costs capitalised.

12 INVENTORIES

	Group		Company	
	2020 \$m	2019 \$m	2020 \$m	2019 \$m
Equipment held for resale	62.4	84.7	0.5	0.6
Maintenance and project inventories	17.5	13.6	4.5	4.9
Inventories, net of allowance	79.9	98.3	5.0	5.5
Allowance made during the year	2.3	2.6	0.1	0.1

13 TRADE RECEIVABLES

	Group		Company	
	2020 \$m	2019 \$m	2020 \$m	2019 \$m
Trade receivables	248.0	301.5	195.3	247.3
Loss allowances	(55.2)	(52.8)	(48.9)	(49.3)
	192.8	248.7	146.4	198.0

The trade receivables of the Company include amounts billed under a combined billing arrangement to customers for services provided by certain subsidiaries.

The Group uses an allowance matrix to measure the ECL of trade receivables. In the assessment of ECL, the Group applies the simplified approach to estimate the loss allowance based on aging buckets of the trade receivables, adjusted for certain external indices to different groups between consumer and corporate customers, where applicable.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

13 TRADE RECEIVABLES (CONTINUED)

The following table details the risk profile of trade receivables from contracts with customers based on the Group's allowance matrix.

	2020			2019		
	Weighted average loss rate	Gross carrying amount \$m	Loss allowance \$m	Weighted average loss rate	Gross carrying amount \$m	Loss allowance \$m
Group						
Current	1.78%	84.4	1.5	1.45%	110.3	1.6
Past due 1 – 15 days	8.37%	20.3	1.7	8.22%	14.6	1.2
Past due above 15 days	36.29%	143.3	52.0	28.31%	176.6	50.0
		<u>248.0</u>	<u>55.2</u>		<u>301.5</u>	<u>52.8</u>
Company						
Current	2.21%	63.4	1.4	1.76%	90.7	1.6
Past due 1 – 15 days	9.14%	17.5	1.6	9.65%	11.4	1.1
Past due above 15 days	40.1%	114.4	45.9	32.09%	145.2	46.6
		<u>195.3</u>	<u>48.9</u>		<u>247.3</u>	<u>49.3</u>

Movements in lifetime ECL balances during the year are as follows:

	Group		Company	
	2020 \$m	2019 \$m	2020 \$m	2019 \$m
At beginning of year	52.8	48.8	49.3	46.6
Loss allowances recognised	13.6	18.0	1.6	8.5
Recharged to subsidiaries	-	-	10.9	8.1
Allowance utilised	(11.2)	(14.0)	(12.9)	(13.9)
	<u>55.2</u>	<u>52.8</u>	<u>48.9</u>	<u>49.3</u>

14 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2020 \$m	2019 \$m	2020 \$m	2019 \$m
Current				
Grant receivables	5.4	1.7	2.6	-
Deposits	6.3	4.7	1.1	0.9
Prepayments	70.6	66.2	34.5	30.1
Other receivables	16.2	16.1	3.1	2.1
	<u>98.5</u>	<u>88.7</u>	<u>41.3</u>	<u>33.1</u>
Non-current				
Prepayments	30.8	-	2.9	-

Prepayment includes \$27.5million (2019: \$nil) paid for a 5G licence to be used exclusively by the joint venture (Note 8) with effect from 1 January 2021.

15 CASH AND CASH EQUIVALENTS

	Group		Company	
	2020 \$m	2019 \$m	2020 \$m	2019 \$m
Fixed deposits	206.3	40.0	195.2	40.0
Cash at bank and in hand	209.1	77.6	133.2	34.5
Cash and cash equivalents in the statement of financial position	415.4	117.6	328.4	74.5
Restricted cash and fixed deposits	(10.4)	(0.7)	-	-
Bank overdraft (Note 17)	(1.3)	-	-	-
Cash and cash equivalents in the cash flow statement	403.7	116.9	328.4	74.5

Fixed deposits relate to deposits with financial institutions with maturities of three months or less with effective interest rates ranging from 0.35% to 3.35% (2019: 0.25% to 3.35%) per annum.

At the reporting date, cash and cash equivalents of the Company include \$32.2 million (2019: \$64.9 million) cash from certain subsidiaries pooled together and managed centrally by the Company in bank balances and fixed deposits as part of the Group's cash management and treasury activities.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Restricted cash was set aside for performance bonds with customers.

16 TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2020 \$m	2019 \$m	2020 \$m	2019 \$m
Current					
Trade payables		121.3	167.5	84.5	114.7
Accruals		412.5	359.0	183.4	181.5
Deferred grant income	19	6.2	0.4	4.1	0.3
Other deferred income		3.1	-	-	-
Deposits from customers		9.5	10.2	8.8	9.8
Forward exchange contracts		2.5	2.4	2.5	2.4
		555.1	539.5	283.3	308.7
Non-current					
Accruals		18.4	13.9	10.8	10.9
Deferred grant income	19	-	0.1	-	-
Other deferred income		1.5	6.5	-	-
Deferred consideration ⁽¹⁾		6.2	5.8	-	-
Contingent consideration ⁽¹⁾	35	34.8	23.9	-	-
Forward liability to acquire non-controlling interests ⁽¹⁾	35	34.5	-	-	-
		95.4	50.2	10.8	10.9

(1) See Note 34 for the nature of the liabilities

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

16 TRADE AND OTHER PAYABLES (CONTINUED)

The Group participates in a supply chain finance programme (SCF) under which its suppliers may elect to receive early payment of their invoice from a bank by factoring their receivable from the Group. Under the arrangement, a bank agrees to pay amounts to a participating supplier in respect of invoices owed by the Group and receives settlement from the Group at a later date.

The Group does not derecognise the original liabilities to which the arrangement applies. The arrangement does not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating. The Group discloses the amounts factored by suppliers within trade payables because the nature and function of the financial liability remained the same.

The payments to the bank are included within operating cashflows because they continue to be part of the normal operating cycle of the Group and their principle nature remains operating. As at 31 December 2020, trade payables under the SCF programme is \$1.2 million (2019: Nil).

17 BORROWINGS

	Note	Group		Company	
		2020 \$m	2019 \$m	2020 \$m	2019 \$m
Current					
Bank loans	17.1	7.4	407.6	–	407.5
Bank overdraft	15	1.3	–	–	–
		8.7	407.6	–	407.5
Non-current					
Bank loans	17.1	643.7	120.8	557.5	120.0
Medium term notes	17.2	520.0	520.0	520.0	520.0
		1,163.7	640.8	1,077.5	640.0

Reconciliation of movements of borrowings to cash flows arising from financing activities:

	Group	
	2020 \$m	2019 \$m
Balance at 1 January	1,048.4	1,028.5
Changes from financing cash flows		
Proceeds from bank loans	344.6	70.0
Repayment of bank loans	(237.9)	(50.0)
Interest paid	(32.4)	(31.4)
Total changes from financing cash flows	74.3	(11.4)
Total liability-related other changes	32.3	31.3
Acquisition through business combination (Note 34)	16.4	–
Effects of foreign exchange rate	1.0	–
Balance at 31 December	1,172.4	1,048.4

17 BORROWINGS (CONTINUED)

17.1 Bank loans

At 31 December 2020, bank loans of \$9.5 million (2019: nil) are secured over fixed deposit and bear interest rates ranging from 2.17% to 7.95% (2019: nil) per annum. The remaining unsecured bank loans bear interest at rates ranging from 1.30% to 3.45% (2019: 2.21% to 5.00%) per annum.

As at 31 December 2020, the fair value of bank loans are \$667.1 million (2019: \$534.9 million).

During the year, the Company has provided a financial guarantee for a loan of \$85.4 million drawn down under a loan facility entered by a subsidiary. The guarantee is accounted for in accordance to SFRS(I) 4 *Insurance Contracts*.

17.2 Medium term notes

The Company has established in September 2011 a multicurrency medium term note programme with a maximum aggregate principal amount of \$1,000.0 million. In September 2012, the Company issued a \$220.0 million 10-year medium term note which bears interest rate of 3.08% per annum and is repayable in September 2022.

In June 2016, the Company issued a \$300.0 million 10-year medium term note which bears interest of 3.55% per annum and is repayable in June 2026.

On 29 May 2017, the Company has updated and amended its \$1,000.0 million multicurrency medium term note programme to a \$2,000.0 million multicurrency debt issuance programme with the inclusion of the mechanism for the issuance of, and the terms and conditions of, perpetual securities. The amendments do not affect the validity of the existing term notes issued by the Company under the original programme.

As at 31 December 2020, the fair value of the medium term notes are \$540.2 million (2019: \$531.3 million).

18 LEASE LIABILITIES

	Group		Company	
	2020 \$m	2019 \$m	2020 \$m	2019 \$m
Current	27.7	26.6	15.9	15.8
Non-current	129.9	128.9	85.9	100.4
	157.6	155.5	101.8	116.2

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

18 LEASE LIABILITIES (CONTINUED)

Reconciliation of movements of lease liabilities to cash flows arising from financing activities:

	Group	
	2020	2019
	\$m	\$m
Lease liabilities recognised at 1 January	155.5	208.1
Changes from financing cash flows		
Payment of lease liabilities	(30.8)	(61.1)
Interest paid	(5.6)	(6.4)
Total changes from financing cash flows	(36.4)	(67.5)
Other changes		
New leases and modifications	11.4	8.5
Interest expense	5.6	6.4
Acquisition through business combination (Note 34)	21.5	–
Total other changes	38.5	14.9
Balance at 31 December	157.6	155.5

19 DEFERRED GRANT INCOME

		Group		Company	
	Note	2020	2019	2020	2019
		\$m	\$m	\$m	\$m
Deferred grants					
At beginning of year		0.5	1.1	0.3	0.9
Grants received		40.1	–	23.7	–
Asset grant accreted to the income statement	25.1	(0.4)	(0.6)	(0.4)	(0.6)
Income grant accreted to the income statement	26	(34.0)	–	(19.5)	–
At end of year		6.2	0.5	4.1	0.3
Current	16	6.2	0.4	4.1	0.3
Non-current	16	–	0.1	–	–
		6.2	0.5	4.1	0.3

Deferred income refers to government grants received. Assets related grants are recognised over the estimated useful lives of the related assets. Income related grants include Jobs Support Scheme (“JSS”) grants received and are recognised on a systematic basis over the periods to match the related costs.

20 DEFERRED TAX ASSETS AND LIABILITIES

Movements in deferred tax assets/(liabilities) during the year are as follows:

Group	At 1 January \$m	Recognised in income statement (Note 28) \$m	Recognised in other comprehensive income \$m	Recognised in equity \$m	Acquired in business combination (Note 34) \$m	At 31 December \$m
2020						
Deferred tax assets						
Other payables and accruals	-	0.1	-	-	-	0.1
Unutilised tax losses	-	0.7	-	-	-	0.7
Total	-	0.8	-	-	-	0.8
Deferred tax liabilities						
Property, plant and equipment and intangible assets	(127.3)	13.7	-	-	(6.3)	(119.9)
Right-of-use assets	1.3	0.3	-	-	0.2	1.8
Other payables and accruals	8.0	(0.4)	-	-	0.6	8.2
Contract assets	1.1	-	-	-	-	1.1
Contract costs	(4.9)	1.7	-	-	-	(3.2)
Derivatives	0.4	-	-	-	-	0.4
Share-based payment transactions	-	0.4	-	(0.1)	-	0.3
Total	(121.4)	15.7	-	(0.1)	(5.5)	(111.3)
2019						
Deferred tax assets						
Property, plant and equipment and intangible assets	1.5	(1.5)	-	-	-	-
Total	1.5	(1.5)	-	-	-	-
Deferred tax liabilities						
Property, plant and equipment and intangible assets	(140.2)	12.9	-	-	-	(127.3)
Right-of-use assets	-	1.3	-	-	-	1.3
Other payables and accruals	9.3	(1.3)	-	-	-	8.0
Contract assets	1.1	-	-	-	-	1.1
Contract costs	-	(4.9)	-	-	-	(4.9)
Derivatives	-	-	0.4	-	-	0.4
Share-based payment transactions	0.6	(0.5)	-	(0.1)	-	-
Total	(129.2)	7.5	0.4	(0.1)	-	(121.4)

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

20 DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

Unrecognised deferred tax assets

Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2020 \$m	2019 \$m
Tax losses	26.5	12.0
Deferred tax assets	4.5	2.0

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.

Company	At 1 January \$m	Recognised in income statement \$m	Recognised in equity \$m	At 31 December \$m
2020				
Deferred tax liabilities				
Property, plant and equipment and intangible assets	(75.3)	6.0	-	(69.3)
Right-of-use assets	1.0	-	-	1.0
Other payables and accruals	4.0	1.0	-	5.0
Contract cost	(0.3)	-	-	(0.3)
Share-based payment transactions	-	0.4	(0.1)	0.3
Total	(70.6)	7.4	(0.1)	(63.3)
2019				
Deferred tax liabilities				
Property, plant and equipment and intangible assets	(77.3)	2.0	-	(75.3)
Right-of-use assets	-	1.0	-	1.0
Other payables and accruals	1.1	2.9	-	4.0
Contract cost	-	(0.3)	-	(0.3)
Share-based payment transactions	0.6	(0.5)	(0.1)	-
Total	(75.6)	5.1	(0.1)	(70.6)

21 SHARE CAPITAL

Group and Company	2020		2019	
	Number of shares '000	\$m	Number of shares '000	\$m
Issued and fully paid ordinary shares:				
At beginning and end of year	1,731,651	299.7	1,731,651	299.7

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

22 RESERVES

	Group		Company	
	2020 \$m	2019 \$m	2020 \$m	2019 \$m
Treasury shares	(1.9)	(0.1)	(1.9)	(0.1)
Capital reserve	(10.0)	19.4	-	-
Fair value reserve	(24.7)	(7.6)	(24.7)	(7.6)
Goodwill written off	(276.3)	(276.3)	-	-
Share-based payments reserve	8.0	8.1	8.0	8.1
Hedging reserve	(2.1)	(2.2)	-	-
Translation reserve	0.8	1.4	-	-
Retained profits	344.9	275.8	2,185.9	2,044.4
	38.7	18.5	2,167.3	2,044.8

Treasury shares

Treasury shares comprise the cost of the Company's shares held by the Company. As at year-end, 1,497,923 (2019: 36,553) treasury shares were held by the Company. During the year, 2,130,830 (2019: 1,856,188) treasury shares were transferred to share-based payments reserve.

Capital reserve

The capital reserve comprises:

- acquisitions and disposals of interests with non-controlling interests that did not result in a change in control; and
- present value of a forward contract issued to a non-controlling interest shareholder.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity investments designated at FVOCI.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

22 RESERVES (CONTINUED)

Goodwill written off

The goodwill written off represents the excess of consideration paid on the acquisition of subsidiaries prior to 1 January 2001 over the Group's share of the fair value of net assets acquired.

Share-based payments reserve

The share-based payments reserve comprises the cumulative value of services received from employees and directors recorded in respect of the grant of share options and share awards.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions.

Translation reserve

The translation reserve comprises all foreign currency translation differences arising from the translation of the financial statements of foreign operations.

23 PERPETUAL CAPITAL SECURITIES

On 16 June 2017, the Company issued subordinated perpetual securities (the "perpetual securities") with an aggregate principal amount of \$200.0 million. Incremental costs incurred amounting to \$0.4 million was recognised in equity as a deduction from the proceeds. Such perpetual securities bear distributions at a rate of 3.95% per annum, payable semi-annually. Subject to the relevant terms and conditions in the offering memorandum, the Company may elect to defer making distributions on the perpetual securities and is not subject to any limits as to the number of times a distribution can be deferred. As a result, the perpetual securities do not meet the definition for classification as a financial liability under SFRS(I) 32 *Financial Instruments: Presentation*. The whole instrument is presented within equity, and distributions are treated as dividends.

During the current and previous financial years, distributions amounting to \$7.9 million were accrued and paid to perpetual security holders.

24 REVENUE

	Group	
	2020	2019
	\$m	\$m
Disaggregation of revenue from contracts with customers		
Mobile revenue	579.7	765.5
Pay TV revenue	187.9	248.0
Broadband revenue	176.1	176.4
Enterprise Fixed revenue	645.5	575.2
Total service and contract revenue	1,589.2	1,765.1
Sales of equipment	439.6	565.5
	2,028.8	2,330.6

24 REVENUE (CONTINUED)

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that have not been fulfilled at the reporting date:

31 December 2020

Group	2021 \$m	2022 \$m	2023 \$m	2024 \$m	2025 onwards \$m	Total \$m
Mobile revenue	141.6	58.9	0.9	-	-	201.4
Pay TV revenue	58.6	14.9	-	-	-	73.5
Broadband revenue	84.4	30.2	-	-	-	114.6
Enterprise Fixed revenue	418.9	184.4	23.0	7.7	24.6	658.6
Total	703.5	288.4	23.9	7.7	24.6	1,048.1

31 December 2019

Group	2020 \$m	2021 \$m	2022 \$m	2023 \$m	2024 onwards \$m	Total \$m
Mobile revenue	156.1	47.1	0.5	-	-	203.7
Pay TV revenue	86.3	28.2	-	-	-	114.5
Broadband revenue	111.0	28.8	-	-	-	139.8
Enterprise Fixed revenue	221.8	92.8	35.1	6.4	21.7	377.8
Total	575.2	196.9	35.6	6.4	21.7	835.8

Variable consideration that is constrained and therefore not included in the transaction price is excluded in the amounts presented above.

The Group applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if the performance obligations is part of a contract that has an original expected duration of one year or less. In addition, amounts that are not contractually committed are excluded.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

25 OPERATING EXPENSES

	Group	
	2020	2019
	\$m	\$m
Cost of equipment sold	396.4	507.1
Cost of services	500.6	481.5
Traffic expenses	54.8	85.2
Customer acquisition costs	35.2	63.1
Depreciation and amortisation	306.5	361.2
Loss allowances of:		
– Contract assets	12.1	1.4
– Trade receivables	13.6	18.0
Marketing and promotions	24.3	37.2
Staff costs	263.0	278.3
Repairs and maintenance	108.7	114.8
Short-term lease expenses	11.4	8.2
Other expenses	112.3	129.8
	1,838.9	2,085.8

25.1 Depreciation and amortisation

Depreciation and amortisation expenses comprise the following:

	Group	
	2020	2019
	\$m	\$m
Depreciation of property, plant and equipment	194.4	231.0
Accretion of asset grants to the income statement (Note 19)	(0.4)	(0.6)
	194.0	230.4
Amortisation of intangible assets	79.8	64.4
Depreciation of right-of-use assets	32.7	66.4
Total	306.5	361.2

25.2 Staff costs

The following are included in staff costs:

	Group	
	2020	2019
	\$m	\$m
Defined contribution plans	26.8	28.1
Share-based payments	3.2	3.8
Government grants – Wage Credit Scheme	(1.7)	(1.3)

25 OPERATING EXPENSES (CONTINUED)

25.2 Staff costs (continued)

25.2.1 Key management personnel compensation

	Group	
	2020 \$m	2019 \$m
Short-term employee benefits	10.8	10.8
Share-based payments	2.9	3.3
	13.7	14.1

Included in the above is the total compensation to directors of the Company which amounted to \$1.4 million (2019: \$1.5 million).

Key management personnel also participate in the StarHub Performance Share Plans and the StarHub Restricted Stock Plans. The short-term benefits include the Group balanced scorecard incentive programme to reward employees for achieving or exceeding performance targets.

During the year, conditional awards of shares of 564,000 (2019: 2,030,000 shares) under the StarHub Performance Share Plans and conditional awards of shares of 1,377,250 (2019: 1,035,200 shares) under the StarHub Restricted Stock Plans were granted to the key management personnel of the Group during the year. These represent the number of shares to be delivered when performance targets at "on-target" level are achieved, or as the case may be when the time-based service conditions are completed.

During the year, awards of 319,300 shares (2019: 304,300 shares) under the StarHub Restricted Stock Plans were vested and delivered to certain non-executive directors of the Group as part of their non-executive directors' remuneration, without performance or vesting conditions attached.

Based on the actual level of achievement of the pre-determined performance targets over the 2017 performance period, final awards comprising 159,937 (2019: 159,938) shares were delivered to key management personnel of the Group during the year under the 2017 conditional awards granted to the key management personnel of the Group in April 2017 pursuant to the StarHub Restricted Stock Plans.

Based on the actual level of achievement of the pre-determined performance targets over the 2018 performance period, final awards comprising 80,250 (2019: 160,500) shares were delivered to key management personnel of the Group during the year under the 2018 conditional awards granted to the key management personnel of the Group in March 2018 pursuant to the StarHub Restricted Stock Plans.

Based on the actual level of achievement of the pre-determined performance targets over the 2019 performance period, final awards comprising 345,070 shares were delivered to key management personnel of the Group during the year under the 2019 conditional awards granted to the key management personnel of the Group in July 2019 pursuant to the StarHub Restricted Stock Plans.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

25 OPERATING EXPENSES (CONTINUED)

25.2 Staff costs (continued)

25.2.1 Key management personnel compensation (continued)

All conditional share awards (except for the time-based restricted share awards) granted to the key management personnel of the Group were on the same terms and conditions as those offered to other employees of the Group. As at 31 December 2020, 2,165,133 (2019: 3,114,020) of the conditional awards of shares under the StarHub Performance Share Plans, and 1,580,630 (2019: 1,355,637) of the conditional awards of shares under the StarHub Restricted Stock Plans granted to the key management personnel were outstanding.

25.2.2 Share-based Payments

StarHub Performance Share Plans

Under the StarHub PSP 2014 ("StarHub Performance Share Plans"), conditional awards of shares are granted. Awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the participant achieving prescribed performance targets set based on medium-term corporate objectives. Awards are released once the Company's Executive Resource and Compensation Committee is satisfied that the prescribed performance targets have been achieved. There are no vesting periods beyond the performance achievement periods.

The movements of the number of shares under the StarHub Performance Share Plans, the fair values of the grant at measurement date and the assumptions of the fair value model for the grants of the Company are as follows:

Company	Balance outstanding at 1 January '000	Number of performance shares granted '000	Number of performance shares vested '000	Number of performance shares forfeited '000	Balance outstanding at 31 December '000
2020					
Date of grant					
6 April 2017	689	-	(107)	(582)	-
28 March 2018	395	-	-	-	395
1 October 2019	2,030	-	-	(824)	1,206
28 December 2020	-	564	-	-	564
Total	3,114	564	(107)	(1,406)	2,165
2019					
Date of grant					
22 March 2016	486	-	-	(486)	-
6 April 2017	727	-	-	(38)	689
28 March 2018	471	-	-	(76)	395
1 October 2019	-	2,030	-	-	2,030
Total	1,684	2,030	-	(600)	3,114

25 OPERATING EXPENSES (CONTINUED)

25.2 Staff costs (continued)

25.2.2 Share-based Payments (continued)

StarHub Performance Share Plans (continued)

The fair value of the shares is estimated using a Monte-Carlo simulation methodology at the measurement dates, which are grant dates of the share awards. The assumptions under the model used for the grants in 2020 and 2019 are as follows:

	Year of grant	
	2020	2019
Fair value	\$0.88	\$0.62
Share price	\$1.30	\$1.30
Expected volatility of the Company's shares	25.81%	22.75%
Expected dividend yield	5.29%	6.51%
Risk-free interest rates	0.32%	1.66%

StarHub Restricted Stock Plans

Under the StarHub RSP Plan 2014 ("StarHub Restricted Stock Plans"), awards granted vest only after the satisfactory completion of time-based service conditions (time-based restricted awards) or where the award is performance-related after a further period of service beyond the performance targets completion date (performance-based restricted awards).

During the year, conditional grants of 3,335,450 (2019: 3,252,800) shares under the StarHub Restricted Stock Plans were made to non-executive directors and 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 Restricted Stock Plans, the fair values of the grant at measurement date and the assumptions of the fair value model for the grants of the Company are as follows:

Date of grant	Balance outstanding at 1 January '000	Number of restricted shares granted '000	Number of restricted shares vested '000	Number of restricted shares forfeited '000	Balance outstanding at 31 December '000
2020					
6 April 2017	435	-	(420)	(15)	-
28 March 2018	812	-	(382)	(98)	332
3 July 2019	2,271	-	(711)	(542)	1,018
1 October 2019	607	-	(190)	(40)	377
26 March 2020	-	3,335	-	(689)	2,646
Total	4,125	3,335	(1,703)	(1,384)	4,373

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

25 OPERATING EXPENSES (CONTINUED)

25.2 Staff costs (continued)

25.2.2 Share-based Payments (continued)

StarHub Restricted Stock Plans (continued)

Date of grant	Balance outstanding at 1 January '000	Number of restricted shares granted '000	Number of restricted shares vested '000	Number of restricted shares forfeited '000	Balance outstanding at 31 December '000
2019					
6 April 2017	1,255	-	(561)	(259)	435
28 March 2018	1,839	-	(872)	(155)	812
7 September 2018	119	-	(119)	-	-
14 June 2019	-	304	(304)	-	-
3 July 2019	-	2,342	-	(71)	2,271
1 October 2019	-	607	-	-	607
Total	3,213	3,253	(1,856)	(485)	4,125

The fair value of the share awards is estimated using a Monte-Carlo simulation methodology at the measurement dates, which are grant dates of the share awards.

The assumptions under the model used for the grants in 2020 and 2019 are as follows:

	Year of grant	
	2020	2019
Fair value	\$0.88 – \$1.19	\$1.20 – \$1.42
Share price	\$1.32	\$1.30 – \$1.54
Expected volatility of the Company's shares	24.12%	22.75% – 23.37%
Expected dividend yield	6.42%	5.40% – 6.51%
Risk-free interest rates	0.82%–0.98%	1.66% – 1.75%

25.3 OTHER EXPENSES

Included in other expenses are the following:

	Group	
	2020 \$m	2019 \$m
Audit fees paid to:		
- Auditors of the Company	0.6	0.6
- Other auditors of the Group	0.5	0.3
Non-audit fees paid to:		
- Auditors of the Company	0.2	0.8
- Other auditors of the Group	0.4	4.8
Foreign currency exchange loss/(gain), net	4.5	(0.2)

26 OTHER INCOME

	Group	
	2020	2019
	\$m	\$m
Rental income	0.1	0.1
Special project related income	2.6	9.0
Income related grants	4.7	1.9
Deferred grants accreted to the income statement (Note 19)	34.0	–
	41.4	11.0

27 NET FINANCE COSTS

	Group	
	2020	2019
	\$m	\$m
Interest income:		
– Bank deposits	1.5	1.3
– Loan to associate	0.3	0.3
Finance income	1.8	1.6
Interest expense:		
– Bank loans	15.2	14.5
– Medium term notes	17.5	17.4
Interest on borrowings	32.7	31.9
Interest on lease liabilities	5.6	6.4
Other financing charges	2.5	–
Finance expenses	40.8	38.3

28 TAXATION

	Group	
	2020	2019
	\$m	\$m
Current tax		
Current income tax	49.6	54.3
Over provision in prior year	(0.4)	(8.3)
	49.2	46.0
Deferred tax		
Reversal and origination of temporary differences	(17.0)	(13.8)
Under provision in prior year	0.5	7.8
	(16.5)	(6.0)
Total income tax in the income statement	32.7	40.0

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

28 TAXATION (CONTINUED)

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December is as follows:

	Group	
	2020 \$m	2019 \$m
Profit before taxation	192.8	218.6
Income tax using Singapore tax rate of 17%	32.7	37.2
Income not subject to tax	(4.8)	(0.1)
Non-deductible expenses	6.3	5.4
Tax incentives	(0.2)	(2.1)
Effect of tax rates in foreign jurisdiction	0.1	-
Recognition of previously unrecognised deferred tax assets	(1.2)	-
Under/(Over) provision in prior year, net	0.1	(0.5)
Others	(0.3)	0.1
Total income tax in the income statement	32.7	40.0

Income tax recognised in other comprehensive income for the years ended 31 December are as follows:

	Group	
	2020 \$m	2019 \$m
Cash flow hedge, before taxation	(0.1)	(2.2)
Taxation	-	0.3
Effective portion of changes in fair value of cash flow hedge	(0.1)	(1.9)

29 EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the adjusted profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding (excluding treasury shares) during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding (excluding treasury shares), for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees under the StarHub share plans.

	Group	
	2020 \$m	2019 \$m
Profit attributable to owners of the Company	157.9	186.3
Less: Perpetual capital securities distribution	(7.9)	(7.9)
Adjusted profit attributable to owners of the Company	150.0	178.4

29 EARNINGS PER SHARE (EPS) (CONTINUED)

	Number of shares	
	2020 '000	2019 '000
Weighted average number of ordinary shares (basic) during the year [#]	1,731,327	1,731,136
Adjustment for dilutive effect of share plans	7,895	4,918
Weighted average number of ordinary shares (diluted) during the year	1,739,222	1,736,054

Excludes treasury shares.

30 EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION

The earnings before interest, taxation, depreciation and amortisation ("EBITDA") is a supplementary indicator of performance used by the Group. The measurement of EBITDA is not governed by SFRS(I).

The Group defines EBITDA as follows:

	Group	
	2020 \$m	2019 \$m
Profit before taxation	192.8	218.6
Adjustments for:		
Depreciation and amortisation	306.5	361.2
Finance income	(1.8)	(1.6)
Finance expense	40.8	38.3
Share of (profit)/loss of associate (net of tax)	(0.6)	0.5
Share of loss of joint venture (net of tax)	0.1	-
EBITDA	537.8	617.0

31 RELATED PARTY TRANSACTIONS

The Company has entered into contractual agreements on behalf of its subsidiaries, and recharges its subsidiaries based on terms agreed between the parties involved.

In the normal course of business, the Group purchases and sells info-communications services to related companies. The related party transactions are carried out on terms negotiated between the parties which are intended to reflect competitive terms.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

31 RELATED PARTY TRANSACTIONS (CONTINUED)

Other than disclosed above and elsewhere in the financial statements, significant transactions of the Group with related parties during the financial year were as follows:

	Group	
	2020 \$m	2019 \$m
Ultimate holding company		
Sales	0.1	0.2
Associate		
Purchase of property, plant and equipment	0.1	–
Leases of premises	2.8	4.8
Purchase of services	14.2	10.1
Related corporations		
Sales	45.2	77.4
Purchase of property, plant and equipment	7.1	8.5
Leases of infrastructure and equipment	9.5	50.3
Purchase of services	40.0	74.8
Purchase of inventories	14.0	20.7

32 DIVIDENDS

	Group and Company	
	2020 \$m	2019 \$m
Final dividend of \$0.0225 (2019: \$0.04) per share (1-tier tax exempt) paid in respect of the previous financial year	39.0	69.2
Interim dividends of \$0.025 (2019: \$0.0675) per share (1-tier tax exempt) paid in respect of the current financial year	43.2	116.9
	82.2	186.1

33 SEGMENT REPORTING

Segment information is presented based on the information reviewed by the chief operating decision makers (“CODM”) for performance assessment and resource allocation. The CODM assesses the Group’s financial performance using performance indicators which include revenue, EBITDA (see Note 30), capital expenditure and cash flow of the Group.

Following the acquisition of Strateq as described in Note 34, the Group has four operating segments, namely the telecommunications, cybersecurity, high security assurance product, and the new Regional Information Communication Technology (“Regional ICT”) segment.

The Group delivers its Mobile, Pay TV, Broadband, Enterprise Fixed services and equipment sales (“Telecommunications”) on a fully integrated network, and has a centralised customer service, sales, marketing and administration support. The other segments that the Group operates in are the cybersecurity and high security assurance product segment.

33 SEGMENT REPORTING (CONTINUED)

The CODM has determined that the newly added Regional ICT segment exhibits similar economic characteristics to the existing Telecommunications segment. In making this judgement, management has considered its enterprise digital services and products offering and the customer base. As the Regional ICT segment does not meet any of the quantitative thresholds for determining a reportable segment, it is aggregated with the Telecommunications segment as a reportable segment.

The other reportable segment that the Group operates in is the cybersecurity segment. This reportable segment was formed by aggregating the high security assurance product segment which was determined by the CODM to exhibit similar economic characteristics.

The Group operates primarily in Singapore and has a large and diversified customer base consisting of individuals and corporations. There was no single customer that contributed to 10% or more of the Group's revenue.

The Group's reportable segment information is as follows:

	Telecommunications	Cybersecurity	Elimination of intersegment transactions	Group
	2020	2020	2020	2020
	\$m	\$m	\$m	\$m
Mobile revenue	580.0	-	(0.3)	579.7
Pay TV revenue	187.9	-	-	187.9
Broadband revenue	176.1	-	-	176.1
Enterprise Fixed revenue	425.5	226.7	(6.7)	645.5
Sales of equipment	439.6	-	-	439.6
Total revenue	1,809.1	226.7	(7.0)	2,028.8
EBITDA	508.6	29.2	-	537.8
Depreciation and amortisation	(286.2)	(20.3)	-	(306.5)
Finance income	1.8	-	-	1.8
Finance expense	(39.0)	(1.8)	-	(40.8)
Share of profit of associate (net of tax)	0.6	-	-	0.6
Share of loss of joint venture (net of tax)	(0.1)	-	-	(0.1)
Profit before taxation	185.7	7.1	-	192.8
Taxation	(30.7)	(2.0)	-	(32.7)
Profit for the year	155.0	5.1	-	160.1
Assets and liabilities				
Non-current assets	1,580.2	191.5	-	1,771.7
Current assets	975.9	186.6	(2.9)	1,159.6
Total assets	2,556.1	378.1	(2.9)	2,931.3
Borrowings	1,171.6	0.8	-	1,172.4
Other non-current liabilities	335.0	33.2	-	368.2
Other current liabilities	668.8	98.3	(2.9)	764.2
Total liabilities	2,175.4	132.3	(2.9)	2,304.8
Other information				
Capital expenditure	151.2	4.1	-	155.3

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

33 SEGMENT REPORTING (CONTINUED)

	Telecommunications	Cybersecurity	Elimination of intersegment transactions	Group
	2019	2019	2019	2019
	\$m	\$m	\$m	\$m
Mobile revenue	765.5	–	–	765.5
Pay TV revenue	248.0	–	–	248.0
Broadband revenue	176.4	–	–	176.4
Enterprise Fixed revenue	429.8	147.7	(2.3)	575.2
Sales of equipment	565.5	–	–	565.5
Total revenue	2,185.2	147.7	(2.3)	2,330.6
EBITDA	620.2	(3.2)	–	617.0
Depreciation and amortisation	(342.6)	(18.6)	–	(361.2)
Finance income	1.6	–	–	1.6
Finance expense	(38.0)	(0.3)	–	(38.3)
Share of loss of associate (net of tax)	(0.5)	–	–	(0.5)
Profit/(Loss) before taxation	240.7	(22.1)	–	218.6
Taxation	(41.7)	1.7	–	(40.0)
Profit/(Loss) for the year	199.0	(20.4)	–	178.6
Assets and liabilities				
Non-current assets	1,585.0	207.1	–	1,792.1
Current assets	837.3	108.8	(4.3)	941.8
Total assets	2,422.3	315.9	(4.3)	2,733.9
Borrowings	1,047.5	0.9	–	1,048.4
Other non-current liabilities	290.7	46.0	–	336.7
Other current liabilities	703.4	69.6	(4.3)	768.7
Total liabilities	2,041.6	116.5	(4.3)	2,153.8
Other information				
Capital expenditure	222.0	20.0	–	242.0

34 BUSINESS COMBINATIONS

(i) Strateq Sdn. Bhd. (“Strateq”)

On 30 July 2020, through an indirect subsidiary, the Group completed the acquisition of Strateq Sdn. Bhd. (“Acquisition”), privately-owned and based in Malaysia, for a total consideration of \$99.6 million.

Strateq is in the business of undertaking Information Communication Technology projects, and include the provision of hospital information solutions software, information technology solutions, the operation of data centres, business continuity services, and security solutions. The Acquisition will allow StarHub to expand its geographical reach to enterprise businesses and improve its capabilities in areas such as information and communication technology managed services and cybersecurity.

34 BUSINESS COMBINATIONS (CONTINUED)

(i) Strateq Sdn. Bhd. ("Strateq") (continued)

In connection with the Acquisition, the Group holds redeemable convertible preference shares ("RCPS") and has majority representation on the board of directors that together grant the Group the ability to direct and declare profits from Strateq as discretionary dividends. Through the RCPS held by the Group and together with certain collateralised arrangements extended by the Group to the NCI, the Group has rights to substantially all the variable returns of Strateq. Accordingly, the Group's economic interest in Strateq is 88.28%.

The Group also entered into an arrangement with the non-controlling interest shareholder of Nettilling to acquire the remaining 11.72% equity over a period of 4 years from 2025 for a consideration based on Strateq's average financial performance over the same period ("NCI Arrangement"). The undiscounted consideration for the NCI Arrangement was discounted at a risk-adjusted discount rate of 3.45%. Accordingly, the NCI Arrangement resulted in a forward liability of \$32.7 million being recorded at the date of acquisition.

Since the acquisition date to 31 December 2020, Strateq contributed revenue of \$33.2 million and profit after tax of less than \$0.1 million to the Group's results. If the acquisition had occurred on 1 January 2020, management estimated that the Group's consolidated revenue would have increased by \$40.6 million, and consolidated profit for the year decreased by \$2.9 million. In determining these amounts, management assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2020.

Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred:

	2020 \$m
Total purchase consideration	99.6
Contingent consideration	(18.4)
Less: Cash and cash equivalents in subsidiary acquired (net of bank overdraft)	(7.2)
Net cash outflow on acquisition	74.0

Contingent consideration

The contingent consideration to be paid is derived based on a formula that is dependent on the aggregate revenue earned by Strateq from certain contracts in 2021. The Group has included \$18.4 million, as contingent consideration related to the additional consideration, which represents its fair value at the date of acquisition, using a risk-adjusted discount rate of 3.45%.

Acquisition-related costs

The Group incurred acquisition-related costs of \$2.9 million on legal fees and due diligence costs. These costs have been included in other expenses.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

34 BUSINESS COMBINATIONS (CONTINUED)

(i) Strateq Sdn. Bhd. (“Strateq”) (continued)

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	2020 \$m
Property, plant and equipment	5.9
Intangible assets – computer software and development expenditure	22.0
Intangible assets – customer contracts and relationships	14.7
Right-of-use assets	20.4
Net current assets (excluding cash and cash equivalents)	19.5
Cash and cash equivalents	8.5
Provision for taxation	(1.5)
Borrowings	(16.4)
Lease liabilities	(21.5)
Deferred tax liabilities	(5.5)
Total identifiable net assets	46.1

Fair values measured

The fair value of intangible assets has been determined provisionally pending completion of an independent valuation. If new information obtained within one year from the date of acquisition about fact and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation techniques
Intangible assets (development expenditure)	<p><i>Relief from royalty method:</i> The relief from royalty method estimates the value of an intangible asset by calculating the present value of the royalty payments saved through owning the asset, as compared with licensing the asset from a third party.</p> <p><i>Reproduction cost method:</i> The reproduction cost estimates the value of an intangible asset by the cost that would be incurred to construct or purchase an exact replica of the subject asset.</p>
Intangible assets (customer contracts and relationships)	<p><i>Multi-period excess earnings method:</i> The multi-period excess earnings method estimates the value of an intangible asset as the present value of the excess cash flows attributable to the intangible asset.</p>

Trade receivables comprise gross contractual amounts due of \$18.9 million, of which \$1.8 million was expected to be uncollectible at the date of acquisition.

34 BUSINESS COMBINATIONS (CONTINUED)

(i) Strateq Sdn. Bhd. ("Strateq") (continued)

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	2020 \$m
Total consideration transferred	99.6
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	5.4
Fair value of identifiable net assets	(46.1)
Provisional goodwill	58.9

The fair value of intangible assets has been determined provisionally pending completion of an independent valuation. The goodwill is attributable mainly to the skills and technical talent of Strateq's work force, and the synergies expected to be achieved from integrating the company into the Group's existing cybersecurity capabilities. None of the goodwill recognised is expected to be deductible for tax purposes.

(ii) Dilution of equity interest in Ensign Group

In 2020, the non-controlling interest shareholder increased its capital contribution in Ensign, decreasing the Group's ownership from 60% to 58.38%. The following summarises the effect of change in Group's ownership interest on the equity attributable to owners of the Company.

	\$m
Capital contribution from non-controlling interest shareholder	21.9
Net increase in non-controlling interests	(18.6)
Net increase in capital reserve attributable to owners of the Company	3.3

(iii) Disposal of D'Crypt Pte Ltd ("DPL")

On 30 September 2019, the Company entered into the following transaction to dispose of its interest in DPL:

- (a) Disposal by the Company of its entire interest representing 65%, of the issued share capital of DPL to Keele Investments Pte. Ltd. ("Keele") for a consideration of \$65.0 million.
- (b) Subscription by the Company of new ordinary shares in the capital of Ensign as well as the assignment of rights, benefits and interests (including voting and economic rights), in new Ensign Shares to the Company for a total consideration of \$60.0 million.
- (c) Subscription by Ensign of preference shares in the capital of Keele for a consideration of \$100.0 million. Based on the rights accorded to Ensign through the preference shares, DPL will be regarded as an indirect subsidiary of Ensign as a result of Keele's 100 per cent shareholding in DPL.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

34 BUSINESS COMBINATIONS (CONTINUED)

(iii) Disposal of D'Crypt Pte Ltd ("DPL") (continued)

- (d) Subsequent to completion date, deferred consideration of \$6.2 million to be paid in cash to the founding shareholders on or before 31 January 2021. The fair value of the deferred consideration amounted to \$5.8 million at 31 December 2019.
- (e) Subsequent to completion date, an earn-out consideration of up to a maximum amount of \$27.4 million to be paid to the founding shareholders pursuant to the fulfilment of certain conditions set out in the sale and purchase agreement. The Group assessed the probability of the earn-out conditions to be met and estimated the contingent consideration to be the fair value of the liability to the founding shareholders amounting to \$23.9 million at 31 December 2019.
- (f) In the event the earn-out consideration in (e) above to be paid by Keele to the Founding Shareholders is less than \$27.4 million, the Company shall be required to repay Keele a claw-back sum of up to \$26.0 million.
- (g) In connection with (f) above, the Founding Shareholders have undertaken to indemnify the Company a portion of the claw-back sum, subject to conditions in the sale and purchase agreement.

Upon the disposal of the Company's 65% equity interest in DPL, the Company and the non-controlling shareholders of DPL have also waived the put and call option previously entered into to allow the Company to acquire the remaining 35% equity interest in DPL. At the Group level, the derecognition of the put liability of \$34 million (being fair value of the put liability at date of transaction) is recorded in capital reserve.

Following the completion of the transaction, the Group's effective interest in DPL decreased from 65% to 60%. The impact of the dilution of 5% effective interest was recorded as transactions with owners and taken up in equity.

At the Company level, the put and call options were accounted for as embedded derivatives. Upon derecognition, the impact was taken to the Company's income statement.

	2019 \$m
Carrying amount of NCI divested	(2.4)
Less: Net consideration received by the Group	5.0
Increase in equity attributable to owners of the Company	2.6
Less: Fair value of deferred consideration attributable to the Group	(17.8)
Net effect from business combinations	(15.2)

35 FINANCIAL RISK MANAGEMENT

Overview

Exposure to credit, liquidity, interest risk, foreign exchange and market risks arises in the normal course of the Group's business.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

35 FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk Committee, which in turn is assisted by the Management Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The Management Risk Committee reports to the Risk Committee on a regular basis. The Risk Committee reports to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group from both an operational and execution basis. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to promote a culture of risk management which entails awareness, accountability and ownership in all employees.

Derivative financial instruments are used to reduce exposure to fluctuations in foreign exchange rates, where appropriate. While these are subject to the risk of market rates changing subsequent to acquisition, such changes are generally offset by opposite effects on the items being hedged.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Periodic review of credit policy and counterparty credit limits are also practised.

The Group has no significant concentration of credit risk from trade receivables due to its large diversified customer base. Credit evaluations are performed on corporate customers requiring credit. Identification documents are obtained from retail customers. Deposits are obtained for certain categories of higher risk customers.

Counterparty risk arising from cash and cash equivalents and treasury transactions is managed by dealing mainly with high credit quality counterparties, which have a minimum rating of A/A1 based on Standard & Poor or Moody's ratings.

The maximum credit risk exposure is represented by the carrying value of each financial asset in the statement of financial position less collaterals held. Collaterals in the form of cash or bank guarantees are obtained from counterparties where appropriate.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group actively monitors its liquidity risk and manages its operating cash flows, debt maturity profile, availability of funding, and reviews compliance with loan covenants. The Group maintains sufficient level of cash and cash equivalents, expects to generate sufficient cash flows from its operation, and has available funding through diverse sources of committed and uncommitted credit facilities from banks and the capital market through its multicurrency debt issuance programme to ensure that there are adequate credit facilities which may be utilised when the need arises to meet its working capital requirements.

Management assessed that with these available facilities and positive cash flows from the Group's operations, the Group will be able to pay its liabilities as and when they are due.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

35 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

The following are the remaining contractual undiscounted cash outflows (including interest payments) of financial liabilities:

	Carrying amount \$m	Contractual cash flows			
		Total \$m	Within 1 year \$m	After 1 year but within 5 years \$m	After 5 years but within 10 years \$m
Group					
2020					
Non-derivative financial liabilities					
Borrowings	(1,172.4)	(1,314.9)	(41.2)	(895.9)	(377.8)
Trade and other payables ^	(523.5)	(540.1)	(454.3)	(57.6)	(28.2)
Amounts due to related parties	(34.3)	(34.3)	(34.3)	-	-
Lease liabilities	(157.6)	(193.9)	(34.9)	(93.6)	(65.4)
	(1,887.8)	(2,083.2)	(564.7)	(1,047.1)	(471.4)
Derivative financial liabilities					
Forward exchange contracts used for hedging (gross-settled)	(2.5)				
- Outflow		(81.8)	(81.8)	-	-
- Inflow		79.3	79.3	-	-
	(2.5)	(2.5)	(2.5)	-	-
2019					
Non-derivative financial liabilities					
Borrowings	(1,048.4)	(1,161.2)	(438.3)	(406.4)	(316.5)
Trade and other payables ^	(468.7)	(472.6)	(439.0)	(33.6)	-
Amounts due to related parties	(41.1)	(41.1)	(41.1)	-	-
Lease liabilities	(155.5)	(189.8)	(31.9)	(96.9)	(61.0)
	(1,713.7)	(1,864.7)	(950.3)	(536.9)	(377.5)
Group					
2019					
Derivative financial liabilities					
Forward exchange contracts used for hedging (gross-settled)	(2.4)				
- Outflow		(96.6)	(96.6)	-	-
- Inflow		94.2	94.2	-	-
	(2.4)	(2.4)	(2.4)	-	-

35 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

	Carrying amount \$m	Contractual cash flows			
		Total \$m	Within 1 year \$m	After 1 year but within 5 years \$m	After 5 years but within 10 years \$m
Company					
2020					
Non-derivative financial liabilities					
Borrowings	(1,077.5)	(1,205.2)	(29.5)	(798.4)	(377.3)
Trade and other payables ^	(195.8)	(195.8)	(195.8)	-	-
Amounts due to related parties	(177.4)	(177.4)	(177.4)	-	-
Lease liabilities	(101.8)	(129.6)	(21.6)	(53.8)	(54.2)
	(1,552.5)	(1,708.0)	(424.3)	(852.2)	(431.5)
Derivative financial liabilities					
Forward exchange contracts used for hedging (gross-settled)	(2.5)				
- Outflow		(81.8)	(81.8)	-	-
- Inflow		79.3	79.3	-	-
	(2.5)	(2.5)	(2.5)	-	-
2019					
Non-derivative financial liabilities					
Borrowings	(1,047.5)	(1,160.4)	(438.2)	(406.2)	(316.0)
Trade and other payables ^	(210.3)	(210.3)	(210.3)	-	-
Amounts due to related parties	(151.0)	(151.0)	(151.0)	-	-
Lease liabilities	(116.2)	(146.2)	(20.8)	(64.5)	(60.9)
	(1,525.0)	(1,667.9)	(820.3)	(470.7)	(376.9)
Derivative financial liabilities					
Forward exchange contracts used for hedging (gross-settled)	(2.4)				
- Outflow		(96.6)	(96.6)	-	-
- Inflow		94.2	94.2	-	-
	(2.4)	(2.4)	(2.4)	-	-

^ The carrying amount of trade and other payables disclosed in the table excludes deferred income, forward exchange contracts, net GST payable and employee benefits.

The maturity analysis shows the contractual undiscounted cash flows of the Group and the Company's derivative financial instruments on the basis of their earliest possible contractual maturity. The cash inflows/(outflows) disclosed relate to those instruments held for risk management purposes and which are usually not closed out prior to contractual maturity.

It is not expected that the cash flows included in the maturity analysis above could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

35 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. Generally, the Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

(i) Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations. The Group adopts a policy of ensuring that at least 50 percent of its exposure to changes in interest rates on long-term borrowings is on a fixed rate basis.

Exposure to interest rate risk

At the reporting date, the interest rate profile of interest-bearing financial instruments, as reported to management, was as follows:

	Group		Company	
	Nominal amount		Nominal amount	
	2020	2019	2020	2019
	\$m	\$m	\$m	\$m
Fixed rate instruments				
Fixed deposits	206.3	40.0	195.2	40.0
Borrowings	1,163.7	910.0	1,077.5	910.0
Variable rate instrument				
Borrowings	8.7	138.4	-	137.5

Sensitivity analysis for variable rate instruments

The Group's and the Company's borrowings are denominated primarily in Singapore dollars ("SGD"). An increase/decrease in the floating interest rates by 100 basis points (2019: 100 basis points), with all other variables remaining constant would have increased/(decreased) profit or loss by \$0.1 million and \$1.4 million (2019: \$nil and \$1.4 million) for the Group and Company, respectively.

35 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Foreign currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings, that are denominated in a currency other than the respective functional currencies of the Group entities. The currency giving rise to this risk is primarily the United States Dollar ("USD").

In respect of other monetary liabilities held in foreign currencies, the Group ensures that the net exposure is kept to an acceptable level by buying foreign currencies at spot rates where necessary to address any shortfalls.

The Group's and the Company's exposures to United States Dollar are as follows:

	Group		Company	
	2020 \$m	2019 \$m	2020 \$m	2019 \$m
Contract assets	2.9	3.9	1.6	1.9
Trade and other receivables	24.0	27.4	13.3	9.1
Cash and cash equivalents	34.6	28.3	26.3	18.6
Trade and other payables	(63.6)	(88.3)	(42.8)	(46.9)
	(2.1)	(28.7)	(1.6)	(17.3)

For operations with significant expenditure denominated in foreign currencies, forward exchange contracts are entered into to hedge the foreign currency risk exposure on committed payment obligations. At 31 December 2020, the Group and the Company have outstanding forward exchange contracts with notional principal amounts of approximately \$81.8 million (2019: \$96.6 million). Certain forward exchange contracts are entered into by the Company on behalf of a subsidiary.

Sensitivity analysis

The Group and Company had assessed that a reasonable change in the exchange rate would not result in a material impact on the Group's and Company's results.

(iii) Other market price risk

The Group has investments in quoted equity shares. The market value of these investments will fluctuate with market conditions.

Sensitivity analysis

The Group and Company had assessed that a reasonable change in the share price would not result in a material impact on the Group's and Company's equity.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

35 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Hedge accounting

Cash flow hedges

The Group held the following instruments to hedge exposures to changes in foreign currency.

	Maturity	
	1-6 months	6-12 months
2020		
Forward exchange contracts		
Net exposure (in millions of SGD)	1.9	0.6
Average SGD: USD forward contract rate	1.3847	1.3410
2019		
Forward exchange contracts		
Net exposure (in millions of SGD)	1.3	1.1
Average SGD: USD forward contract rate	1.3791	1.3804

The amounts at the reporting date relating to items designated as hedged items are as follows:

Group	Change in value used for calculating hedge ineffective hedge ineffectiveness \$m	Cash flow hedge reserve \$m	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied \$m
2020			
Foreign currency risk			
Trade and other payables	-	2.5	-
2019			
Foreign currency risk			
Trade and other payables	-	2.4	-

35 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Hedge accounting (continued)

Cash flow hedges (continued)

The amounts relating to items designated as hedging instruments are as follows:

Group	2020			Line item in the statement of financial position where the hedging instrument is included	During the year – 2020
	Nominal amount \$m	Carrying amount – assets \$m	Carrying amount – liabilities \$m		Changes in the value of the hedging instrument recognised in OCI \$m
Foreign currency risk					
Forward exchange contracts – trade payables	81.8	–	(2.5)	Trade and other payables	(0.1)

Group	2019			Line item in the statement of financial position where the hedging instrument is included	During the year – 2019
	Nominal amount \$m	Carrying amount – assets \$m	Carrying amount – liabilities \$m		Changes in the value of the hedging instrument recognised in OCI \$m
Foreign currency risk					
Forward exchange contracts – trade payables	96.6	–	(2.4)	Trade and other payables	(2.2)

Master netting or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances – e.g. when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

35 FINANCIAL RISK MANAGEMENT (CONTINUED)

Master netting or similar agreements (continued)

The Group enters into forward exchange contracts to hedge the foreign currency risk on committed payment obligations.

There were no financial instruments which do not meet the criteria for offsetting in the statement of financial position.

Accounting classification of financial instruments

The carrying amounts of financial instruments are as follows.

	Group		Company	
	2020	2019	2020	2019
	\$m	\$m	\$m	\$m
Financial assets at amortised cost				
Cash and cash equivalents	415.4	117.6	328.4	74.5
Trade receivables	192.8	248.7	146.4	198.0
Other receivables [#]	28.7	22.5	6.8	3.0
Amounts due from related parties	19.3	30.4	13.9	23.9
	656.2	419.2	495.5	299.4
Financial assets at FVOCI				
Quoted equity securities	17.1	34.3	17.1	34.3
Financial liabilities at amortised cost				
Trade and other payables [^]	(523.5)	(468.7)	(182.8)	(210.3)
Amounts due to related parties	(34.3)	(41.1)	(177.4)	(151.0)
Borrowings	(1,172.4)	(1,048.4)	(1,077.5)	(1,047.5)
Lease liabilities	(157.6)	(155.5)	(101.8)	(116.2)
	(1,887.8)	(1,713.7)	(1,539.5)	(1,525.0)
Financial liabilities at fair value				
Forward liability to acquire non-controlling interests	(34.5)	-	-	-
Contingent consideration	(34.8)	(23.9)	-	-
Forward exchange contracts used for hedging (derivative liability)	(2.5)	(2.4)	(2.5)	(2.4)
	(71.8)	(26.3)	(2.5)	(2.4)

[#] Excludes prepayments.

[^] Excludes deferred income, forward exchange contracts, forward liability to acquire non-controlling interests, contingent consideration, net GST payable and employee benefits.

35 FINANCIAL RISK MANAGEMENT (CONTINUED)

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. 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.

Lease liabilities

Lease liabilities approximate their fair values and are calculated using discounted cash flow models based on the present value of future cash flows, discounted using the incremental borrowing rates at the respective lease inception dates.

Borrowings

The fair values of fixed interest bearing borrowings which reprice within one year of reporting date were assumed to equate the carrying value. All other fixed interest bearing borrowings are calculated using discounted cash flow models based on the present value of future principal and interest cash flows, discounted at the market rate at the reporting date.

Amounts due from related parties (non-current)

Non-current amounts due from related parties approximates their fair values which are calculated using discounted cash flow model based on the present value of future principal and interest cash flows, discounted at the market rate at the reporting date.

Contingent consideration and forward liability to acquire non-controlling interests

The fair values of contingent consideration and forward liability to acquire non-controlling interests are based on estimates from the associated probabilities of achieving performance targets by the investee and the expected payment amount.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values.

The fair value of non-current other financial assets and financial liabilities was calculated using the discounted cash flow model based on the present value of expected cashflow at the market rates at the reporting date. The carrying amounts approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

35 FINANCIAL RISK MANAGEMENT (CONTINUED)

Estimation of fair values (continued)

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 the above valuation methods, at reporting date:

	Fair value level	2020 \$m	2019 \$m
Group			
Financial assets			
Other investments	1	17.1	34.3
Financial liabilities			
Marked-to-market financial instrument			
– Forward exchange contracts	2	2.5	2.4
Forward liability to acquire non-controlling interests	3	34.5	–
Contingent consideration	3	34.8	23.9
Company			
Financial assets			
Other investments	1	17.1	34.3
Financial liabilities			
Marked-to-market financial instrument			
– Forward exchange contracts	2	2.5	2.4

35 FINANCIAL RISK MANAGEMENT (CONTINUED)

Estimation of fair values (continued)

Fair value hierarchy (continued)

There were no transfers between levels 1 and 2 in 2020 and 2019.

The following table presents the reconciliation from the opening balances to the ending balances for fair values based on unobservable inputs (Level 3):

	Group			Company	
	Forward liability to acquire non-controlling interests	Contingent consideration	Contingent consideration	Put liability to acquire non-controlling interest	Put and call options, net
	2020 \$m	2020 \$m	2019 \$m	2019 \$m	2019 \$m
Balance at beginning of the year	-	23.9	-	33.0	7.0
Arising from business combinations	32.7	18.4	23.9	-	-
Total unrealised gains and losses recognised in income statement	1.5	1.4	-	-	(0.6)
Total unrealised gains and losses recognised in capital reserve	-	-	-	1.0	-
Settlements during the year	-	(9.1)	-	-	-
Derecognition of put liability to acquire non-controlling interests	-	-	-	(34.0)	-
Derecognition of put and call option	-	-	-	-	(6.4)
Translation differences	0.3	0.2	-	-	-
Balance at end of the year	34.5	34.8	23.9	-	-

The fair values of the forward liability, contingent consideration and put liability are estimated based on the present value of expected payments, and the fair value of the put and call options were valued based on the Black Scholes model.

Changing the significant unobservable inputs used to reasonably estimate possible alternative assumptions would have no significant impact on the fair value of the contingent consideration.

The fair value of the forward liability will increase/(decrease) if the expected average financial performance of Strateq is higher/(lower).

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2020

36 NON-CONTROLLING INTERESTS

The following subsidiary has non-controlling interest that is material to the Group.

Name of company	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group	
			2020 %	2019 %
Ensign InfoSecurity Pte. Ltd. ("Ensign")	Provision of computer systems integration activities, other professional, scientific and technical activities	Singapore	41.62 ⁽¹⁾	40 ⁽¹⁾

(1) The non-controlling interest shareholder has assigned to the Company 20% of its rights, benefits and interests in Ensign.

The following summarised financial information for the non-controlling interest of Ensign are prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition.

	2020 \$m	2019 \$m
Revenue	226.7	147.7
Profit/(loss) from continuing operations	5.1	(20.4)
Total comprehensive income/(loss)	5.1	(20.4)
Attributable to NCI:		
Profit/(loss) from continuing operations	2.1	(8.2)
Total comprehensive income/(loss)	2.1	(8.2)
Non-current assets	144.5	162.6
Current assets	186.6	108.8
Borrowings	(0.8)	(0.9)
Non-current liabilities	(33.2)	(46.0)
Current liabilities	(98.3)	(69.6)
Net assets	198.8	154.9
Net assets attributable to NCI	82.7	62.0
Cash flows from operating activities	(7.1)	12.9
Cash flows from investing activities	(4.3)	(16.6)
Cash flows from financing activities	33.5	95.7
Net increase in cash and cash equivalents	22.1	92.0

37 CAPITAL MANAGEMENT

The Group regularly reviews its financial position, capital structure and use of capital, with the objective of achieving long-term capital efficiency, optimum shareholders' total returns, including the level of dividends, and appropriate strategic positioning.

From time to time, the Group may purchase its own shares on the market; the timing of these purchases depends on market prices. Such share purchases are intended to be used for issuing shares under the StarHub Performance Share Plan and StarHub Restricted Stock Plan programmes. Other than for such specific purposes, the Group does not have a defined share buy-back plan.

The Group manages the use of capital centrally and all borrowings to fund the operations of the subsidiaries are managed by the Company. The capital employed by the Company consists of equity attributable to shareholders, bank borrowings from financial institutions and medium term notes issued. There were no changes in the Group's approach to capital management during the year. The Group is not subject to any externally imposed capital requirement.

38 COMMITMENTS

	Group		Company	
	2020 \$m	2019 \$m	2020 \$m	2019 \$m
Contracted and not provided for in the financial statements:				
- Capital expenditures	464.1	452.6	65.5	76.0
- Other operating expenditures	52.0	96.2	-	-
	516.1	548.8	65.5	76.0

As at 31 December 2020, the Group has capital expenditure and other financial commitments with related companies amounting to \$12.8 million (2019: \$18.2 million), which has been included above.

Included in the capital expenditures contracted by the Company is an amount of approximately \$0.1 million (2019: \$0.1 million) which has been entered into on behalf of certain of its subsidiaries.

In addition to the above, the Group has funding commitments with a joint venture of approximately \$8.5 million over a period of five years.

39 SUBSEQUENT EVENTS

Dividend declaration

The directors have proposed a final dividend of \$0.025 (2019: \$0.0225) per share, tax exempt (one tier), totalling \$43.3 million (2019: \$39.0 million) in respect of the financial year ended 31 December 2020. 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 2021.

Issuance of \$200 million multicurrency notes

On 11 January 2021, StarHub Ltd issued \$200 million 2.48% notes under its Multicurrency Debt Issuance Programme. The notes are due in 2031.

INTERESTED PERSON TRANSACTIONS AND MATERIAL CONTRACTS

(Pursuant to SGX-ST Listing Manual Rule 907 and Rule 1207(8))

	Nature of Relationship	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than S\$100,000)	Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual)
		1 January 2020 to 31 December 2020 S\$m	1 January 2020 to 31 December 2020 S\$m
Transactions for the Sale of Goods & Services			
Capitaland Limited & its associates		3.6	-
SembCorp Industries Ltd & its associates		0.6	-
Singapore Technologies Telemedia Pte Ltd & its associates	Associates of StarHub Ltd's controlling shareholder	16.9	-
Singapore Airlines Limited & its associates		1.4	-
Singapore Power Limited & its associates		0.8	-
Singapore Telecommunications Limited & its associates		12.2	-
Temasek Holdings (Private) Limited and its associates (other than those disclosed above)	Controlling shareholder of StarHub Ltd and its associates	15.9	-
		51.5	-
Transactions for the Purchase of Goods & Services			
SembCorp Industries Ltd & its associates		3.3	-
Singapore Technologies Engineering Ltd & its associates	Associates of StarHub Ltd's controlling shareholder	0.4	-
Singapore Telecommunications Limited & its associates		21.6	-
Singapore Technologies Telemedia Pte Ltd & its associates		29.1	-
Temasek Holdings (Private) Limited and its associates (other than those disclosed above)	Controlling shareholder of StarHub Ltd and its associates	2.3	-
		56.8	-

	Nature of Relationship	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than S\$100,000)	Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual)
		1 January 2020 to 31 December 2020 S\$m	1 January 2020 to 31 December 2020 S\$m
Capital call for capability funding and working capital			
Ensign Technologies Pte. Ltd.(f.k.a. Leone Investments Pte. Ltd.) and Ensign InfoSecurity Pte. Ltd.	Associates of StarHub Ltd's controlling shareholder	-	20.0
		-	20.0
Capital call for subscription of preference shares in the capital of Keele Investments Pte. Ltd.			
Ensign Technologies Pte. Ltd.(f.k.a. Leone Investments Pte. Ltd.) and Ensign InfoSecurity Pte. Ltd.	Associates of StarHub Ltd's controlling shareholder	-	6.6
		-	6.6

During the financial year ended 31 December 2020, there were no material contracts entered into by StarHub Ltd or any of its subsidiaries involving the interests of the Chief Executive, any Director or controlling shareholder.

Notes: Numbers in the above tables may not exactly add up due to rounding.

SHAREHOLDING INFORMATION

As at 9 March 2021

Class of shares	:	Ordinary share
Voting rights	:	One vote per share
Total number of issued shares excluding treasury shares	:	1,730,158,090
Total number of treasury shares held	:	1,493,353
Percentage of treasury shares held against the total number of issued shares excluding treasury shares	:	0.09
Total number of subsidiary holdings (as defined in the SGX-ST Listing Manual)	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	% of shareholders	No. of shares	% of issued share capital
1 – 99	244	0.90	10,994	0.00
100 – 1,000	4,437	16.39	3,462,349	0.20
1,001 – 10,000	16,871	62.34	78,408,487	4.53
10,001 – 1,000,000	5,482	20.26	211,505,087	12.21
1,000,001 and above	30	0.11	1,438,264,526	83.06
Total	27,064	100.00	1,731,651,443	100.00

SUBSTANTIAL SHAREHOLDERS

Name	Number of shares		% of issued share capital ⁽⁵⁾
	Direct interest	Deemed interest	
Temasek Holdings (Private) Limited	–	976,020,375 ⁽¹⁾	56.41
Singapore Technologies Telemedia Pte Ltd	–	965,845,290 ⁽²⁾	55.82
STT Communications Ltd	–	965,845,290 ⁽²⁾	55.82
Asia Mobile Holding Company Pte. Ltd.	–	965,845,290 ⁽²⁾	55.82
Asia Mobile Holdings Pte. Ltd.	965,845,290	–	55.82
Ooredoo Q.P.S.C.	–	965,845,290 ⁽³⁾	55.82
OIH Investment LLC	–	965,845,290 ⁽³⁾	55.82
Nippon Telegraph and Telephone Corporation	–	171,490,520 ⁽⁴⁾	9.91
NTT Communications Corporation	171,490,520	–	9.91

Notes:

⁽¹⁾ Temasek Holdings (Private) Limited (Temasek) is deemed to have an interest in 976,020,375 shares of StarHub in which Singapore Technologies Telemedia Pte Ltd (ST Telemedia) group and other associated companies of Temasek have direct or deemed interests.

⁽²⁾ ST Telemedia is deemed to have an interest in 965,845,290 shares of StarHub held by Asia Mobile Holdings Pte. Ltd. (AMH), a subsidiary of Asia Mobile Holding Company Pte. Ltd. (AMHC), which is in turn a wholly-owned subsidiary of STT Communications Ltd, a wholly-owned subsidiary of ST Telemedia. AMHC holds approximately 75% of the total issued share capital of AMH.

⁽³⁾ OIH Investment LLC (OIH) and Ooredoo Q.P.S.C. (Ooredoo) are deemed to have an interest in 965,845,290 shares of StarHub held by AMH. OIH holds approximately 25% of the total issued share capital of AMH. OIH is a wholly-owned subsidiary of Ooredoo.

⁽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.	965,845,290	55.82
2	NTT Communications Corporation	171,490,520	9.91
3	Citibank Nominees Singapore Pte Ltd	86,420,368	4.99
4	DBS Nominees (Private) Limited	72,491,320	4.19
5	DBSN Services Pte Ltd	22,040,578	1.27
6	Raffles Nominees (Pte) Limited	16,980,751	0.98
7	Phillip Securities Pte Ltd	12,756,386	0.74
8	HSBC (Singapore) Nominees Pte Ltd	10,718,739	0.62
9	Oh Yung Hsing Andrew (Hu Rongxin Andrew)	10,653,000	0.62
10	United Overseas Bank Nominees (Private) Limited	9,779,293	0.56
11	OCBC Nominees Singapore Private Limited	8,769,209	0.51
12	OCBC Securities Private Limited	7,186,011	0.42
13	UOB Kay Hian Private Limited	5,554,690	0.32
14	Choo Piang Wong	4,650,000	0.27
15	Maybank Kim Eng Securities Pte. Ltd.	3,924,210	0.23
16	Chen Chun Nan	3,850,000	0.22
17	Yeo Kok Pin	3,544,000	0.20
18	CGS-CIMB Securities (Singapore) Pte Ltd	2,240,613	0.13
19	Wong Lian Soo	2,200,000	0.13
20	DBS Vickers Securities (Singapore) Pte Ltd	2,010,320	0.12
Total		1,423,105,298	82.25

(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 2021, approximately 33.52% of the total number of issued shares (excluding treasury shares) of StarHub is held by the public. Accordingly, Rule 723 of the SGX-ST Listing Manual is complied with.

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING

STARHUB LTD

(Incorporated in the Republic of Singapore)

Co. Reg. No. 199802208C

NOTICE IS HEREBY GIVEN that the Twenty-Third Annual General Meeting of StarHub Ltd. (the “**Company**”) will be convened and held by way of electronic means on 30 April 2021 at 10.00 a.m. for the following purposes:

Ordinary Business

1 To receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 December 2020 and the Auditors’ Report therein. **Resolution 1**

2 To re-elect the following Directors who will retire and who, being eligible, will offer themselves for re-election:

(a) Mr Nihal Vijaya Devadas Kaviratne (independent member of the Audit Committee); **Resolution 2**

(b) Ms Michelle Lee Guthrie; and **Resolution 3**

(c) Mr Naoki Wakai. **Resolution 4**

The profiles of Mr Kaviratne, Ms Guthrie and Mr Wakai can be found in the Board of Directors section of the StarHub Ltd Annual Report 2020 and the Additional Information on Directors Seeking Re-election attached hereto.

Dr Nasser Marafih is also retiring as a Director, but will not be offering himself for re-election.

3 To approve the sum of S\$1,375,875.00 (FY2019: S\$1,524,707.00) as Directors’ Remuneration incurred in the financial year ended 31 December 2020 comprising: **Resolution 5**

(a) S\$977,760.00 to be paid in cash (FY2019: S\$1,083,832.40); and

(b) S\$398,115.00 to be paid in the form of restricted share awards (FY2019: S\$440,874.60).

4 To declare a final dividend of 2.5 cents per ordinary share for the financial year ended 31 December 2020. **Resolution 6**

5 To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

Special Business

To consider and if thought fit, to pass the following resolutions which will be proposed as Ordinary Resolutions:

6 That, subject to and contingent upon the passing of Resolution 2 and the passing of Resolution 9: **Resolution 8**

(a) the continued appointment of Mr Nihal Vijaya Devadas Kaviratne as an independent Director of the Company, for the purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (which will take effect from 1 January 2022), be and is hereby approved; and

(b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Nihal Vijaya Devadas Kaviratne as a Director; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution.

All shareholders may vote on Resolution 8.

7 That, subject to and contingent upon the passing of Resolution 2:

- (a) the continued appointment of Mr Nihal Vijaya Devadas Kaviratne as an independent Director of the Company, for the purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022), be and is hereby approved; and
- (b) the authority conferred by this Resolution shall continue in force until the earlier of the following:
 - (i) the retirement or resignation of Mr Nihal Vijaya Devadas Kaviratne as a Director; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution,

provided that this Resolution shall only be proposed and voted upon if Resolution 8 is passed by shareholders of the Company.

In compliance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022), the Directors and the chief executive officer of the Company, and their respective associates (as defined in the Listing Manual of the SGX-ST), shall abstain from voting on Resolution 9. The Company will disregard any votes cast by the Directors and the chief executive officer of the Company, and their respective associates, in respect of their holdings of shares (if any) on Resolution 9. The Chairman of the Meeting must not accept appointment as proxy unless specific instructions as to voting are given.

Resolution 9

8 That authority be and is hereby given to the Directors to:

- (a)
 - (i) issue shares 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 and subsidiary holdings) (as calculated in accordance with subparagraph (2) below), of which the aggregate number of shares to be issued other than on a *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 and subsidiary holdings) (as calculated in accordance with subparagraph (2) below);

Resolution 10

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING (continued)

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under subparagraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings), at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

9 That authority be and is hereby given to the Directors to:

Resolution 11

(a) offer and grant awards in accordance with the provisions of the StarHub Performance Share Plan 2014 (the “**PSP 2014**”) and/or the StarHub Restricted Stock Plan 2014 (the “**RSP 2014**”) (the PSP 2014 and the RSP 2014, together the “**Share Plans**”); and

(b) allot and issue from time to time such number of ordinary shares as may be required to be allotted and issued pursuant to the vesting of awards granted under the Share Plans,

provided that the aggregate number of ordinary shares allotted and issued under the Share Plans shall not exceed the limits specified in the rules of the Share Plans.

10 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, 8 April 2021

Notes:

1. The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members. Instead, this Notice will be sent to members by electronic means via publication on SGXNet and the Company's Investor Relations ("IR") website at the URL <http://ir.starhub.com/AGM-EGM>.
2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (in particular, arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at or before the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying announcement by the Company dated 8 April 2021. This announcement may be accessed at the Company's IR website at the URL <http://ir.starhub.com/AGM-EGM>, and will also be made available on SGXNet.
3. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** The accompanying proxy form for the Annual General Meeting may be accessed at the Company's IR website at the URL <http://ir.starhub.com/AGM-EGM>, and will also be made available on SGXNet.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstention from voting, in respect of a Resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as a proxy for that Resolution will be treated as invalid.

CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 20 April 2021.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at gpd@mncsingapore.com,
 in either case, not less than 72 hours before the time appointed for the Annual General Meeting.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email.

6. The Annual Report 2020 may be accessed at the Company's IR website at the URL <http://ir.starhub.com/AGM-EGM> by clicking on the link for 'Annual Report 2020'.
7. In the case of an equality of votes under any one of the Resolutions set out above, the Chairman of the Meeting will not exercise his entitlement to a casting vote at the Annual General Meeting of the Company notwithstanding Article 68 of the Constitution of the Company.

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING (continued)

Explanatory Notes:

Resolution 5

Resolution 5 is to approve the payment of an aggregate sum of S\$1,375,875.00, as Directors' remuneration for the non-executive Directors of the Company for the financial year ended 31 December 2020. The total Directors' remuneration for the non-executive Directors of the Company for the financial year ended 31 December 2020 takes into account the 10% voluntary fee reduction, which the non-executive Directors took as a gesture of the Board's resolve to navigate an unprecedented year with the Company and its stakeholders. If approved, each of the non-executive Directors will receive 70% of his/her Directors' remuneration in cash and (with the exception of Mr Naoki Wakai) 30% of his/her Directors' remuneration in the form of a restricted share award. Mr Naoki Wakai has declined the restricted share award grant and will only receive the cash component of his remuneration. See the section on "3. Remuneration Matters" in the Corporate Governance section of the Annual Report 2020 for the rationale in relation to the share component of the non-executive Directors' remuneration. The number of shares to be awarded will be based on the volume weighted average price of a share in the Company listed on the SGX-ST over the 14 trading days commencing on the ex-dividend date that immediately follows the Annual General Meeting. The number of shares to be awarded will be rounded down to the nearest hundred, with cash to be paid in lieu of the remaining shares arising. The restricted share awards will consist of the grant of fully paid shares, without any performance or vesting conditions attached. However, in order to encourage alignment of the interests of the Directors with the interests of shareholders, non-executive Directors who received the aforesaid restricted share award are required to hold shares worth at least (a) the prevailing annual 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.

Resolutions 8 and 9

Resolutions 8 and 9 are proposed in anticipation of Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST which will take effect from 1 January 2022.

With effect from 1 January 2022, Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST will provide that a Director will not be independent if he has been a Director for an aggregate period of more than nine years and his continued appointment as an independent Director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) shareholders excluding the Directors and the Chief Executive Officer of the Company, and their respective associates.

Mr Nihal Vijaya Devadas Kaviratne is an independent Director who has served for an aggregate of more than nine years.

Since Mr Nihal Vijaya Devadas Kaviratne is seeking re-election as a Director at the Annual General Meeting, the Company is proposing to seek, at the same time, the requisite approval for his continued appointment as an independent Director. If such requisite approval is not obtained prior to 1 January 2022, Mr Nihal Vijaya Devadas Kaviratne (if he continues to hold office as of 1 January 2022) will be regarded as non-independent as of 1 January 2022 and will be re-designated as a non-independent Director. The current Board composition is 6 independent directors and 6 non-independent directors. If Resolutions 8 and 9 are not passed, and taking into account that Dr Nasser Marafih is retiring as a Director, but will not be offering himself for re-election, there will be 5 independent directors and 6 non-independent directors, and independent directors will continue to comprise at least one-third of the Board for the purposes of Rule 210(5)(c) of the Listing Manual of the SGX-ST which will take effect from 1 January 2022.

The requisite approvals of Resolutions 8 and 9, if obtained, would remain in force until the earlier of the following: (i) the retirement or resignation of Mr Nihal Vijaya Devadas Kaviratne; or (ii) the conclusion of the third Annual General Meeting following the passing of Resolutions 8 and 9.

Mr Nihal Vijaya Devadas Kaviratne will, upon the passing of Resolutions 8 and 9 and the re-election as an independent Director of the Company, remain as a member of the Audit Committee, the Strategy Committee and the Nominating and Governance Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

The Board has observed that since the start of his tenure, Mr Nihal Vijaya Devadas Kaviratne has shown strong independence of character and judgment in the discharge of his duties as director. The Board is of the opinion that his length of service has not affected his independence, and his institutional knowledge is advantageous for the Company.

Resolution 10

Resolution 10 is to empower the Directors to issue shares and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding in total 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings), with a sub-limit of 15% (instead of 20% as permitted under the Listing Manual of the SGX-ST) for issues other than on a *pro rata* basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time that Resolution 10 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time that Resolution 10 is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares.

Resolution 11

Resolution 11 is to empower the Directors to offer and grant awards and to allot and issue ordinary shares pursuant to the Share Plans provided that the aggregate number of ordinary shares allotted and issued under the Share Plans shall not exceed the limits specified in the rules of the Share Plans. The rules of the Share Plans limit the aggregate number of ordinary shares that may be allotted and issued under the Share Plans to 8% (instead of 15% as permitted under the Listing Manual of the SGX-ST) of the total number of issued shares (excluding treasury shares and subsidiary holdings). Approval for the adoption of the Share Plans was given by shareholders at an Extraordinary General Meeting of the Company held on 14 April 2014. The grant of awards under the respective Share Plans will be made in accordance with their respective provisions.

NOTICE OF RECORD DATE AND FINAL DIVIDEND PAYMENT DATE

Notice is hereby given that, subject to the approval of the shareholders to the final dividend at the Twenty-Third Annual General Meeting, the Register of Members and the Transfer Books of the Company will be closed on 6 May 2021.

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 2021 will be registered to determine members' entitlements to the final dividend. Subject as aforesaid, persons whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares as at 5.00 p.m. on 5 May 2021 will be entitled to the final dividend.

The final dividend, if so approved by shareholders, will be paid on 21 May 2021.

Personal data privacy:

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	NIHAL VIJAYA DEVADAS KAVIRATNE
Date of appointment	16 August 2004
Date of last re-appointment (if applicable)	19 April 2018
Age (in 2021)	77
Country of principal residence	India
The Board's comments on this re-appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Board of Directors has considered and accepted the recommendation of the Nominating and Governance Committee, which has reviewed Mr Kaviratne's qualifications, experience and independence, and approved the re-appointment of Mr Kaviratne as the Lead Independent Non-Executive Director of StarHub.</p> <p>Mr Kaviratne abstained from voting on the Nominating and Governance Committee and the Board resolutions relating to his re-appointment.</p>
Whether appointment is executive and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<p>Lead Independent Director</p> <p>Nominating and Governance Committee Chairman</p> <p>Audit Committee Member</p> <p>Strategy Committee Member</p>
Professional qualifications	–
Any relationship (including immediate family relationships) with any existing director, existing executive officer, StarHub Ltd and/or substantial shareholder of StarHub Ltd or of any of its principal subsidiaries	No (except for the positions and/or directorships held in Olam International Limited (Director, Audit and Compliance Committee Member, Corporate Responsibility & Sustainability Chairman) and Caraway Pte. Ltd. (Chairman), both being related corporations of StarHub's substantial shareholder, Temasek Holdings (Private) Limited.)
Conflict of interest (including any competing business)	No
Working experience and occupation(s) during the past 10 years	Non-Executive Independent Chairman and Board Member of various companies in India, Singapore, Indonesia and The Netherlands.
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to StarHub Ltd	Yes

MICHELLE LEE GUTHRIE	NAOKI WAKAI
25 August 2017	30 August 2017
19 April 2018	19 April 2018
56	56
Australia	Singapore
The Board of Directors has considered and accepted the recommendation of the Nominating and Governance Committee, which has reviewed Ms Guthrie's qualifications, experience and independence, and approved the re-appointment of Ms Guthrie as an Independent Non-Executive Director of StarHub. Ms Guthrie abstained from voting on the Board resolution relating to her re-appointment.	The Board of Directors has considered and accepted the recommendation of the Nominating and Governance Committee, which has reviewed Mr Wakai's qualifications and experience, and approved the re-appointment of Mr Wakai as a Non-Executive Director of StarHub. Mr Wakai abstained from voting on the Board resolution relating to his re-appointment.
Non-Executive	Non-Executive
Independent Non-Executive Director Executive Resource and Compensation Committee Chairman Strategy Committee Member	Non-Executive Director
-	-
No	No (except for the positions held in NTT Singapore Pte Ltd (President & CEO) and NTT Singapore Solutions Pte. Ltd. (Head), both being related corporations of StarHub's substantial shareholders, NTT Communications Corporation and Nippon Telegraph and Telephone Corporation.)
No	No
Independent Non-Executive Chairman, Mighty Kingdom Limited November 2020 to present Independent Non-Executive Director, Catapult Group International Limited December 2019 to present Non-Executive Director, Hoppr Limited November 2019 to present Managing Director, Australian Broadcasting Corporation April 2016 to September 2018 Managing Director, Google Asia Pacific January 2011 to March 2016	President & CEO, NTT Singapore Pte Ltd July 2017 to present Head, NTT Singapore Solutions Pte. Ltd. July 2017 to present Deputy Managing Director and COO, NTT Europe Limited August 2012 to June 2017
Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(continued)

Name of Director	NIHAL VIJAYA DEVADAS KAVIRATNE
Shareholding interest in StarHub Ltd and its subsidiaries	87,500 shares in StarHub Ltd
Other Principal Commitments, including Directorships	
Past (for the last 5 years)	<ul style="list-style-type: none"> • PT TVS Motor Company, Indonesia (President Commissioner) • TVS Motor (Singapore) Pte. Ltd. (Independent Non-Executive Director) • SATS Ltd. (Independent Non-Executive Director, Audit Committee Member, Board Risk Committee Member) • Akzo Nobel India Limited (Chairman, Board Remuneration & Nomination Committee Member) • DBS Group Holdings Ltd (Independent Non-Executive Director, Audit Committee Member, Board Risk Management Committee Member, Compensation and Management Development Committee Member) • DBS Bank Limited (Independent Non-Executive Director, Audit Committee Member, Board Risk Management Committee Member, Compensation and Management Development Committee Member) • DBS Foundation Ltd. (Director) • Bain & Company, Indonesia (Advisory Board Member)
Present	<ul style="list-style-type: none"> • GlaxoSmithKline Pharmaceuticals Ltd., India* (Director)
* Listed Companies	<ul style="list-style-type: none"> • Olam International Limited* (Director) • Bain & Company (Senior Advisor for South East Asia) • Caraway Pte. Ltd. (Chairman) • UK Government's Department for International Development Private Sector Portfolio Advisory Committee (Member) • McKinsey & Company, Inc. (Resilience Advisory Council Member) • SATS Ltd., Singapore (Chairman of the Advisory Panel for Indonesia)

Other Information

- (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner? No

MICHELLE LEE GUTHRIE**NAOKI WAKAI**

58,800 shares in StarHub Ltd

-

- Australian Broadcasting Corporation (Managing Director)
- Auckland International Airport Limited (Non-Executive Director)

-

- Mighty Kingdom Limited (Independent Non-Executive Chairman)
- Catapult Group International Limited* (Independent Non-Executive Director)
- Hoppr Limited (Non-Executive Director)

- NTT Singapore Pte Ltd (President & CEO)
- NTT Singapore Solutions Pte. Ltd. (Head)

No

No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(continued)

Name of Director	NIHAL VIJAYA DEVADAS KAVIRATNE
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No

MICHELLE LEE GUTHRIE	NAOKI WAKAI
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No	No
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No	No
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No	No
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No	No
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No	No
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No	No
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ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(continued)

Name of Director	NIHAL VIJAYA DEVADAS KAVIRATNE
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:	
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

MICHELLE LEE GUTHRIE	NAOKI WAKAI
No	No
No	No
No	No
No	No
No	No
No	No
No	No

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STARHUB LTD

(Incorporated in the Republic of Singapore)
Co. Reg. No. 199802208C

PROXY FORM

Twenty-Third Annual General Meeting

IMPORTANT

- The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of the Twenty-Third Annual General Meeting will not be sent to members. Instead, the Notice of the Twenty-Third Annual General Meeting will be sent to members by electronic means via publication on SGXNet and the Company's Investor Relations ("IR") website at the URL <http://ir.starhub.com/AGM-EGM>.
- Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (in particular, arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at or before the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying announcement by the Company dated 8 April 2021. This announcement may be accessed at the Company's IR website at the URL <http://ir.starhub.com/AGM-EGM>, and will also be made available on SGXNet.
- Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.**
- CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 20 April 2021.
- By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of the Twenty-Third Annual General Meeting dated 8 April 2021.
- Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting.**

I/We, _____ NRIC/Passport/Co. Reg. No. _____

of _____ (Address)

being a member/members of StarHub Ltd (the "**Company**") hereby appoint the **Chairman of the Meeting** as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting ("**AGM**") of the Company to be convened and held by way of electronic means on 30 April 2021 at 10.00 a.m. and at any adjournment thereof.

I/We direct the Chairman of the Meeting as my/our proxy to vote for or against, or to abstain from voting on, the Resolutions to be proposed at the AGM as indicated hereunder.

No.	Resolutions	For*	Against*	Abstain*
	Ordinary Business			
1	To receive and adopt the Directors' Statement and the Audited Financial Statements and the Auditors' Report therein			
2	To re-elect Mr Nihal Vijaya Devadas Kaviratne as Director			
3	To re-elect Ms Michelle Lee Guthrie as Director			
4	To re-elect Mr Naoki Wakai as Director			
5	To approve the Directors' Remuneration			
6	To declare the Final Dividend			
7	To re-appoint KPMG LLP as Auditors and to authorise the Directors to fix their remuneration			
	Special Business			
8	To approve Mr Nihal Vijaya Devadas Kaviratne's continued appointment as an independent Director in accordance with Rule 210(5)(d)(iii)(A) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the " Listing Manual ") which will take effect on 1 January 2022			
9	To approve Mr Nihal Vijaya Devadas Kaviratne's continued appointment as an independent Director by shareholders (excluding Directors, the Chief Executive Officer, and their associates) in accordance with Rule 210(5)(d)(iii)(B) of the Listing Manual which will take effect on 1 January 2022			
10	To authorise Directors to allot and issue shares			
11	To authorise Directors to offer and grant awards and to allot and issue shares pursuant to, and subject to the limits specified in, the StarHub Performance Share Plan 2014 and/or the StarHub Restricted Stock Plan 2014			

* If you wish the Chairman of the Meeting as your proxy to cast all your votes 'For' or 'Against' a Resolution, please tick (✓) in the 'For' or 'Against' box provided in respect of that Resolution. Alternatively, please indicate the number of votes 'For' or 'Against' in the 'For' or 'Against' box in respect of that Resolution. If you wish the Chairman of the Meeting as your proxy to 'Abstain' from voting on a Resolution, please tick (✓) in the 'Abstain' box provided in respect of that Resolution. Alternatively, please indicate the number of Shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the 'Abstain' box in respect of that Resolution. In the absence of specific directions in respect of a Resolution, the appointment of the Chairman of the Meeting as your proxy for that Resolution will be treated as invalid.

* Voting will be conducted by poll.

Dated this _____ day of _____ 2021.

Total Number of Shares Held

Signature(s) or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you only have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, the instrument appointing the Chairman as proxy shall be deemed to relate to all the shares held by you.
2. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** This proxy form may be accessed at the Company's IR website at the URL <http://ir.starhub.com/AGM-EGM>, and will also be made available on SGXNet. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstention from voting, in respect of a Resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as a proxy for that Resolution will be treated as invalid.
CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 20 April 2021.
3. The Chairman of the Meeting, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at gpd@mncsingapore.com,in either case, not less than 72 hours before the time appointed for the Annual General Meeting.
A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
In view of the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email.
5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy 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 the Chairman of the Meeting as 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), if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.
6. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment) appointing the Chairman of the Meeting as proxy. In addition, in the case of a member whose shares are entered against his name in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

Affix
Postage
Stamp

STARHUB LTD
112 Robinson Road #05-01
Singapore 068902
Attn: The Share Registrar



STARHUB LTD

Reg. No.: 199802208C
67 Ubi Avenue 1,
#05-01 StarHub Green,
Singapore 408942
T 6825 5000
F 6721 5000
www.starhub.com

STARHUB

