



StarHub Ltd  
Reg. No.:199802208C  
67 Ubi Avenue 1  
#05-01 StarHub Green  
Singapore 408942  
Tel: (65) 6825 5000  
Fax: (65) 6721 5000

## **STARHUB LTD**

---

### **Announcement of Unaudited Results for the Full Year ended 31 December 2021**

---

StarHub is pleased to announce the unaudited results for the full year ended 31 December 2021.

## Results for the Second Half and Full Year ended 31 December 2021

### 1. GROUP INCOME AND COMPREHENSIVE INCOME STATEMENTS

#### 1.1 GROUP INCOME STATEMENT

	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2021	2020	Incr / (Decr)	%	2021	2020	Incr / (Decr)	%
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Total revenue	1,068.9	1,069.2	(0.3)	(0.0)	2,042.6	2,028.8	13.9	0.7
Operating expenses	(949.5)	(971.6)	(22.1)	(2.3)	(1,825.0)	(1,838.9)	(13.9)	(0.8)
Other income	7.8	22.6	(14.8)	(65.6)	14.2	41.4	(27.2)	(65.7)
<b>Profit from operations</b>	<b>127.1</b>	<b>120.2</b>	<b>7.0</b>	<b>5.8</b>	<b>231.8</b>	<b>231.3</b>	<b>0.6</b>	<b>0.2</b>
Non-operating income	-	-	-	-	1.3	-	1.3	nm
Non-operating loss	(3.0)	-	(3.0)	nm	(3.0)	-	(3.0)	nm
Finance income	2.6	0.9	1.7	188.8	4.1	1.9	2.3	122.5
Finance expense <sup>(1)</sup>	(25.3)	(20.8)	4.5	21.6	(49.1)	(40.8)	8.3	20.3
	<b>101.4</b>	<b>100.2</b>	<b>1.2</b>	<b>1.2</b>	<b>185.1</b>	<b>192.3</b>	<b>(7.1)</b>	<b>(3.7)</b>
Share of gain of associate, net of tax	2.3	0.5	1.8	nm	3.4	0.6	2.8	nm
Share of gain/(loss) of joint venture, net of tax	1.0	(0.1)	1.1	nm	1.7	(0.1)	1.8	nm
<b>Profit before taxation</b>	<b>104.7</b>	<b>100.6</b>	<b>4.1</b>	<b>4.1</b>	<b>190.2</b>	<b>192.8</b>	<b>(2.6)</b>	<b>(1.3)</b>
Taxation	(22.7)	(16.5)	6.2	37.6	(40.1)	(32.7)	7.4	22.6
<b>Profit for the period</b>	<b>82.0</b>	<b>84.1</b>	<b>(2.1)</b>	<b>(2.5)</b>	<b>150.1</b>	<b>160.1</b>	<b>(10.0)</b>	<b>(6.2)</b>
Attributable to:								
Owners of the Company	81.4	80.5	0.8	1.0	149.3	157.9	(8.6)	(5.5)
Non-controlling interests	0.6	3.6	(3.0)	(82.4)	0.8	2.1	(1.3)	(62.8)
	<b>82.0</b>	<b>84.1</b>	<b>(2.1)</b>	<b>(2.5)</b>	<b>150.1</b>	<b>160.1</b>	<b>(10.0)</b>	<b>(6.2)</b>
<b>Earnings per share (in cents)</b>								
- Basic	4.5	4.4	0.0	1.1	8.2	8.7	(0.5)	(5.7)
- Diluted	4.5	4.4	0.1	2.4	8.1	8.6	(0.5)	(5.8)
<b>EBITDA</b>	<b>265.0</b>	<b>272.3</b>	<b>(7.3)</b>	<b>(2.7)</b>	<b>510.9</b>	<b>537.8</b>	<b>(26.9)</b>	<b>(5.0)</b>
<b>Service EBITDA <sup>(2)</sup></b>	<b>248.8</b>	<b>250.4</b>	<b>(1.6)</b>	<b>(0.6)</b>	<b>480.8</b>	<b>494.6</b>	<b>(13.8)</b>	<b>(2.8)</b>
<b>Service EBITDA as % of service revenue</b>	<b>29.9%</b>	<b>31.0%</b>	<b>-1.1% pts</b>		<b>29.8%</b>	<b>31.1%</b>	<b>-1.3% pts</b>	
<b>Free Cash Flow <sup>(3)</sup></b>	<b>302.5</b>	<b>113.1</b>	<b>189.4</b>	<b>167.5</b>	<b>484.6</b>	<b>387.7</b>	<b>96.9</b>	<b>25.0</b>
<i>Profit from operations is arrived after charging the following:</i>								
Loss allowances of trade receivables	(1.1)	5.5	(6.6)	nm	3.0	13.6	(10.7)	(78.3)
Depreciation and amortisation	137.9	152.1	(14.3)	(9.4)	279.1	306.5	(27.5)	(9.0)
Foreign exchange (gain)/ loss	(1.8)	(0.4)	1.4	nm	0.4	4.5	(4.1)	(90.8)
Allowance for stock obsolescence	(3.5)	(1.2)	2.4	200.0	(1.7)	2.3	(4.0)	nm

nm – Not meaningful

#### Notes:

- (1) Finance expense includes interest on borrowings and lease liabilities and other financing charges
- (2) Service EBITDA refers to EBITDA less equipment margin (sales of equipment less cost of equipment)
- (3) 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
- (4) The financial statements include the consolidation of subsidiary, Strateq Sdn. Bhd. ("Strateq"), acquired on 30 July 2020
- (5) Numbers in all tables may not exactly add up due to rounding

1.2 GROUP COMPREHENSIVE INCOME STATEMENT

	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2021 S\$m	2020 S\$m	Incr / (Decr) S\$m	%	2021 S\$m	2020 S\$m	Incr / (Decr) S\$m	%
<b>Profit for the period</b>	<b>82.0</b>	<b>84.1</b>	<b>(2.1)</b>	<b>(2.5)</b>	<b>150.1</b>	<b>160.1</b>	<b>(10.0)</b>	<b>(6.2)</b>
Other comprehensive income								
Items that will not be reclassified to profit or loss:								
Net change in fair value of equity investment at fair value through other comprehensive income ("FVOCI"), net of taxation	(1.9)	(5.7)	(3.8)	(66.0)	(10.1)	(17.1)	(7.0)	(41.0)
Items that are or may be reclassified subsequently to profit or loss:								
Foreign currency translation differences	0.3	(0.7)	0.9	nm	0.9	(0.8)	1.6	nm
Effective portion of changes in fair value of cash flow hedges, net of taxation	(0.2)	(2.3)	(2.1)	(93.3)	2.1	(0.1)	2.2	nm
Share of other comprehensive income of associate and joint venture	-	0.2	(0.2)	(100.0)	-	0.1	(0.1)	(100.0)
Foreign currency translation reserve on liquidation of subsidiary	-	-	-	-	(1.3)	-	(1.3)	nm
Other comprehensive loss for the period, net of taxation	(1.8)	(8.5)	(6.6)	(78.2)	(8.5)	(17.9)	(9.4)	(52.4)
<b>Total comprehensive income for the period</b>	<b>80.2</b>	<b>75.7</b>	<b>4.5</b>	<b>5.9</b>	<b>141.6</b>	<b>142.2</b>	<b>(0.6)</b>	<b>(0.4)</b>
Attributable to:								
Owners of the Company	79.5	72.0	7.4	10.3	140.7	140.1	0.7	0.5
Non-controlling interests	0.7	3.6	(2.9)	(80.9)	0.8	2.1	(1.3)	(60.4)
<b>Total comprehensive income for the period</b>	<b>80.2</b>	<b>75.7</b>	<b>4.5</b>	<b>5.9</b>	<b>141.6</b>	<b>142.2</b>	<b>(0.6)</b>	<b>(0.4)</b>

nm – Not meaningful

## 1.3 GROUP PERFORMANCE REVIEW FOR THE PERIOD ENDED 31 DECEMBER 2021

## (A) Revenue

Revenue	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2021 S\$m	2020 S\$m	Incr / (Decr) S\$m %		2021 S\$m	2020 S\$m	Incr/ (Decr) S\$m %	
Mobile	270.9	272.7	(1.9)	(0.7)	530.7	579.7	(49.0)	(8.5)
Broadband	98.9	91.2	7.7	8.4	194.4	176.1	18.3	10.4
Entertainment <sup>(1)</sup>	89.5	94.2	(4.7)	(5.0)	180.0	187.9	(7.9)	(4.2)
Enterprise Business	372.6	350.1	22.5	6.4	706.1	645.5	60.6	9.4
- Network Solutions <sup>(2)</sup>	180.7	198.4	(17.7)	(8.9)	361.8	391.6	(29.8)	(7.6)
- Cybersecurity Services <sup>(3)</sup>	152.7	118.4	34.3	28.9	268.5	220.7	47.9	21.7
- Regional ICT Services <sup>(4)</sup>	39.2	33.2	6.0	17.9	75.8	33.2	42.6	128.1
Service revenue	831.8	808.1	23.7	2.9	1,611.2	1,589.2	22.0	1.4
Sales of equipment	237.1	261.0	(23.9)	(9.2)	431.4	439.6	(8.2)	(1.9)
Total revenue	1,068.9	1,069.2	(0.3)	(0.0)	2,042.6	2,028.8	13.9	0.7

(1) Consists of service revenue from Pay TV only

(2) Includes Data & Internet, Managed Services and Voice Services

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

(4) Includes service revenue from Straeq

The Group's 2H2021 total revenue of S\$1,068.9 million was S\$0.3 million lower year-on-year ("YoY"), mainly due to lower contributions from Mobile, Entertainment and Sales of Equipment, partially mitigated by higher revenues from Broadband and Enterprise Business. The Group's total revenue for the full year of S\$2,042.6 million was S\$13.9 million higher YoY, mainly due to higher contributions from Broadband and Enterprise Business, partially offset by lower revenues from Mobile, Entertainment and Sales of Equipment.

Against the corresponding period last year, Mobile service revenue in 2H2021 was 0.7% lower, mainly due to lower prepaid revenue offset by higher postpaid revenue. The decrease in prepaid revenue was mainly due to a decline in the number of tourists and foreign workers from ongoing travel restrictions, lower data subscriptions, lower prepaid expired credits and lower IDD usage. The increase in postpaid revenue was contributed by marginally higher roaming revenue due to the progressive opening of borders via the vaccinated travel lane ("VTL") arrangements from September 2021, higher VAS (value-added services) revenues and a one-off revenue of S\$4.0 million from an infrastructure project; partially offset by lower IDD usage, excess data usage, voice usage and plan subscriptions. Excluding this one-off revenue, Mobile service revenue would have been S\$5.9 million or 2.1% lower YoY in 2H2021. Mobile service revenue in the full year was 8.5% lower YoY, mainly due to lower postpaid and prepaid revenues. The decrease in postpaid revenue was due to lower IDD usage, excess data usage, voice usage, and comparatively lower roaming revenue YoY with the absence of roaming revenues which were recorded in the first 4 months in 2020 as well as ongoing travel restrictions that had since tightened again in 4Q2021; partially offset by the increase in SMS usage, higher plan subscriptions, VAS (value-added services) revenues and a one-off revenue of S\$4.0 million from an infrastructure project. Excluding this one-off revenue, Mobile service revenue would have been S\$53.0 million or 9.1% lower YoY in the full year. The decrease in Prepaid revenue was as explained above.

Broadband service revenue of S\$98.9 million increased 8.4% YoY in 2H2021, mainly due to higher ARPU from continued reductions in subscription discounts and increased take up of the higher-tier 2 Gbps plans. Broadband service revenue of S\$194.4 million for the full year was 10.4% higher YoY, mainly due to higher ARPU from continued reductions in subscription discounts and the absence of a one-time 20% rebate on Home Broadband

monthly fee extended to customers for a service disruption in April 2020. Excluding the one-time rebate from prior year, Broadband service revenue for the full year would have been S\$16.8 million or 9.5% higher YoY.

Entertainment service revenue decreased 5.0% and 4.2% YoY in 2H2021 and the full year, respectively, mainly due to a lower subscriber base, offset by higher ARPU achieved by the higher-priced HomeHub bundled plans, lower commercial TV revenue and lower spending on advertising by Enterprise customers.

Enterprise segment revenue increased 6.4% and 9.4% YoY in 2H2021 and the full year, respectively, mainly due to higher contributions from Cybersecurity Services and the first full-year consolidation of revenue from Strateq (acquired on 30 July 2020) under the Regional ICT Services segment. This was partially offset by lower revenues from Data & Internet, Managed Services and Voice Services.

Revenue from Sales of Equipment decreased YoY by 9.2% in 2H2021 and 1.9% in the full year, mainly due to lower volume of handsets sold arising from stock constraints of certain 5G handset models. Unit selling price of 5G handset models were, however, generally higher.

**(B) Operating expenses**

	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2021	2020	Incr / (Decr)		2021	2020	Incr/ (Decr)	
Operating expenses	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Cost of sales	416.3	451.0	(34.7)	(7.7)	783.5	847.7	(64.2)	(7.6)
Other operating expenses	340.8	372.1	(31.3)	(8.4)	694.2	733.0	(38.8)	(5.3)
Cybersecurity Services <sup>(1)</sup>	154.8	115.1	39.7	34.5	273.2	224.7	48.4	21.5
Regional ICT Services <sup>(2)</sup>	37.6	33.4	4.2	12.6	74.2	33.4	40.7	121.9
Total	949.5	971.6	(22.1)	(2.3)	1,825.0	1,838.9	(13.9)	(0.8)

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

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

The Group's total operating expenses for 2H2021 and the full year were S\$22.1 million and S\$13.9 million lower YoY, respectively. This was 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 2H2021 and the full year were at 88.8% and 89.3%, respectively, compared to 90.9% and 90.6% in the corresponding periods last year.

	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2021	2020	Incr / (Decr)		2021	2020	Incr/ (Decr)	
Cybersecurity Services <sup>(1)</sup>	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Cost of sales	91.6	66.0	25.6	38.7	155.1	123.4	31.7	25.7
Other operating expenses	63.2	49.1	14.2	28.9	118.0	101.3	16.7	16.5
Total	154.8	115.1	39.7	34.5	273.2	224.7	48.4	21.5

(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 for 2H2021 and the full year were at 101.4% and 101.7%, respectively, compared to 97.2% and 101.8% in the corresponding periods last year.

	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2021	2020	Incr / (Decr)		2021	2020	Incr/ (Decr)	
Regional ICT Services <sup>(1)</sup>	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Cost of sales	16.8	15.9	1.0	6.0	33.0	15.9	17.1	107.8
Other operating expenses	20.8	17.6	3.2	18.5	41.2	17.6	23.6	134.6
Total	37.6	33.4	4.2	12.6	74.2	33.4	40.7	121.9

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

As a percentage of Regional ICT services revenue, Regional ICT services' operating expenses for 2H2021 and the full year were at 96.0% and 97.8%, respectively, compared to 100.5% in the corresponding periods last year.

A breakdown of total operating expenses is as follows:

**(i) Cost of sales**

	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2021	2020	Incr / (Decr)		2021	2020	Incr/ (Decr)	
Cost of sales	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Cost of equipment sold	220.9	239.1	(18.2)	(7.6)	401.3	396.4	4.9	1.2
Cost of services	163.2	174.6	(11.4)	(6.5)	316.1	361.3	(45.1)	(12.5)
Traffic expenses	22.0	22.4	(0.4)	(1.8)	42.6	54.8	(12.2)	(22.2)
Customer acquisition costs	10.2	14.9	(4.7)	(31.4)	23.4	35.2	(11.8)	(33.5)
Cost of sales (excluding Cybersecurity Services and Regional ICT Services)	416.3	451.0	(34.7)	(7.7)	783.5	847.7	(64.2)	(7.6)
Cost of sales (Cybersecurity Services)	91.6	66.0	25.6	38.7	155.1	123.4	31.7	25.7
Cost of sales (Regional ICT Services)	16.8	15.9	1.0	6.0	33.0	15.9	17.1	107.8
Total	524.7	532.9	(8.2)	(1.5)	971.6	987.0	(15.4)	(1.6)

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

Cost of sales for 2H2021 decreased YoY by S\$34.7 million, mainly due to lower cost of equipment sold, lower cost of services including content costs, lower traffic expenses and lower customer acquisition costs. Cost of sales for the full year decreased S\$64.2 million YoY mainly due to lower cost of services, lower traffic expenses and lower customer acquisition costs, partially offset by higher cost of equipment sold.

Cost of equipment sold decreased 7.6% YoY in 2H2021, mainly due to lower volume of handsets sold. Cost of equipment sold rose 1.2% YoY for the full year, primarily due to overall higher cost of 5G handset models despite lower volume of handsets sold.

The YoY decreases of 6.5% and 12.5% for cost of services in 2H2021 and the full year, were mainly due to lower Pay TV content costs and lower Network Solutions costs, partially offset by higher postpaid Mobile costs and higher Broadband costs.

Traffic expenses in 2H2021 decreased 1.8% YoY, mainly due to lower domestic and international traffic volumes, partially offset by higher roaming cost in line with higher roaming revenue. Traffic expenses in the full year decreased 22.2% YoY, mainly due to lower domestic and international traffic volumes, coupled with overall lower roaming cost in line with overall lower roaming revenue.

The lower customer acquisition costs of 31.4% and 33.5% YoY for 2H2021 and the full year were 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 was in line with higher Cybersecurity services revenue generated.

Cost of Sales (Regional ICT services)

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

**(ii) Other operating expenses**

Other operating expenses	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2021 S\$m	2020 S\$m	Incr / (Decr) S\$m	%	2021 S\$m	2020 S\$m	Incr/ (Decr) S\$m	%
Staff costs	84.3	89.9	(5.6)	(6.3)	172.5	185.3	(12.8)	(6.9)
Operating leases	14.2	14.8	(0.6)	(4.1)	30.8	26.0	4.8	18.6
Marketing and promotions	11.4	11.6	(0.1)	(1.2)	20.9	23.2	(2.2)	(9.7)
Loss allowance for trade receivables	(0.7)	5.4	(6.1)	nm	3.6	13.1	(9.5)	(72.7)
Repairs and maintenance	43.1	58.6	(15.6)	(26.5)	86.8	106.8	(20.0)	(18.7)
Other expenses	69.7	55.1	14.6	26.5	135.4	97.5	37.9	38.9
Depreciation and amortisation	118.9	136.8	(18.0)	(13.1)	244.2	281.2	(37.0)	(13.2)
Other operating expenses (excluding Cybersecurity Services and Regional ICT Services)	340.8	372.1	(31.3)	(8.4)	694.2	733.0	(38.8)	(5.3)
Other operating expenses (Cybersecurity Services)	63.2	49.1	14.2	28.9	118.0	101.3	16.7	16.5
Other operating expenses (Regional ICT Services)	20.8	17.6	3.2	18.5	41.2	17.6	23.6	134.6
<b>Total</b>	<b>424.8</b>	<b>438.7</b>	<b>(13.9)</b>	<b>(3.2)</b>	<b>853.5</b>	<b>851.9</b>	<b>1.5</b>	<b>0.2</b>

The Group's total other operating expenses for 2H2021 was S\$13.9 million lower YoY. As a percentage of total revenue, other operating expenses was 39.7% in 2H2021, compared to 41.0% in the corresponding period last year.

The Group's total other operating expenses for the full year was S\$1.5 million higher YoY. As a percentage of total revenue, other operating expenses was 41.8% in the full year, compared to 42.0% in the corresponding period 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 6.3% and 6.9% lower YoY in 2H2021 and the full year, respectively, mainly due to the reversal of provisions for certain staff compensation and restructuring costs relating to the IT transformation that were no longer required. Excluding the reversals, staff costs would have been S\$6.7 million or 6.0% lower YoY in 2H2021 and S\$20.9 million or 10.4% lower in the full year, due to lower headcount.

Operating leases

Operating leases was 4.1% lower YoY in 2H2021, mainly due to the higher reversal of base station rental accruals that were no longer required, offset by the absence of rental rebates received in the prior year for qualifying commercial and industrial properties under the COVID-19 stimulus package. Excluding the above, operating leases would have been S\$0.7 million or 4.2% higher in 2H2021, mainly due to a lease relating to the StarHub Hyperscale

Data Centre @ Loyang. Operating leases was 18.6% higher YoY in the full year, mainly due to the absence of rental rebates received last year for qualifying commercial and industrial properties under the COVID-19 stimulus package and a one-off refund from a landlord for previous overbilling in 2Q2020, offset by the higher reversal of base station rental accruals that were no longer required. Excluding the above, operating leases would have been S\$2.4 million or 7.6% higher in the full year due to a lease of the StarHub Hyperscale Data Centre @ Loyang.

Marketing and promotions

Marketing and promotions expenses was 1.2% and 9.7% lower YoY in 2H2021 and the full year, respectively, as a result of more targeted promotional efforts.

Loss allowance for trade receivables

Loss allowance for trade receivables was S\$6.1 million lower YoY in 2H2021, mainly due to decrease in general allowance as a result of lower trade receivables coupled with lower bad debt written off. Loss allowance for trade receivables was S\$9.5 million lower YoY in the full year, mainly due to overall decrease in general allowance as a result of lower trade receivables, partially offset with overall higher bad debt written off.

Repairs and maintenance

Repairs and maintenance expense was 26.5% and 18.7% lower YoY in 2H2021 and the full year, respectively, mainly due to lower maintenance costs for network infrastructure and novation of certain IS contracts, and absence of prior year provision for contracted maintenance costs for submarine cables that were no longer in use. Excluding this provision from prior year, repairs and maintenance expense would have been lower YoY by 11.8% in 2H2021 and 10.8% in the full year.

Other expenses

Other expenses for 2H2021 and the full year was S\$14.6 million and S\$37.9 million higher YoY, respectively, mainly due to higher miscellaneous expenses, higher occupancy costs, higher IT outsourcing costs, including manpower and repairs and maintenance expense that were previously classified under staff costs and repairs and maintenance expense categories, partially offset by lower licence fees, lower foreign exchange loss and higher miscellaneous income.

Depreciation and amortisation

Depreciation and amortisation expense was S\$18.0 million lower YoY in 2H2021, mainly due to lower depreciation of property, plant and equipment ("PPE") and lower amortisation of intangible assets, partially offset by higher depreciation of right-of-use (ROU) assets. Depreciation and amortisation expense was S\$37.0 million lower YoY in the full year, mainly due to lower depreciation of PPE, lower amortisation of intangible assets and lower depreciation of ROU assets.

Other operating expenses (Cybersecurity services)

The other operating expenses in 2H2021 and the full year was higher YoY, primarily due to higher staff costs, higher depreciation and amortisation and higher other expenses for Cybersecurity services.

Other operating expenses (Regional ICT services)

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



**(C) Other income**

Other income decreased YoY in 2H2021 and the full year, mainly due to lower Job Support Scheme (JSS) payouts since 2Q2020 and lower recovery of tunnel fees from TPG, partially mitigated by higher income grant. The JSS payouts recognised in 2H2021 and the full year were S\$0.7 million and S\$1.9 million, respectively, compared to S\$18.3 million and S\$34.0 million in the corresponding periods last year.

**(D) Profitability**

Profit from operations in 2H2021 increased S\$7.0 million YoY to S\$127.1 million. Operating profit from Cybersecurity services decreased S\$6.8 million YoY to S\$2.5 million in 2H2021, mainly due to a one-off inventory write-off of S\$4.2 million. Excluding the inventory write-off, operating profit from Cybersecurity services would have decreased S\$2.6 million YoY to S\$6.6 million in 2H2021. Operating profit from Regional ICT services was S\$1.6 million in 2H2021, compared to an operating loss of S\$0.2 million in the corresponding period last year. Excluding Cybersecurity services and Regional ICT services, profit from operations would have been S\$123.1 million, which was S\$12.0 million or 10.8% higher YoY. This was due to higher Broadband revenue and lower operating expenses, partially offset by lower revenues from Mobile, Entertainment and Network Solutions, lower margin from Sales of Equipment and lower other income mainly due to lower JSS payouts recognised coupled with lower TPG tunnel fees cost recovery.

Profit from operations for the full year increased S\$0.6 million YoY to S\$231.8 million. Operating profit from Cybersecurity services decreased S\$3.7 million to S\$3.5 million in the full year mainly due to a one-off inventory write-off of S\$4.2 million. Excluding the inventory write-off, operating profit from Cybersecurity services would have increased S\$0.5 million YoY to S\$7.6 million in FY2021. Operating profit from Regional ICT services was S\$1.7 million in the full year, compared to an operating loss of S\$0.2 million in the corresponding period last year. Excluding Cybersecurity services and Regional ICT services, profit from operations would have been S\$226.7 million, which was S\$2.4 million or 1.1% higher YoY. This was due to higher Broadband revenue and lower operating expenses, partially offset by lower revenues from Mobile, Entertainment and Network Solutions, lower margin from Sales of Equipment and lower other income due to lower JSS payouts recognised coupled with lower TPG tunnel fees cost recovery.

Service EBITDA margin for 2H2021 at 29.9% was 1.1% points lower, compared to the corresponding period last year. Service EBITDA margin for the full year at 29.8% was 1.3% points lower, compared to the corresponding period last year. Excluding JSS, service EBITDA margin would have been 29.8% and 29.7% in 2H2021 and the full year, respectively, compared to 28.7% and 29.0% in the corresponding periods last year.

Non-operating income of S\$1.3 million for the full year was due to the gain on liquidation of StarHub (Mauritius) Ltd in 1H2021. Non-operating loss of S\$3.0 million in 2H2021 and the full year was primarily due to the recognition of a fair value loss arising from financial liabilities measured at fair value associated with the contingent consideration of Strateq.

Finance income was higher in both 2H2021 and the full year, compared to the corresponding periods last year. Finance expense was higher YoY in both 2H2021 and the full year, mainly due to interest on higher borrowings and finance cost on financial liabilities associated with the consolidation of Strateq.

Share of results of associate was higher in 2H2021 and the full year, compared to the corresponding periods last year.

Share of results of joint venture was a gain in 2H2021 and the full year, compared to a loss in the corresponding periods last year. The joint venture was incorporated last year with another MNO.

Profit before taxation of S\$104.7 million in 2H2021 was S\$4.1 million higher YoY, mainly due to higher profit from operations. Profit before taxation of S\$190.2 million in the full year was S\$2.6 million lower YoY, mainly due to higher net finance costs and non-operating loss (as explained above), partially offset by higher share of results of associate and joint venture.

Taxation expenses was higher at S\$22.7 million and S\$40.1 million in 2H2021 and the full year, respectively, mainly due to increase in taxable profits YoY after excluding the JSS payouts, which are not subject to income tax.

Profit after taxation for the period in 2H2021 and the full year was S\$82.0 million and S\$150.1 million respectively.

## 2. BUSINESS REVIEW

### Mobile Services

	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2021	2020	Incr / (Decr)		2021	2020	Incr / (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Mobile revenue	270.9	272.7	(1.9)	(0.7)	530.7	579.7	(49.0)	(8.5)

Mobile operating statistics	Quarter ended			Full Year ended		YoY Incr / (Decr) %
	31 Dec 2021	30 Sep 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	
Number of registered subscribers (in thousands)						
Postpaid	1,484	1,458	1,414	1,484	1,414	4.9
Prepaid	468	458	564	468	564	(17.0)
Total	1,952	1,915	1,978	1,952	1,978	(1.3)
ARPU with IDD included (S\$ per month)						
Postpaid	30	29	30	28	31	(8.0)
Prepaid	10	10	11	10	11	(11.4)
Average smartphone data usage (GB)	12.7	12.8	12.3	12.8	11.1	15.3
Average monthly churn rate (post-paid) <sup>(1)</sup>	0.8%	0.8%	1.2%	0.9%	1.0%	-
Singapore mobile penetration <sup>(2)</sup>	158.8%	158.1%	148.2%	158.8%	148.2%	-
Market Share <sup>(2)</sup>	22.5%	22.2%	23.5%	22.5%	23.5%	-

(1) Change in computation to include churn from giga! subscribers

(2) Based on latest published statistics.

Against the corresponding period last year, Mobile service revenue in 2H2021 was 0.7% lower, mainly due to lower prepaid revenue offset by higher postpaid revenue. The decrease in prepaid revenue was mainly due to a decline in the number of tourists and foreign workers from ongoing travel restrictions, lower data subscriptions, lower prepaid expired credits and lower IDD usage. The increase in postpaid revenue was contributed by marginally higher roaming revenue due to the progressive opening of borders via the vaccinated travel lane (“VTL”) arrangements from September 2021, higher VAS (value-added services) revenues and a one-off revenue of S\$4.0 million from an infrastructure project; partially offset by lower IDD usage, excess data usage, voice usage and plan subscriptions. Excluding this one-off revenue, Mobile service revenue would have been S\$5.9 million or 2.1% lower YoY in 2H2021. Mobile service revenue in the full year was 8.5% lower YoY, mainly due to lower postpaid and prepaid revenues. The decrease in postpaid revenue was due to lower IDD usage, excess data usage, voice usage, and comparatively lower roaming revenue YoY with the absence of roaming revenues which were recorded in the first 4 months in 2020 as well as ongoing travel restrictions that had since tightened again in 4Q2021; partially offset by the increase in SMS usage, higher plan subscriptions, VAS (value-added services) revenues and a one-off revenue of S\$4.0 million from an infrastructure project. Excluding this one-off revenue, Mobile service revenue would have been S\$53.0 million or 9.1% lower YoY in the full year. The decrease in Prepaid revenue was as explained above.

Postpaid mobile services

As of 31 December 2021, the postpaid mobile subscriber base stood at 1,484,000 after the quarter's net addition of 26,000 subscribers. Compared to a year ago, the postpaid subscriber base increased by 70,000 subscribers or 4.9%.

ARPU of S\$30 in 4Q2021 was stable, compared to the corresponding period last year. ARPU of S\$28 for the full year was S\$3 lower YoY, mainly due to lower roaming revenue, lower IDD usage, lower voice usage and lower excess data usage revenues resulting from prolonged COVID-19 impact. The overall average smartphone data usage increased YoY for both 4Q2021 and the full year to 12.7 GB and 12.8 GB, respectively.

Average monthly churn rate was lower at 0.8% in 4Q2021 and 0.9% for the full year.

Prepaid mobile services

As of 31 December 2021, the prepaid mobile subscriber base stood at 468,000 subscribers after the quarter's net addition of 10,000 subscribers. Compared to a year ago, prepaid subscriber base decreased by 96,000 subscribers. The decline was mainly due to the impact from COVID-19 measures, which caused an overall decrease in tourist numbers.

ARPU was at S\$10 for both 4Q2021 and the full year.

## Broadband Services

	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2021	2020	Incr / (Decr)		2021	2020	Incr / (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Broadband revenue	98.9	91.2	7.7	8.4	194.4	176.1	18.3	10.4

Broadband operating statistics	Quarter ended			Full Year ended		YoY Incr / (Decr) %
	31 Dec 2021	30 Sep 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	
Number of residential broadband subscribers - subscription-based (in thousands)	484	485	498	484	498	(2.9)
ARPU (S\$ per month)	33	34	30	32	29	12.6
Average monthly churn rate	0.7%	0.7%	0.7%	0.8%	0.5%	-

Broadband service revenue of S\$98.9 million increased 8.4% YoY in 2H2021, mainly due to higher ARPUs from continued reductions in subscription discounts and increased take up of the higher-tier 2 Gbps plans. Broadband service revenue of S\$194.4 million in the full year was 10.4% higher YoY, mainly due to higher ARPUs from continued reductions in subscription discounts and the absence of a one-time 20% rebate on Home Broadband monthly fee extended to customers for a service disruption in April 2020. Excluding the one-time rebate from prior year, Broadband service revenue for the full year would have been S\$16.8 million or 9.5% higher YoY.

ARPU of S\$33 in 4Q2021 and S\$32 for the full year was S\$3 higher, compared to the corresponding periods last year (as explained above).

Average monthly churn rate was at 0.7% in 4Q2021 and 0.8% for the full year.

Entertainment Services

	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2021	2020	Incr / (Decr)		2021	2020	Incr / (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Entertainment revenue <sup>(1)</sup>	89.5	94.2	(4.7)	(5.0)	180.0	187.9	(7.9)	(4.2)

Entertainment operating statistics	Quarter ended			Full Year ended		YoY
	31 Dec 2021	30 Sep 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	Incr / (Decr) %
Number of residential Pay TV subscribers (in thousands)	279	287	314	279	314	(11.2)
ARPU (S\$ per month)	44	43	40	42	39	7.6
Average monthly churn rate	1.1%	1.2%	0.9%	1.2%	0.6%	-
Total Entertainment subscribers <sup>(2)</sup> (in thousands)	444	408	340	444	340	30.8

(1) Consists of service revenue from Pay TV only

(2) Includes residential Pay TV subscribers (with and without over-the-top ("OTT") subscriptions) as well as Mobile and Broadband subscribers with OTT subscriptions

Entertainment service revenue decreased 5.0% and 4.2% YoY in 2H2021 and the full year, respectively, mainly due to a lower subscriber base, offset by higher ARPU achieved by the higher-priced HomeHub bundled plans, lower commercial TV revenue and lower spending on advertising by Enterprise customers.

As of 31 December 2021, Pay TV subscribers stood at 279,000 after the quarter's net churn of 8,000 subscribers. Compared to a year ago, Pay TV subscribers was lower by 35,000 or 11.2%.

ARPU was S\$44 in 4Q2021 and S\$42 for the full year, which was S\$4 and S\$3 higher YoY, respectively, compared to the corresponding periods last year (as explained above).

Average monthly churn rate was at 1.1% in 4Q2021 and 1.2% for the full year.

As of 31 December 2021, total Entertainment subscribers stood at 444,000 after the quarter's net addition of 36,000 subscribers. Compared to a year ago, total Entertainment subscribers was higher by 104,000 or 30.8%, mainly due to higher OTT take-up.

## Enterprise Business

Enterprise Business revenue	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2021 S\$m	2020 S\$m	Incr / (Decr) S\$m %		2021 S\$m	2020 S\$m	Incr / (Decr) S\$m %	
Data & Internet	121.0	129.1	(8.1)	(6.3)	244.8	265.3	(20.5)	(7.7)
Managed Services <sup>(1)</sup>	43.7	51.5	(7.8)	(15.2)	84.8	87.8	(3.0)	(3.4)
Voice Services	16.0	17.8	(1.7)	(9.8)	32.2	38.5	(6.3)	(16.4)
Network Solutions	180.7	198.4	(17.7)	(8.9)	361.8	391.6	(29.8)	(7.6)
Cybersecurity Services <sup>(2)</sup>	152.7	118.4	34.3	28.9	268.5	220.7	47.9	21.7
Regional ICT Services <sup>(3)</sup>	39.2	33.2	6.0	17.9	75.8	33.2	42.6	128.1
<b>Total</b>	<b>372.6</b>	<b>350.1</b>	<b>22.5</b>	<b>6.4</b>	<b>706.1</b>	<b>645.5</b>	<b>60.6</b>	<b>9.4</b>

(1) Managed services include Analytics, Cloud, ICT solutions and Facility Management

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

(3) Includes service revenue from Strateq

Enterprise Business revenue increased 6.4% and 9.4% YoY in 2H2021 and the full year, respectively, mainly due to higher contributions from Cybersecurity Services and the consolidation of Strateq under Regional ICT Services (acquired on 30 July 2020). This was partially offset by lower revenues from Data & Internet, Managed Services and Voice Services.

Data & Internet service revenue in 2H2021 was 6.3% lower YoY, mainly due to lower revenue from domestic leased circuits revenue. Data & Internet service revenue in the full year was 7.7% lower YoY, mainly due to lower domestic leased circuits revenue and absence of a one-off revenue from the delivery of data transmission equipment in 2Q2020. Excluding this one-off revenue in the prior year, data and internet service revenue would have been lower YoY by S\$10.5 million or 4.1% in the full year.

Managed services revenue for 2H2021 and the full year was 15.2% and 3.4% lower YoY, respectively, due to fewer project completions as a result of global chip supply shortage, partially offset by higher revenue from facilities management.

Voice services revenue in 2H2021 and the full year was 9.8% and 16.4% lower YoY, respectively, mainly due to lower domestic voice and international voice traffic as a result of COVID-19.

Cybersecurity services revenue grew 28.9% and 21.7% in 2H2021 and the full year, respectively, due to stronger business demand as businesses prepare for post COVID-19 recovery.

The growth in Regional ICT services revenue in 2H2021 and the full year, was mainly due to the full year consolidation of Strateq.

## 3. GROUP CASH FLOW STATEMENT

	Second Half Year ended 31 Dec		Full Year ended 31 Dec	
	2021 S\$m	2020 S\$m	2021 S\$m	2020 S\$m
<b>Operating Activities</b>				
Profit before taxation	104.7	100.6	190.2	192.8
Adjustments for :				
Depreciation and amortisation	137.9	152.1	279.1	306.5
Share-based payments	1.9	1.4	3.5	3.2
Net finance costs	22.7	19.9	45.0	39.0
Share of gain of associate, net of tax	(2.3)	(0.5)	(3.4)	(0.6)
Share of gain/ (loss) of joint venture, net of tax	(1.0)	0.1	(1.7)	0.1
Non-operating income	-	-	(1.3)	-
Others	4.4	0.8	4.6	1.2
Operating cash flow before working capital changes	268.2	274.5	515.9	542.2
Changes in operating assets and liabilities	175.8	7.0	224.1	95.8
Income taxes paid	(32.1)	(49.6)	(82.9)	(59.1)
<b>Net cash from operating activities</b>	<b>411.9</b>	<b>231.9</b>	<b>657.1</b>	<b>578.9</b>
<b>Investing Activities</b>				
Interest received	0.8	2.1	1.6	2.7
Proceeds from disposal of property, plant and equipment and intangible assets	0.6	0.2	0.6	0.3
Purchase of property, plant and equipment and intangible assets	(109.3)	(118.8)	(172.5)	(191.2)
Acquisition of subsidiary, net of cash acquired	-	(74.0)	-	(74.0)
Repayment of loan from an associate	-	7.5	-	7.5
Deferred consideration paid to founding shareholders	-	-	(6.2)	-
Proceeds from disposal of rights relating to other investments	-	-	1.2	-
Investment in joint venture	-	(2.0)	(6.5)	(2.0)
Loan to external party	(105.0)	-	(105.0)	-
<b>Net cash used in investing activities</b>	<b>(213.0)</b>	<b>(185.0)</b>	<b>(286.9)</b>	<b>(256.7)</b>
<b>Financing Activities</b>				
Repayment of lease liabilities	(15.4)	(15.4)	(31.4)	(30.8)
Dividend paid to owners of the Company	(43.3)	(43.3)	(86.6)	(82.2)
Perpetual capital securities distribution paid	(4.0)	(4.0)	(7.9)	(7.9)
Interest paid	(22.5)	(16.7)	(42.6)	(38.0)
Purchase of treasury shares	(1.6)	(1.9)	(2.9)	(5.1)
Proceeds from issuance of medium term notes	-	-	200.0	-
Proceeds from bank loans	-	114.6	-	344.6
Repayment of bank loans	(1.2)	(177.9)	(1.6)	(237.9)
Capital contribution from a non-controlling interest shareholder	6.0	21.9	20.7	21.9
<b>Net cash (used in)/ from financing activities</b>	<b>(81.8)</b>	<b>(122.6)</b>	<b>47.8</b>	<b>(35.4)</b>
<b>Net change in cash and cash equivalents</b>	<b>117.0</b>	<b>(75.7)</b>	<b>418.0</b>	<b>286.8</b>
Exchange difference on cash and cash equivalents	(0.2)	-	(0.2)	-
Cash and cash equivalents at beginning of the period	704.7	479.5	403.7	116.9
<b>Cash and cash equivalents at end of the period</b>	<b>821.5</b>	<b>403.7</b>	<b>821.5</b>	<b>403.7</b>
<b>Cash and cash equivalents comprise:</b>				
Cash and bank balances (Note 1)	832.2	414.1	832.2	414.1
Restricted cash	(10.7)	(10.4)	(10.7)	(10.4)
	<b>821.5</b>	<b>403.7</b>	<b>821.5</b>	<b>403.7</b>

Note 1: As at 31 December 2021, cash and bank balances in the cash flow statement comprise cash and cash equivalents in the statement of financial position of S\$832.8 million (31 December 2020: S\$415.4 million) less bank overdraft of S\$0.6 million (31 December 2020: S\$1.3 million).



The Group's 2H2021 net cash from operating activities of S\$411.9 million was S\$180.0 million higher YoY. Net cash from operating activities for the full year of S\$657.1 million was S\$78.2 million higher YoY. The increase recorded in 2H2021 was mainly due to lower working capital needs and lower income tax paid, partially offset by lower cash from operations. The increase recorded in the full year was mainly due to lower working capital needs, partially offset by higher income tax paid and lower cash flow from operations.

The positive working capital changes of S\$175.8 million and S\$224.1 million in 2H2021 and the full year, respectively, were due to lower inventories, lower trade receivables and lower other receivables, deposits and prepayments, lower contract assets and lower contract costs, higher contract liabilities and higher trade and other payables, partially offset by lower net balances due from related parties.

Net cash used in investing activities increased by S\$28.0 million to S\$213.0 million in 2H2021, mainly due to a bridge loan extended to MyRepublic Holdings Ltd in relation to the 50.1% acquisition of MyRepublic Broadband Pte Ltd announced in September 2021 and the absence of repayment of a loan from an associate in 2H2020, partially offset by the funds used for the acquisition of Strateq in July 2020 and investment in the joint venture which was incorporated in September last year with another MNO coupled with lower CAPEX payments. Net cash used in investing activities increased by S\$30.2 million to S\$286.9 million in the full year, mainly due to a bridge loan extended to MyRepublic Holdings Ltd (as elaborated above), the absence of repayment of loan from an associate in 2H2020, deferred consideration paid to the founding shareholders of D'Crypt in 1H2021 and higher investment in the joint venture, partially offset by the funds used for the acquisition of Strateq in July 2020, lower CAPEX payments and proceeds from the disposal of rights relating to mm2 in 1H2021.

The Group's CAPEX payments amounted to S\$109.3 million in 2H2021 and S\$172.5 million in the full year, representing 10.2% and 8.4% of total revenue respectively. CAPEX payments was S\$9.5 million and S\$18.7 million lower YoY in 2H2021 and the full year, respectively, mainly due to the decrease in purchases of intangible assets and PPE.

Free cash flow of S\$302.5 million and S\$484.6 million in 2H2021 and the full year, were S\$189.4 million and S\$96.9 million higher YoY, respectively, mainly due to higher cash from operating activities coupled with lower CAPEX payments.

Net cash used in financing activities was S\$40.8 million lower at S\$81.8 million in 2H2021, mainly due to lower repayment of bank loans, partially offset by the absence of proceeds from bank loans in the prior year, lower proceeds of capital contribution from a minority shareholder in relation to Ensign investment and higher interest paid. Net cash from financing activities was S\$47.8 million in the full year, as compared to a net cash used in financing activities of S\$35.4 million in the corresponding period last year, mainly due to the proceeds from the S\$200.0 million issuance of 10-year fixed rate notes in 1H2021 and lower purchase of treasury shares and lower repayment of bank loans, partially offset by the absence of proceeds from bank loans in the prior year, lower proceeds of capital contribution from a minority shareholder in relation to Ensign investment, higher interest paid and higher dividends declared and paid.

The resulting net cash generated was a surplus of S\$117.0 million in 2H2021 and a surplus of S\$418.0 million in the full year, leading to a higher cash and cash equivalents balance (excluding restricted cash) of S\$821.5 million as of 31 December 2021.

Capital expenditure commitments

As of 31 December 2021, the Group's total outstanding capital expenditure commitments amounted to S\$423.2 million, including the outstanding commitments for 4G spectrum rights of S\$282.0 million.

4. STATEMENT OF FINANCIAL POSITION

	Group		Company	
	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20
	S\$m	S\$m	S\$m	S\$m
<b>Non-current assets</b>				
Property, plant and equipment	694.7	755.0	365.8	392.1
Intangible assets	712.0	719.5	69.8	91.6
Right-of-use assets	121.5	150.1	87.0	99.7
Subsidiaries	-	-	3,288.9	3,272.8
Joint venture	10.1	1.9	-	-
Associate	26.2	22.8	27.8	27.8
Investment in fair value through other comprehensive income	5.8	17.1	5.8	17.1
Deferred tax assets	-	0.7	-	-
Contract assets	66.3	71.1	1.1	0.9
Contract costs	2.5	2.5	0.3	0.4
Prepayments	0.8	30.9	0.8	2.9
	<b>1,640.0</b>	<b>1,771.7</b>	<b>3,847.4</b>	<b>3,905.3</b>
<b>Current assets</b>				
Inventories	50.0	79.9	4.4	5.0
Contract assets	289.9	317.5	22.0	24.1
Contract costs	27.1	36.3	1.0	1.2
Trade receivables	192.2	192.8	159.9	146.4
Other receivables, deposits and prepayments	195.9	98.5	36.0	41.2
Amount due from related parties	15.0	19.3	114.2	13.9
Cash and bank balances	832.8	415.4	699.4	328.4
	<b>1,602.9</b>	<b>1,159.6</b>	<b>1,036.9</b>	<b>560.3</b>
Less:				
<b>Current Liabilities</b>				
Contract liabilities	63.2	64.4	20.0	21.2
Trade and other payables	694.4	555.1	388.9	283.4
Amount due to related parties	23.6	34.3	202.1	177.4
Borrowings	226.2	8.7	220.0	-
Lease liabilities	29.2	27.7	15.6	15.9
Provision for taxation	57.4	82.6	22.9	31.8
	<b>1,093.9</b>	<b>772.9</b>	<b>869.4</b>	<b>529.7</b>
<b>Net current assets</b>	<b>509.0</b>	<b>386.7</b>	<b>167.4</b>	<b>30.6</b>
<b>Non-current liabilities</b>				
Contract liabilities	38.6	31.6	38.6	31.6
Trade and other payables	78.6	94.0	25.5	10.8
Borrowings	1,138.5	1,163.7	1,054.4	1,077.5
Lease liabilities	102.7	130.0	75.5	85.9
Deferred income	2.6	1.5	-	0.0
Deferred tax liabilities	91.7	111.2	54.4	63.3
	<b>1,452.8</b>	<b>1,532.0</b>	<b>1,248.4</b>	<b>1,269.1</b>
<b>Net assets</b>	<b>696.2</b>	<b>626.5</b>	<b>2,766.4</b>	<b>2,666.8</b>
<b>Shareholders' equity</b>				
Share capital	299.7	299.7	299.7	299.7
Reserves	89.9	38.7	2,266.8	2,167.3
Perpetual Capital Securities	199.9	199.9	199.9	199.9
<b>Equity attributable to owners and perpetual capital securities holders</b>	<b>589.5</b>	<b>538.3</b>	<b>2,766.4</b>	<b>2,666.8</b>
Non-controlling interests	106.7	88.2	-	-
<b>Total equity</b>	<b>696.2</b>	<b>626.5</b>	<b>2,766.4</b>	<b>2,666.8</b>

---

**GROUP BALANCE SHEET REVIEW**

As at 31 December 2021, the Group's total non-current assets of S\$1,640.0 million was S\$131.7 million lower compared to S\$1,771.7 million as at 31 December 2020. The decrease was primarily due to lower PPE, lower intangible assets, lower ROU, lower investment in fair value through other comprehensive income, lower contract assets and lower prepayments, partially offset by higher investments in an associate and the 5G joint venture.

Total current assets as at 31 December 2021 increased by S\$443.3 million to S\$1,602.9 million, mainly due to higher cash and cash equivalents and higher other receivables, deposits and prepayments, partially offset by lower balances in inventories, contract assets, lower contract costs.

Total current liabilities increased by S\$321.0 million to S\$1,093.9 million as at 31 December 2021, mainly due to the reclassification of S\$220.0 million 10-year fixed rate notes due for redemption in September 2022, from non-current borrowings to current borrowings, higher trade and other payables and higher lease liabilities, partially offset by lower provision for taxation and lower amounts due to related parties.

The decrease in total non-current liabilities by S\$79.2 million to S\$1,452.8 million as at 31 December 2021 was primarily due to the reclassification of S\$220.0 million from non-current borrowings to current borrowings (as explained above) coupled with lower trade and other payables, lower lease liabilities and lower deferred tax liabilities, partially offset by the new S\$200.0 million issuance of 10-year fixed rate notes in January 2021.

The Group's shareholders' equity increased by S\$51.2 million to S\$589.5 million as at 31 December 2021 (excluding non-controlling interests of S\$106.7 million). The increase was mainly due to higher retained profits, partially offset by higher fair value losses on a quoted investment.

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 56.86% of the economic interest in D'Crypt through its shareholding and interest in Ensign.

Following the acquisition of Strateq in July 2020, the Group holds 88.28% economic interest in Strateq.

The non-controlling interests represent the balances of 43.14% and 11.72% effective economic interest in Ensign and Strateq, respectively, attributable to minority shareholders.

## 5. GROUP SECURED AND UNSECURED BORROWINGS

	31 Dec 21	31 Dec 20
	S\$m	S\$m
<b>Secured and Unsecured borrowings</b>		
Amount repayable in one year or less		
Bank overdraft (secured)	0.6	1.3
Bankers' acceptance (secured)	0.1	1.0
Bank loans (secured)	5.5	6.4
Medium term notes (unsecured)	220.0	-
	226.2	8.7
Amount repayable after one year		
Bank loans (secured)	0.7	0.7
Bank loans (unsecured)	638.0	642.9
Medium term notes (unsecured)	499.8	520.0
	1,138.5	1,163.7
<b>Total</b>	<b>1,364.7</b>	<b>1,172.4</b>

The Group's secured and unsecured borrowings was higher by S\$192.3 million as of 31 December 2021.

On account of a higher cash and cash equivalent balance, net debt was S\$225.1 million lower at S\$531.9 million as of 31 December 2021 compared to S\$757.0 million as of 31 December 2020. As a ratio of the past 12 months' EBITDA, the Group's net debt was lower at 1.04 times as of 31 December 2021 compared to 1.41 times as of 31 December 2020.

## 6. STATEMENT OF CHANGES IN EQUITY

Group	Share capital S\$m	Treasury shares S\$m	Capital reserve S\$m	Goodwill written off S\$m	Share-based payments reserve S\$m	Fair value reserve S\$m	Hedging reserve S\$m	Translation reserve S\$m	Retained profits S\$m	Total reserves S\$m	Perpetual capital securities S\$m	Non-controlling interest S\$m	Total equity S\$m
At 1 Jan 2021	299.7	(1.9)	(9.9)	(276.3)	8.0	(24.7)	(2.1)	0.7	344.9	38.7	199.9	88.2	626.5
<b>Total comprehensive income for the period</b>													
Profit for the period	-	-	-	-	-	-	-	-	67.9	67.9	-	0.2	68.1
Other comprehensive income													
Foreign currency translation differences	-	-	-	-	-	-	-	0.6	-	0.6	-	(0.0)	0.6
Effective portion of changes in fair value of cash flow hedges, net of taxation	-	-	-	-	-	-	2.3	-	-	2.3	-	-	2.3
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	-	-	(8.2)	-	-	-	(8.2)	-	-	(8.2)
Total comprehensive income for the period	-	-	-	-	-	(8.2)	2.3	0.6	67.9	62.6	-	0.2	62.8
<b>Transactions with equity holders of the Company, recognised directly in equity Contributions by and distributions to equity holders of the Company</b>													
Share-based payments expenses	-	-	-	-	1.6	-	-	-	-	1.6	-	-	1.6
Accrued perpetual capital securities distribution	-	-	-	-	-	-	-	-	(3.9)	(3.9)	3.9	-	-
Perpetual capital securities distribution paid	-	-	-	-	-	-	-	-	0.7	0.7	(3.9)	-	(3.3)
Purchase of treasury shares	-	(1.3)	-	-	-	-	-	-	-	(1.3)	-	-	(1.3)
Issue of shares pursuant to share plans	-	2.9	-	-	(2.9)	-	-	-	-	-	-	-	-
Changes in ownership interests without a change of control	-	-	2.1	-	-	-	-	-	-	2.1	-	12.5	14.7
Foreign currency translation reclassified to profit & loss	-	-	-	-	-	-	-	(1.3)	-	(1.3)	-	-	(1.3)
Tax impact on transfer of treasury shares	-	-	-	-	(0.0)	-	-	-	-	(0.0)	-	-	(0.0)
Dividends paid	-	-	-	-	-	-	-	-	(43.3)	(43.3)	-	-	(43.3)
Total transactions with equity holders of the Company	-	1.6	2.1	-	(1.3)	-	-	(1.3)	(46.5)	(45.4)	(0.0)	12.5	(32.9)
<b>At 30 Jun 2021</b>	<b>299.7</b>	<b>(0.3)</b>	<b>(7.8)</b>	<b>(276.3)</b>	<b>6.7</b>	<b>(32.9)</b>	<b>0.2</b>	<b>(0.0)</b>	<b>366.3</b>	<b>55.9</b>	<b>199.9</b>	<b>100.901</b>	<b>656.3</b>
<b>Total comprehensive income for the period</b>													
Profit for the period	-	-	-	-	-	-	-	-	81.4	81.4	-	0.6	82.0
Other comprehensive income													
Foreign currency translation differences	-	-	-	-	-	-	-	0.2	-	0.2	-	0.1	0.3
Effective portion of changes in fair value of cash flow hedges, net of taxation	-	-	-	-	-	-	(0.2)	-	-	(0.2)	-	-	(0.2)
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	-	-	(1.9)	-	-	-	(1.9)	-	-	(1.9)
Total comprehensive income for the period	-	-	-	-	-	(1.9)	(0.2)	0.2	81.4	79.5	-	0.7	80.2
<b>Transactions with equity holders of the Company, recognised directly in equity Contributions by and distributions to equity holders of the Company</b>													
Share-based payments expenses	-	-	-	-	1.9	-	-	-	-	1.9	-	-	1.9
Accrued perpetual capital securities distribution	-	-	-	-	-	-	-	-	(4.0)	(4.0)	4.0	-	-
Perpetual capital securities distribution paid	-	-	-	-	-	-	-	-	0.7	0.7	(3.9)	-	(3.3)
Purchase of treasury shares	-	(1.6)	-	-	-	-	-	-	-	(1.6)	-	-	(1.6)
Dividends paid	-	-	-	-	-	-	-	-	(43.3)	(43.3)	-	-	(43.3)
Changes in ownership interests without a change of control	-	-	1.0	-	-	-	-	-	-	1.0	-	5.1	6.0
Total transactions with equity holders of the Company	-	(1.6)	1.0	-	1.9	-	-	-	(46.6)	(45.4)	0.0	5.094	(40.3)
<b>At 31 Dec 2021</b>	<b>299.7</b>	<b>(1.9)</b>	<b>(6.8)</b>	<b>(276.3)</b>	<b>8.5</b>	<b>(34.8)</b>	<b>0.0</b>	<b>0.2</b>	<b>401.1</b>	<b>89.9</b>	<b>199.9</b>	<b>106.7</b>	<b>696.2</b>

## 6. STATEMENT OF CHANGES IN EQUITY (CONT'D)

Group	Share capital S\$m	Treasury shares S\$m	Capital reserve S\$m	Goodwill written off S\$m	Share-based payments reserve S\$m	Fair value reserve S\$m	Hedging reserve S\$m	Translation reserve S\$m	Retained profits S\$m	Total reserves S\$m	Perpetual capital securities S\$m	Non-controlling interest S\$m	Total equity S\$m
At 1 Jan 2020	299.7	(0.1)	19.4	(276.3)	8.0	(7.5)	(2.1)	1.3	275.8	18.6	199.9	62.0	580.1
<b>Total comprehensive income for the period</b>													
Profit for the period	-	-	-	-	-	-	-	-	77.4	77.4	-	(1.5)	75.9
Other comprehensive income	-	-	-	-	-	-	-	(0.1)	-	(0.1)	-	(0.0)	(0.1)
Foreign currency translation differences	-	-	-	-	-	-	-	(0.1)	-	(0.1)	-	(0.0)	(0.1)
Effective portion of changes in fair value of cash flow hedges, net of taxation	-	-	-	-	-	-	2.1	-	-	2.1	-	-	2.1
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	-	-	(11.4)	-	-	-	(11.4)	-	-	(11.4)
Total comprehensive income for the period	-	-	-	-	-	(11.4)	2.1	(0.1)	77.4	68.0	-	(1.5)	66.5
<b>Transactions with equity holders of the Company, recognised directly in equity</b>													
<b>Contributions by and distributions to equity holders of the Company</b>													
Share-based payments expenses	-	-	-	-	1.8	-	-	-	-	1.8	-	-	1.8
Accrued perpetual capital securities distribution	-	-	-	-	-	-	-	-	(3.9)	(3.9)	3.9	-	-
Perpetual capital securities distribution paid	-	-	-	-	-	-	-	-	0.7	0.7	(4.0)	-	(3.3)
Purchase of treasury shares	-	(3.2)	-	-	-	-	-	-	-	(3.2)	-	-	(3.2)
Issue of shares pursuant to share plans	-	2.8	-	-	(2.8)	-	-	-	-	-	-	-	-
Tax impact on transfer of treasury shares	-	-	-	-	0.0	-	-	-	-	0.0	-	-	0.0
Dividends paid	-	-	-	-	-	-	-	-	(39.0)	(39.0)	-	-	(39.0)
Total transactions with equity holders of the Company	-	(0.4)	-	-	(1.0)	-	-	-	(42.2)	(43.6)	(0.0)	-	(43.6)
<b>At 30 Jun 2020</b>	<b>299.7</b>	<b>(0.5)</b>	<b>19.4</b>	<b>(276.3)</b>	<b>7.1</b>	<b>(19.0)</b>	<b>(0.0)</b>	<b>1.2</b>	<b>311.0</b>	<b>43.0</b>	<b>199.9</b>	<b>60.5</b>	<b>602.9</b>
<b>Total comprehensive income for the period</b>													
Profit for the period	-	-	-	-	-	-	-	-	80.5	80.5	-	3.6	84.1
Other comprehensive income	-	-	-	-	-	-	-	(0.6)	-	(0.6)	-	0.0	(0.5)
Foreign currency translation differences	-	-	-	-	-	-	-	(0.6)	-	(0.6)	-	0.0	(0.5)
Effective portion of changes in fair value of cash flow hedges, net of taxation	-	-	-	-	-	-	(2.1)	-	-	(2.1)	-	-	(2.1)
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	-	-	(5.7)	-	-	-	(5.7)	-	-	(5.7)
Total comprehensive income for the period	-	-	-	-	-	(5.7)	(2.1)	(0.6)	80.5	72.2	-	3.6	75.8
<b>Transactions with equity holders of the Company, recognised directly in equity</b>													
<b>Contributions by and distributions to equity holders of the Company</b>													
Share-based payments expenses	-	-	-	-	1.4	-	-	-	-	1.4	-	-	1.4
Accrued perpetual capital securities	-	-	-	-	-	-	-	-	(4.0)	(4.0)	4.0	-	0.0
Perpetual capital securities distribution paid	-	-	-	-	-	-	-	-	0.7	0.7	(4.0)	-	(3.3)
Purchase of treasury shares	-	(1.9)	-	-	-	-	-	-	-	(1.9)	-	-	(1.9)
Issue of shares pursuant to share plans	-	0.5	-	-	(0.5)	-	-	-	-	-	-	-	-
Tax impact on transfer of treasury shares	-	-	-	-	0.0	-	-	-	-	0.0	-	-	0.0
Dividends paid	-	-	-	-	-	-	-	-	(43.3)	(43.3)	-	-	(43.3)
Net effect from business combinations	-	-	(32.7)	-	-	-	-	-	-	(32.7)	-	5.4	(27.3)
Changes in ownership interests without a change of control	-	-	3.4	-	-	-	-	-	-	3.4	-	18.7	22.1
Total transactions with equity holders of the Company	-	(1.4)	(29.3)	-	0.9	-	-	-	(46.6)	(76.4)	0.0	24.1	(52.3)
<b>At 31 Dec 2020</b>	<b>299.7</b>	<b>(1.9)</b>	<b>(9.9)</b>	<b>(276.3)</b>	<b>8.0</b>	<b>(24.7)</b>	<b>(2.1)</b>	<b>0.7</b>	<b>344.9</b>	<b>38.7</b>	<b>199.9</b>	<b>88.2</b>	<b>626.5</b>

## 6. STATEMENT OF CHANGES IN EQUITY (CONT'D)

Company	Share capital S\$m	Treasury shares S\$m	Share-based payments reserve S\$m	Fair value reserve S\$m	Retained profits S\$m	Total reserves S\$m	Perpetual capital securities S\$m	Total equity S\$m
<b>At 1 Jan 2021</b>	<b>299.7</b>	<b>(1.9)</b>	<b>8.0</b>	<b>(24.7)</b>	<b>2,185.9</b>	<b>2,167.3</b>	<b>199.9</b>	<b>2,666.8</b>
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-	-	-	80.0	80.0	-	<b>80.0</b>
Other comprehensive income								
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	(8.2)	-	(8.2)	-	<b>(8.2)</b>
Total comprehensive income for the period	-	-	-	(8.2)	80.0	71.8	-	<b>71.8</b>
<u>Transactions with equity holders of the Company, recognised directly in equity</u>								
<i>Contributions by and distributions to equity holders of the Company</i>								
Share-based payments expenses	-	-	1.6	-	-	1.6	-	<b>1.6</b>
Accrued perpetual capital securities distribution	-	-	-	-	(3.9)	(3.9)	3.9	-
Perpetual capital securities distribution paid	-	-	-	-	0.7	0.7	(3.9)	<b>(3.3)</b>
Purchase of treasury shares	-	(1.3)	-	-	-	(1.3)	-	<b>(1.3)</b>
Issue of shares pursuant to share plans	-	2.9	(2.9)	-	-	-	-	-
Tax impact on transfer of treasury shares	-	-	(0.0)	-	-	(0.0)	-	<b>(0.0)</b>
Dividends paid	-	-	-	-	(43.3)	(43.3)	-	<b>(43.3)</b>
<b>Total transactions with equity holders of the Company</b>	-	1.6	(1.3)	-	(46.5)	(46.2)	(0.0)	<b>(46.2)</b>
<b>At 30 Jun 2021</b>	<b>299.7</b>	<b>(0.3)</b>	<b>6.7</b>	<b>(32.9)</b>	<b>2,219.4</b>	<b>2,192.9</b>	<b>199.9</b>	<b>2,692.4</b>
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-	-	-	122.3	122.3	-	<b>122.3</b>
Other comprehensive income								
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	(1.9)	-	(1.9)	-	<b>(1.9)</b>
Total comprehensive income for the period	-	-	-	(1.9)	122.3	120.3	-	<b>120.3</b>
<u>Transactions with equity holders of the Company, recognised directly in equity</u>								
<i>Contributions by and distributions to equity holders of the Company</i>								
Share-based payments expenses	-	-	1.9	-	-	1.9	-	<b>1.9</b>
Accrued perpetual capital securities distribution	-	-	-	-	(4.0)	(4.0)	4.0	-
Perpetual capital securities distribution paid	-	-	-	-	0.7	0.7	(4.0)	<b>(3.3)</b>
Purchase of treasury shares	-	(1.6)	-	-	-	(1.6)	-	<b>(1.6)</b>
Dividends paid	-	-	-	-	(43.3)	(43.3)	-	<b>(43.3)</b>
<b>Total transactions with equity holders of the Company</b>	-	(1.6)	1.9	-	(46.6)	(46.4)	0.0	<b>(46.3)</b>
<b>At 31 Dec 2021</b>	<b>299.7</b>	<b>(1.9)</b>	<b>8.5</b>	<b>(34.8)</b>	<b>2,295.0</b>	<b>2,266.8</b>	<b>199.9</b>	<b>2,766.4</b>



## 6. STATEMENT OF CHANGES IN EQUITY (CONT'D)

Company	Share capital S\$m	Treasury shares S\$m	Share-based payments reserve S\$m	Fair value reserve S\$m	Retained profits S\$m	Total reserves S\$m	Perpetual capital securities S\$m	Total equity S\$m
<b>At 1 Jan 2020</b>	<b>299.7</b>	<b>(0.1)</b>	<b>8.0</b>	<b>(7.5)</b>	<b>2,044.5</b>	<b>2,044.9</b>	<b>199.9</b>	<b>2,544.4</b>
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-	-	-	131.1	131.1	-	131.1
Other comprehensive income								
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	(11.4)	-	(11.4)	-	(11.4)
Total comprehensive income for the period	-	-	-	(11.4)	131.1	119.7	-	119.7
<u>Transactions with equity holders of the Company, recognised directly in equity</u>								
<i>Contributions by and distributions to equity holders of the Company</i>								
Share-based payments expenses	-	-	1.8	-	-	1.8	-	1.8
Accrued perpetual capital securities distribution	-	-	-	-	(3.9)	(3.9)	3.9	-
Perpetual capital securities distribution paid	-	-	-	-	0.7	0.7	(4.0)	(3.3)
Purchase of treasury shares	-	(3.2)	-	-	-	(3.2)	-	(3.2)
Issue of shares pursuant to share plans	-	2.8	(2.8)	-	-	-	-	-
Tax impact on transfer of treasury shares	-	-	0.0	-	-	0.0	-	0.0
Dividends paid	-	-	-	-	(39.0)	(39.0)	-	(39.0)
<b>Total transactions with equity holders of the Company</b>	<b>-</b>	<b>(0.4)</b>	<b>(1.0)</b>	<b>-</b>	<b>(42.2)</b>	<b>(43.6)</b>	<b>(0.0)</b>	<b>(43.6)</b>
<b>At 30 Jun 2020</b>	<b>299.7</b>	<b>(0.5)</b>	<b>7.1</b>	<b>(19.0)</b>	<b>2,133.4</b>	<b>2,121.0</b>	<b>199.9</b>	<b>2,620.5</b>
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-	-	-	99.1	99.1	-	99.1
Other comprehensive income								
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	(5.7)	-	(5.7)	-	(5.7)
Total comprehensive income for the period	-	-	-	(5.7)	99.1	93.4	-	93.4
<u>Transactions with equity holders of the Company, recognised directly in equity</u>								
<i>Contributions by and distributions to equity holders of the Company</i>								
Share-based payments expenses	-	-	1.4	-	-	1.4	-	1.4
Accrued perpetual capital securities distribution	-	-	-	-	(4.0)	(4.0)	4.0	-
Perpetual capital securities distribution paid	-	-	-	-	0.7	0.7	(4.0)	(3.3)
Purchase of treasury shares	-	(1.9)	-	-	-	(1.9)	-	(1.9)
Issue of shares pursuant to share plans	-	0.5	(0.5)	-	-	-	-	-
Tax impact on transfer of treasury shares	-	-	0.0	-	-	0.0	-	0.0
Dividends paid	-	-	-	-	(43.3)	(43.3)	-	(43.3)
<b>Total transactions with equity holders of the Company</b>	<b>-</b>	<b>(1.4)</b>	<b>0.9</b>	<b>-</b>	<b>(46.6)</b>	<b>(47.1)</b>	<b>0.0</b>	<b>(47.1)</b>
<b>At 31 Dec 2020</b>	<b>299.7</b>	<b>(1.9)</b>	<b>8.0</b>	<b>(24.7)</b>	<b>2,185.9</b>	<b>2,167.3</b>	<b>199.9</b>	<b>2,666.8</b>

## 7. CHANGES IN COMPANY'S SHARE CAPITAL

### Share Capital

As of 31 December 2021, the share capital of the Company was at S\$299.7 million (31 December 2020: S\$299.7 million) comprising 1,730,170,265 (31 December 2020: 1,730,153,520) issued ordinary shares (excluding treasury shares).

#### Treasury Shares

For the second half ended 31 December 2021, the Company bought 1,253,000 ordinary shares from the market at a consideration of S\$1.6 million.

The treasury share balance as at 31 December 2021 was S\$1.9 million (31 December 2020: S\$1.9 million) comprising 1,481,178 (31 December 2020: 1,497,923) ordinary shares.

#### Issue of new shares

For 2H2021, there was no issue of new ordinary shares.

#### Subsidiary holdings

As at 31 December 2021, none of the Company's subsidiaries held any shares in the Company (31 December 2020: Nil).

#### Perpetual Capital Securities

In 2Q2017, the Company issued subordinated perpetual capital securities with an aggregate principal amount of S\$200.0 million. The perpetual capital securities may be redeemed at the option of the Company, in whole, but not in part, on 16 June 2022 or on any Distribution Payment Date thereafter and otherwise upon the occurrence of certain redemption events as defined in the offering circular.

Such perpetual capital securities bear distributions at a rate of 3.95% per annum, with the first distribution rate reset falling on 16 June 2027 and subsequent resets occurring every 10 years thereafter. The distribution rate will be subject to a step-up of 1% per annum from 16 June 2027.

The distribution will be payable semi-annually in arrears on a discretionary basis and will be cumulative and compounding in accordance with the terms and conditions of the offering circular.

For the full year, the Group had paid out S\$7.9 million in perpetual capital securities distribution.

### Outstanding Shares – Share-Based Plans

#### Performance Share Plans

As of 31 December 2021, the outstanding balance of conditional awards under the Performance Share Plans was 3,454,000 (31 December 2020: 2,165,133) ordinary shares.

Restricted Stock Plans

As of 31 December 2021, the outstanding balance of conditional awards under the Restricted Stock Plans was 5,380,144 (31 December 2020: 4,372,705) ordinary shares.

**8. AUDIT**

The financial statements have not been audited or reviewed.

**9. AUDITORS' REPORT**

Not applicable.

**10. ACCOUNTING POLICIES**

The Group and Company have applied the same accounting policies and methods of computation in the financial statements for the current financial period consistent with those of the audited financial statements for the year ended 31 December 2020.

In the current financial period, the Group and the Company have adopted all applicable new and revised Singapore Financial Reporting Standards (International), ("SFRS(I)") and Interpretations of SFRS(I) ("INT SFRS(I)") that are relevant to its operations and effective for annual periods beginning on 1 January 2021.

The application of the new and revised standard and interpretation did not result in substantial changes to the Group's and the Company's accounting policies and has no material effect on the financial statements.

The Condensed Interim Financial Information is prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting.

**11. CHANGES IN ACCOUNTING POLICIES AND ESTIMATES**

Please refer to Note 10.

**12. GROUP EARNINGS PER ORDINARY SHARE**

	Second Half Year ended		Full Year ended 31 Dec	
	2021	2020	2021	2020
<b>Basic</b>				
Earnings per share	4.5 cents	4.4 cents	8.2 cents	8.7 cents
Weighted average number of shares ('000)	1,730,945	1,731,327	1,730,945	1,731,327
<b>Diluted</b>				
Earnings per share	4.5 cents	4.4 cents	8.1 cents	8.6 cents
Weighted average number of shares ('000)	1,738,360	1,739,221	1,738,360	1,739,222

**13. NET ASSET VALUE PER ORDINARY SHARE**

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Net asset value per share	34.1 cents	31.1 cents	159.9 cents	154.1 cents

**14. ANY VARIANCE BETWEEN PROSPECT STATEMENT PREVIOUSLY DISCLOSED AND THE ACTUAL RESULTS**

The Group had provided an updated guidance for FY2021 in our 3Q2021 Business Performance Update on 10 November 2021.

The Group's service revenue was 1.4% higher YoY in the full year, which exceeded our full year guidance of service revenue to remain stable YoY.

The Group's service EBITDA margin for the full year was 29.8% of service revenue, which exceeded our full year guidance of at least 26% of service EBITDA margin.

Total CAPEX commitment entered in full year amounted to S\$76.5 million or 3.7% of total revenue. This was below our guidance for FY2021 CAPEX commitment at 7% to 9% of total revenue (excluding 5G capex and spectrum right), mainly due to delays in CAPEX spending relating to the IT Transformation and other CAPEX.

**15. GROUP OUTLOOK**

Amidst the ongoing COVID-19 situation and global travel restrictions, the Group has reaped encouraging results from its new business strategies. Higher ARPU was achieved across most Consumer segments in FY2021 and the Enterprise segment continued to deliver growth, lifted by healthy contributions from Cybersecurity Services and the first full-year consolidation of Strateq under Regional ICT Services. The Group also completed its delivery and exceeded the cost transformation targets as part of DARE 1.0.

**DARE+ & Business Priorities**

In November 2021, the Group unveiled DARE+, a growth roadmap that will guide its business strategies over the next five years to deliver cumulative gross profit growth of \$220 million and further cost transformation savings of \$280 million. The Group is expecting front-loaded investments mainly for its digital platform and 5G network, mostly to be incurred from FY2022 to FY2023, which will enable and empower new business initiatives that will contribute to the Group's expected stable-state incremental gross profit run rate contributions of \$80 million per annum from FY2026.

In line with the next phase of DARE+, the Group's Consumer segment will continue to bring users superior connectivity to support unparalleled experiences in work, living, education and play. Contributing to its Infinity Play vision, the Group launched GameHub+, a cloud gaming platform, leveraging its multi-year exclusivity with NVIDIA GeForce NOW Powered by StarHub. This gaming platform is operator-agnostic, allowing non-StarHub customers to sign up for the service, thereby creating new and

sustainable income streams for the Group as it pursues more of such partnerships to drive greater consumption amongst customers and non-customers.

Concurrently, the Group has recently bolstered its Entertainment offerings by adding Amazon Prime Video to its suite of over 10 OTT services. On the transformation of its Entertainment segment, the Group has recorded both YoY and QoQ growth in total Entertainment subscribers, driven mainly by ongoing higher OTT take-up. The integration of such OTT content in Mobile and Broadband plans have also served to differentiate StarHub amidst a crowded marketplace, contributing to higher ARPUs achieved YoY. This will be further enhanced by the acquisition of MyRepublic Broadband Pte Ltd (“MyRepublic Broadband”)<sup>1</sup>, which will (i) strengthen StarHub’s broadband market leadership; (ii) extend Infinity Play to a larger base.

Harnessing greater synergies across the Consumer business lines, and advancing towards its zero-touch vision, the Group plans to launch the Super App that will be a one-stop, needs-driven digital platform for both customers and non-customers to self-serve and purchase a growing spectrum of digital products and services.

The Group’s Enterprise segment had experienced gradual but sustained recovery in 2H2021. The gradual re-opening of Singapore’s borders via vaccinated travel lane (VTL) arrangements has increased business travel, providing initial recovery in mobile roaming revenue. Voice, and Data & Internet services continue to be in strong demand alongside greater enterprise digitalisation needs. The Group has also seen encouraging demand for Enterprise 5G coverage, with growing interest from commercial property developers and the energy sector. Meanwhile, headwinds arising from the global chip supply shortage have continued to hamper the performance of the Managed Services segment.

The Group continues to accelerate efforts in 5G through the launch of new solutions such as the Digital Workplace bundles and Mission Critical Communications. It is also collaborating with Hewlett Packard Enterprise (HPE) to provide 5G Multi-access Edge Computing (MEC) trials for enterprises and government clients looking to move time-critical workloads nearer to the source where ultra-low latency performance is required, for applications such as artificial intelligence, automation, and data analytics. Akin to the Consumer segment, the Enterprise group is also pursuing more of such partnerships to deliver increase value to experience to its Enterprise customers.

As part of DARE+, the Enterprise business has identified opportunities where it can leverage its unique capabilities in cloud, cybersecurity and connectivity (“3C’s”). Towards this end, the Group has achieved several accreditations from industry partners such as Microsoft, Cisco, Amazon Web Services and Palo Alto, in recognition of the Group’s strong competencies in cloud connect, system integration, service delivery and security solutions. Meanwhile, the Group is focused on harnessing greater synergies with Ensign, Strateq and JOS Singapore & Malaysia – the Group’s latest acquisition that was completed on 3 January 2021 – so as to execute on its 3C’s strategy.

At the same time, the Group continues to explore synergistic and accretive M&A opportunities that will bolster its market position and Enterprise capabilities, while offering further diversification.

---

<sup>1</sup> Acquisition expected to complete in 1Q2022.

On connectivity, the Group had secured the 2.1GHz wireless spectrum in November 2021 to expand and enhance 5G coverage and services for both consumers and enterprises. This further bolsters the Group's 5G spectrum portfolio to deliver a seamless experience to its customers. Being the first operator in Singapore to launch 5G NSA in August last year, the Group has sustained its market lead with over 300,000 5G subscribers on StarHub's network as at the end of 2021. The Group's 5G standalone rollout is on track to achieve nationwide coverage by end-2022, and the efficient joint-rollout model is estimated to yield cost savings of over \$150 million from network synergies harnessed.

The Group will continue to explore further strategic M&A opportunities as an integral element of its DARE+ strategy.

#### FY2022 Guidance and FY2023 Outlook

In view of significant investments to be incurred in the next two years, the Group has taken the proactive step to offer the following guidance for FY2022 and outlook for FY2023, taking into account the outcomes expected to be generated from the DARE+ initiatives, which will be realised from FY2023 until it reaches steady state in FY2026.

Based on the current business conditions, the Group's FY2022 service revenue is expected to increase by at least 10% YoY, due to higher contributions from Mobile, Broadband, Cybersecurity services and Regional ICT services coupled with the newly acquired subsidiaries, namely HKBN JOS (Singapore) Pte. Ltd., HKBN JOS (Malaysia) Sdn. Bhd<sup>2</sup> and MyRepublic Broadband, which are expected to be consolidated in FY2022. This will be offset by lower Entertainment revenue due to declines in the Pay TV subscriber base and TV advertising revenue, and lower Network Solutions revenue. FY2023 Service Revenue is targeted to grow by an incremental 5% to 10% YoY as the Group starts realising early outcomes from the new DARE+ business initiatives.

Group service EBITDA margin for FY2022 is expected to be at least 20% due to a YoY significant increase in utility cost from higher electricity tariffs, coupled with key OPEX investments in the areas of IT Transformation, manpower, entertainment content, and network repairs and maintenance to support new DARE+ business growth initiatives. The Group targets to achieve Service EBITDA margin of at least 23% in FY2023 lifted by initial contributions from new DARE+ initiatives. The expected YoY improvement in FY2023 Service EBITDA margin is also due to lower electricity tariffs anticipated, compared to FY2022 levels; higher EBITDA margin from tactical and new growth initiatives, including the rollout of 5G products and services; and cost savings derived from the DARE+ roadmap; offset by ongoing OPEX investments that commenced in FY2022 (as elaborated above).

BAU CAPEX commitment<sup>3</sup> is expected to be 7% to 9% of total revenue; and overall CAPEX commitment<sup>3</sup>, including front-loaded CAPEX investments to support IT Transformation and new DARE+ business initiatives, is expected to be 12% to 15% of total revenue for both FY2022 and FY2023.

---

<sup>2</sup> Acquisition completed on 3 January 2022.

<sup>3</sup> Excluding 5G Capex & spectrum right.

Dividend

Taking into consideration short to mid-term business conditions (including COVID-19 impacts), cash flow and investment requirements, as well as results reaped and expected from the ongoing business transformation initiatives, the Group is declaring a final dividend of 3.9 cents per ordinary share for the full year ended 31 December 2021. Combined with the interim dividend of 2.5 cents per ordinary share, the total dividend to be distributed for the full year ended 31 December 2021 amounts to 6.4 cents per ordinary share, representing a payout ratio of 80% of the Group’s FY2021 net profit attributable to shareholders

For FY2022 and FY2023, the Group remains committed to distribute the minimum of 5.0 cents per ordinary share, based on expectations that the outcomes generated from DARE+ will enable the Group to sustain or exceed the aforesaid dividend. The Group remains committed to its dividend policy to distribute at least 80% of net profit attributable to shareholders (adjusted for one-off, non-recurring items), payable on a semi-annual basis.

***“Some of the statements in this release constitute forward-looking statements” that do not directly or exclusively relate to historical facts. These forward-looking statements reflect our current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from our intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained in this release with caution.***

**16. DIVIDENDS**

- (a) Current financial period reported on

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	Proposed Final
Dividend Type	Cash; Tax-exempt (1-tier) dividend
Dividend Amount	S\$0.039 per ordinary share
Tax Rate	Exempt (1-tier)

- (b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Proposed Final
Dividend Type	Cash; Tax-exempt (1-tier) dividend
Dividend Amount	S\$0.025 per ordinary share
Tax Rate	Exempt (1-tier)

(c) Date payable

The Directors have proposed a final dividend of S\$0.039 per ordinary share, tax-exempt (1-tier) to be paid on 19 May 2022, subject to shareholders' approval at the forthcoming annual general meeting to be convened. Details on payments of dividends will be announced in due course.

(d) Record date

Details on closure of books will be announced in due course.

(e) Dividends Paid

During the financial year, a final tax-exempt (one-tier) dividend of 2.5 cents per ordinary share totalling S\$43.3 million was paid in respect of the previous financial year ended 31 December 2020. In addition, an interim tax-exempt (one-tier) dividend of 2.5 cents per ordinary share totalling S\$43.3 million was paid in respect of the current financial year ended 31 December 2021.

**17. IF NO DIVIDEND HAVE BEEN DECLARED/RECOMMENDED, A STATEMENT TO THAT EFFECT**

Not applicable.

**18. FAIR VALUE MEASUREMENT**

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and Company:

*Derivatives*

Marked-to-market valuations of the forward exchange contracts are provided by the banks. Those quotes are tested using pricing models or discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at the reporting date. Where other pricing models are used, inputs are based on market related data at the reporting date.

*Borrowings*

The fair values of fixed interest bearing borrowings which reprice within one year of reporting date were assumed to equate the carrying value. All other fixed interest bearing borrowings are calculated using discounted cash flow models based on the present value of future principal and interest cash flows, discounted at the market rate at the reporting date.

As at 31 December 2021, the fair value of bank loans are S\$637.8 million (31 December 2020: S\$667.1 million) and the fair value of medium term notes are S\$736.7 million (31 December 2020: S\$540.2 million).



*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.

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).

*Other financial assets and liabilities*

The carrying amounts of financial assets and liabilities with maturity of less than one year 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 cashflows at the market rates at the reporting date. The carrying amounts approximate their fair values.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table represents the assets and liabilities measured at fair value, using the above valuation methods, at reporting date:

	Fair value Level	31 Dec 21 S\$m	31 Dec 20 S\$m
<b>Group</b>			
<b>Financial assets</b>			
Other investments	1	5.8	17.1
Marked-to-market financial instrument			
– Forward exchange contracts	2	0.1	-
<b>Financial liabilities</b>			
Marked-to-market financial instrument			
– Forward exchange contracts	2	0.1	2.5
Forward liability to acquire non-controlling interests	3	37.3	34.5
Contingent consideration	3	39.1	34.8
<b>Company</b>			
<b>Financial assets</b>			
Other investments	1	5.8	17.1
Marked-to-market financial instrument			
– Forward exchange contracts	2	0.1	-
<b>Financial liabilities</b>			
Marked-to-market financial instrument			
– Forward exchange contracts	2	0.1	2.5

The following table presents the reconciliation from the opening balances to the ending balances for fair values based on unobservable inputs (Level 3):

	Forward liability to acquire non-controlling interests		Contingent consideration	
	31 Dec 21 S\$m	31-Dec-20 S\$m	31 Dec 21 S\$m	31 Dec 20 S\$m
Balance at 1 January	34.5	-	34.8	23.9
Arising from business combinations		32.7	-	18.4
Total unrealised losses recognised in income statement	3.4	1.5	4.5	1.4
Settlements during the period	-		-	(9.1)
Translation differences	(0.6)	0.3	(0.3)	0.2
Balance at 31 Dec	37.3	34.5	39.1	34.8

19. SEGMENT REPORTING

	Telecommunications <sup>(1)</sup>	Cybersecurity <sup>(2)</sup>	Total	Telecommunications <sup>(1)</sup>	Cybersecurity <sup>(2)</sup>	Total
	Full Year ended 31 Dec			Full Year ended 31 Dec		
	2021 S\$m	2021 S\$m	2021 S\$m	2020 S\$m	2020 S\$m	2020 S\$m
Mobile	530.7	-	530.7	579.7	-	579.7
Broadband	194.4	-	194.4	176.1	-	176.1
Entertainment	180.0	-	180.0	187.9	-	187.9
Enterprise Business	437.6	268.5	706.1	424.9	220.7	645.5
Sales of equipment	431.4	-	431.4	439.6	-	439.6
<b>Total revenue</b>	<b>1,774.1</b>	<b>268.5</b>	<b>2,042.6</b>	<b>1,808.1</b>	<b>220.7</b>	<b>2,028.8</b>
EBITDA	485.4	25.5	510.9	510.3	27.5	537.8
Depreciation & amortisation	(257.0)	(22.1)	(279.1)	(286.2)	(20.3)	(306.5)
Non-operating loss	(1.7)	-	(1.7)	-	-	-
Finance income	4.1	0.1	4.1	1.8	0.0	1.9
Finance expense	(48.1)	(1.1)	(49.1)	(39.0)	(1.8)	(40.8)
Share of gain of associate (net of tax)	3.4	-	3.4	0.6	-	0.6
Share of gain/ (loss) of joint venture (net of tax)	1.7	-	1.7	(0.1)	-	(0.1)
<b>Profit before taxation</b>	<b>187.8</b>	<b>2.4</b>	<b>190.2</b>	<b>187.5</b>	<b>5.3</b>	<b>192.8</b>
Taxation	(39.4)	(0.8)	(40.1)	(30.7)	(2.0)	(32.7)
<b>Profit for the year</b>	<b>148.4</b>	<b>1.7</b>	<b>150.1</b>	<b>156.8</b>	<b>3.3</b>	<b>160.1</b>
<b>Assets and liabilities</b>						
Non-current assets	1,466.3	173.7	1,640.0	1,580.2	191.5	1,771.7
Current assets	1,358.1	244.8	1,602.9	975.2	184.4	1,159.6
<b>Total assets</b>	<b>2,824.4</b>	<b>418.5</b>	<b>3,242.9</b>	<b>2,555.4</b>	<b>376.0</b>	<b>2,931.3</b>
Borrowings	1,364.0	0.7	1,364.7	1,171.6	0.8	1,172.4
Other non-current liabilities	300.5	13.8	314.3	335.0	33.3	368.3
Other current liabilities	742.9	124.8	867.7	666.6	97.6	764.2
<b>Total liabilities</b>	<b>2,407.4</b>	<b>139.3</b>	<b>2,546.8</b>	<b>2,173.3</b>	<b>131.6</b>	<b>2,304.9</b>
<b>Other information</b>						
Capital expenditure	178.1	3.7	181.8	151.2	4.1	155.3
Free cash flow <sup>(3)</sup>	459.3	25.2	484.6	402.7	(15.0)	387.7

Note:

(1) Telecommunications refers to the Group including Strateq which was acquired on 30 July 2020

(2) Cybersecurity refers to Ensign and D'Crypt

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

## 20. INTERESTED PERSON TRANSACTIONS

	Nature of Relationship	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than S\$100,000)* 1 January 2021 to 31 December 2021 S\$m	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 Listing Manual) 1 January 2021 to 31 December 2021 S\$m
<b>Transactions for the Sale of Goods &amp; Services</b>			
Capitaland Limited & its associates	Associates of StarHub Ltd's controlling shareholder	0.8	0.0
SembCorp Industries Ltd & its associates		0.9	0.0
Singapore Power Limited & its associates		0.5	0.0
Singapore Technologies Engineering Ltd & its associates		0.3	0.0
Singapore Technologies Telemedia Pte Ltd & its associates		11.7	0.0
Singapore Telecommunications Limited & its associates		14.5	0.0
Temasek Holdings (Private) Limited and its associates (other than those disclosed above)	Controlling shareholder of StarHub Ltd and its associates	11.8	0.0
		40.4	0.0
<b>Transactions for the Purchase of Goods &amp; Services</b>			
Capitaland Limited & its associates	Associates of StarHub Ltd's controlling shareholder	1.3	0.0
Singapore Technologies Engineering Ltd & its associates		0.6	0.0
Singapore Technologies Telemedia Pte Ltd & its associates		11.9	0.0
Singapore Telecommunications Limited & its associates		16.1	0.0
Temasek Holdings (Private) Limited and its associates (other than those disclosed above)		7.0	0.0
		36.9	0.0
<b>Capital call for capability funding and working capital</b>			
Ensign Technologies Pte. Ltd.(f.k.a. Leone Investments Pte. Ltd.) and Ensign InfoSecurity Pte. Ltd.	Associates of StarHub Ltd's controlling shareholder	0.0	10.9
		0.0	10.9
<b>Capital call for subscription of preference shares in the capital of Keele Investments Pte. Ltd.</b>			
Ensign Technologies Pte. Ltd.(f.k.a. Leone Investments Pte. Ltd.) and Ensign InfoSecurity Pte. Ltd.	Associates of StarHub Ltd's controlling shareholder	0.0	6.7
		0.0	6.7

## 21. SUBSEQUENT EVENTS

### Dividend declaration

The directors have proposed a final dividend of \$0.039 (2020: \$0.025) per share, tax-exempt (one-tier), totalling S\$67.5 million (2020: S\$43.3 million) in respect of the financial year ended 31 December 2021. 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 2022.

### Acquisition of HKBN JOS (Singapore) Pte. Ltd. ("JOS SG") and HKBN JOS (Malaysia) Sdn. Bhd. ("JOS MY"), (collectively the "JOS Entities")

On 3 January 2022, the Company completed the acquisition of 60% of the JOS Entities for an initial consideration of S\$3.6 million, and an expected final consideration of S\$9.1 million, payable by 1Q2022. The JOS Entities are in the business of delivering end-user computing, IT maintenance and IT infrastructure support services, as well as developing solutions and services that meet the changing needs of enterprise customers who are accelerating digital and cloud transformation as well as embracing hybrid work models.

## 22. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS

The Company confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual of Singapore Exchange Securities Trading Limited.

---

**ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT  
PURSUANT TO SGX APPENDIX 7.2 PART II**


---

**1. SEGMENT PERFORMANCE**

For review of the segment performance, please refer to Section 1.3 “Group Performance Review”.

**2. BREAKDOWN OF SALES**

	<b>2021</b>	<b>2020</b>	<b>Incr / (Decr)</b>	
	<b>S\$m</b>	<b>S\$m</b>	<b>S\$m</b>	<b>%</b>
Total revenue reported for first half year	973.7	959.6	14.1	1.5
Operating profit after tax before deducting non-controlling interests reported for first half year	68.1	75.9	(7.9)	(10.3)
Total revenue reported for second half year	1,068.9	1,069.2	(0.3)	(0.0)
Operating profit after tax before deducting non-controlling interests reported for second half year	82.0	84.1	(2.1)	(2.5)

**3. TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE) FOR THE LATEST FULL YEAR AND PREVIOUS FULL YEAR**

	<b>Full Year ended 31 Dec</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$m</b>	<b>S\$m</b>
Ordinary shares (tax exempt 1-tier)		
Interim	43.3	43.3
Final (Proposed)	67.5	43.3
<b>Total Annual Dividend</b>	<b>110.8</b>	<b>86.6</b>

**4. REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CEO OR SUBSTANTIAL SHAREHOLDER**

Pursuant to Rule 704(13) of the Listing Manual of Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director, the Chief Executive Officer or substantial shareholder of the Company.