



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 2023

StarHub is pleased to announce the unaudited results for the full year ended 31 December 2023.

Results for the Second Half and Full Year ended 31 December 2023

1. GROUP INCOME AND COMPREHENSIVE INCOME STATEMENTS

1.1 GROUP INCOME STATEMENT

	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2023 S\$m	2022 S\$m	Incr / (Decr) S\$m	%	2023 S\$m	2022 S\$m	Incr/ (Decr) S\$m	%
Total revenue	1,267.0	1,268.7	(1.7)	(0.1)	2,373.1	2,327.3	45.8	2.0
Operating expenses	(1,148.6)	(1,214.1)	(65.5)	(5.4)	(2,149.2)	(2,181.1)	(31.8)	(1.5)
Other income	0.9	4.4	(3.5)	(79.9)	2.5	8.5	(6.0)	(70.9)
Profit from operations	119.3	59.0	60.3	102.2	226.3	154.7	71.7	46.3
Non-operating income	7.2	30.9	(23.7)	(76.7)	7.2	31.4	(24.2)	(77.1)
Non-operating expense	(16.6)	(60.1)	(43.5)	(72.3)	(16.6)	(60.1)	(43.5)	(72.3)
Finance income	9.7	5.3	4.3	81.3	17.1	8.2	8.9	109.7
Finance expense ⁽¹⁾	(20.9)	(21.6)	(0.6)	(2.9)	(40.9)	(45.2)	(4.3)	(9.4)
	98.7	13.6	85.1	nm	193.1	88.9	104.1	117.1
Share of gain of associate, net of tax	0.5	0.5	0.0	2.8	1.0	0.6	0.3	51.5
Share of gain of joint venture, net of tax	1.3	2.0	(0.7)	(33.8)	2.6	3.5	(1.0)	(27.7)
Profit before taxation	100.5	16.1	84.4	nm	196.6	93.1	103.5	111.1
Taxation	(29.9)	(7.8)	22.1	nm	(50.8)	(23.3)	27.5	118.2
Profit for the period	70.6	8.2	62.4	nm	145.8	69.8	76.0	108.8
Attributable to:								
Owners of the Company	72.9	1.3	71.7	nm	149.6	62.2	87.4	140.4
Non-controlling interests	(2.4)	7.0	(9.3)	nm	(3.8)	7.6	(11.4)	nm
	70.6	8.2	62.4	nm	145.8	69.8	76.0	108.8
Earnings per share (in cents)								
- Basic	4.0	(0.2)	4.2	nm	8.2	3.1	5.1	162.0
- Diluted	4.0	(0.2)	4.1	nm	8.2	3.1	5.1	161.8
EBITDA	237.7	187.3	50.4	26.9	467.4	417.0	50.4	12.1
Service EBITDA ⁽²⁾	219.3	165.4	53.9	32.6	431.8	379.4	52.4	13.8
Service EBITDA as % of service revenue	20.8%	16.3%	4.5% pts		21.7%	20.1%	1.6% pts	
Free Cash Flow ⁽³⁾	185.9	161.0	24.9	15.5	185.9	222.3	(36.4)	(16.4)
<i>Profit from operations is arrived after charging the following:</i>								
Loss allowances of trade receivables	7.7	7.8	(0.2)	(2.1)	17.3	10.6	6.7	62.9
Depreciation and amortisation	118.3	128.2	(9.9)	(7.7)	241.1	262.3	(21.2)	(8.1)
Foreign exchange (gain)/ loss	(0.3)	1.0	(1.3)	nm	0.3	0.5	(0.2)	(40.1)
(Gain)/ loss on disposal of property, plant and equipment	(0.2)	(0.5)	(0.3)	(56.5)	(0.3)	(0.7)	(0.5)	(64.5)
Allowance/ (Reversal) for stock obsolescence	(2.7)	0.0	(2.7)	nm	0.8	(1.2)	2.0	nm
Impairment loss on property, plant and equipment and intangible assets	-	60.1	(60.1)	(100.0)	-	60.1	(60.1)	(100.0)
Impairment loss on remeasurement of disposal group	16.6	-	16.6	nm	16.6	-	16.6	nm
Fair value gain on contingent consideration	(7.2)	(8.5)	(1.3)	(14.8)	(7.2)	(8.5)	(1.3)	(14.8)
Fair value gain of forward liability to acquire non-controlling interest	-	(22.4)	(22.4)	(100.0)	-	(22.4)	(22.4)	(100.0)
Fair value gain from settlement of contingent consideration	-	-	-	-	-	(0.5)	(0.5)	(100.0)

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 for the full year ended 31 December 2023 include the consolidation of JOS (SG) Pte. Ltd. (formerly known as HKBN JOS (SG) Pte. Ltd.) ("JOS SG") and JOS (Malaysia) Sdn. Bhd. (formerly known as HKBN JOS (Malaysia) Sdn. Bhd.) ("JOS MY"), following the completion of acquisition on 3 January 2022; and MyRepublic Broadband Pte Ltd (MyRepublic Broadband"), following the completion of acquisition on 21 March 2022
- (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			
	2023 S\$m	2022 S\$m	Incr / (Decr) S\$m	%	2023 S\$m	2022 S\$m	Incr/ (Decr) S\$m	%
Profit for the period	70.6	8.2	62.4	nm	145.8	69.8	76.0	108.8
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	(1.0)	(1.3)	(0.2)	(18.2)	(1.6)	(0.7)	0.9	133.3
Items that are or may be reclassified subsequently to profit or loss:								
Foreign currency translation differences	(0.1)	(0.2)	(0.1)	(50.6)	0.1	(0.2)	0.3	nm
Effective portion of changes in fair value of cash flow hedges, net of taxation	(2.2)	(4.4)	(2.2)	(50.9)	2.0	(3.8)	5.9	nm
Share of other comprehensive income of associate and joint venture	(0.8)	0.3	(1.0)	nm	(0.9)	1.9	(2.7)	nm
Other comprehensive income for the period, net of taxation	(4.1)	(5.6)	(1.5)	(27.5)	(0.3)	(2.8)	(2.6)	(89.7)
Total comprehensive income for the period	66.5	2.6	63.9	nm	145.5	67.0	78.5	117.2
Attributable to:								
Owners of the Company	68.9	(4.2)	73.0	nm	149.3	59.4	89.9	151.3
Non-controlling interests	(2.3)	6.8	(9.1)	nm	(3.8)	7.6	(11.4)	nm
Total comprehensive income for the period	66.5	2.6	63.9	nm	145.5	67.0	78.5	117.2

nm – Not meaningful

1.3 GROUP PERFORMANCE REVIEW FOR THE PERIOD ENDED 31 DECEMBER 2023

(A) Revenue

Revenue	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2023 S\$m	2022 S\$m	Incr / (Decr) S\$m %		2023 S\$m	2022 S\$m	Incr/ (Decr) S\$m %	
Mobile	306.3	296.1	10.2	3.4	609.0	564.4	44.6	7.9
Broadband ⁽¹⁾	124.1	126.5	(2.4)	(1.9)	248.7	242.4	6.3	2.6
Entertainment	114.1	119.9	(5.8)	(4.8)	228.0	216.3	11.8	5.4
Enterprise Business	508.9	475.5	33.5	7.0	905.9	865.5	40.4	4.7
- Network Solutions ^{(1) (2)}	190.3	190.7	(0.4)	(0.2)	373.3	365.6	7.6	2.1
- Cybersecurity Services ⁽³⁾	221.1	180.4	40.7	22.6	350.1	301.0	49.1	16.3
- Regional ICT Services ⁽⁴⁾	97.5	104.4	(6.9)	(6.6)	182.5	198.9	(16.4)	(8.2)
Service revenue	1,053.5	1,018.0	35.5	3.5	1,991.6	1,888.5	103.0	5.5
Sales of Equipment ⁽⁵⁾	213.6	250.7	(37.1)	(14.8)	381.6	438.7	(57.2)	(13.0)
Total revenue	1,267.0	1,268.7	(1.7)	(0.1)	2,373.1	2,327.3	45.8	2.0

- (1) Includes service revenue from MyRepublic Broadband
- (2) Includes Data & Internet, Managed Services and Voice Services
- (3) Includes service revenue from Ensign and D'Crypt
- (4) Includes service revenue from Strateq, JOS SG and JOS MY
- (5) Includes sales of equipment revenue from MyRepublic Broadband

The Group's 2H2023 total revenue of S\$1,267.0 million was S\$1.7 million or 0.1% lower year-on-year ("YoY"), mainly due to lower revenue contributions from Broadband, Entertainment and Sales of Equipment; partially mitigated by higher revenue contributions from Mobile and Enterprise Business. The Group's full year total revenue of S\$2,373.1 million was S\$45.8 million or 2.0% higher YoY, mainly due to higher revenue contributions from Mobile, Broadband, Entertainment and Enterprise Business; partially offset by lower Sales of Equipment.

Against the corresponding period last year, Mobile service revenue in 2H2023 was 3.4% higher, mainly due to higher Postpaid revenue offset by lower Prepaid revenue. The increase in Postpaid revenue was lifted by higher roaming revenue, higher VAS (value-added services) revenues and voice subscriptions; partially offset by a decrease in SMS usage, lower data subscriptions, lower IDD usage, and lower excess data and voice usages. Prepaid revenue declined YoY in 2H2023 mainly due to lower Prepaid expired credits.

Mobile service revenue in the full year was 7.9% higher YoY, mainly due to higher Postpaid revenue. The increase in Postpaid revenue was due to higher roaming revenue, higher VAS revenues and voice subscriptions; partially offset by decreased SMS usage, data subscriptions, IDD usage, excess data and voice usage; coupled with the absence of S\$1.7 million in one-off revenue recognised in 1H2022 relating to an infrastructure project. Excluding the effect of the one-off revenue in 1H2022, Mobile service revenue would have been S\$46.3 million or 8.2% higher YoY in the full year.

Broadband service revenue decreased 1.9% YoY in 2H2023, mainly due to lower revenue from premiums (relating to tactical promotions) mitigated by higher subscription revenue. Broadband service revenue increased 2.6% YoY in the full year, mainly due to higher subscription revenue.

Entertainment service revenue decreased 4.8% YoY in 2H2023, mainly due to the absence of World Cup revenue recognised in 4Q2022 that reduced subscription revenue, commercial TV revenue and advertising revenue. Entertainment service revenue increased 5.4% YoY in the full year, mainly due to higher subscription revenue, commercial TV revenue and

advertising revenue. This was largely attributable to the Premier League that commenced in 3Q2022; partially offset by the absence of World Cup that was held in 4Q2022.

Enterprise Business revenue increased 7.0% in 2H2023, mainly due to higher Cybersecurity Services revenue; partially offset by lower revenue contributions from Network Solutions and Regional ICT Services. Enterprise Business revenue increased 4.7% YoY in the full year, mainly due to higher revenue contributions from Network Solutions and Cybersecurity Services; partially offset by lower Regional ICT Services revenue.

Revenue from Sales of Equipment decreased 14.8% and 13.0% YoY in 2H2023 and the full year, respectively, mainly due to lower volume of handsets sold.

(B) Operating expenses

Operating expenses	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2023 S\$m	2022 S\$m	Incr / (Decr) S\$m %		2023 S\$m	2022 S\$m	Incr/ (Decr) S\$m %	
Cost of sales ⁽¹⁾	455.1	525.6	(70.5)	(13.4)	861.9	908.8	(46.9)	(5.2)
Other operating expenses ⁽¹⁾	387.1	415.1	(28.0)	(6.7)	758.0	781.8	(23.7)	(3.0)
Cybersecurity Services ⁽²⁾	210.9	171.1	39.8	23.3	349.8	294.6	55.2	18.8
Regional ICT Services ⁽³⁾	95.4	102.3	(6.9)	(6.7)	179.5	195.9	(16.4)	(8.4)
Total	1,148.6	1,214.1	(65.5)	(5.4)	2,149.2	2,181.1	(31.8)	(1.5)

⁽¹⁾ Includes cost of sales and other operating expenses from MyRepublic Broadband

⁽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, JOS SG and JOS MY

The Group's total operating expenses for 2H2023 were S\$65.5 million lower YoY, mainly in the absence of S\$30.8 million in non-recurring DARE+-related provisions recognised in 2H2022. This resulted in a YoY reduction of cost of sales, other operating expenses and operating expenses relating to Regional ICT Services; partially offset by higher operating expenses relating to Cybersecurity Services.

The Group's total operating expenses for the full year were S\$31.8 million lower YoY, mainly due to the aforementioned absence of \$30.8 million in non-recurring DARE+-related provisions, as well as the reversal of a non-recurring DARE+-related provision in 1H2023 amounting to S\$1.2 million, which was no longer required. As a percentage of the Group's total revenue, total operating expenses for 2H2023 and the full year were at 90.7% and 90.6%, respectively, compared to 95.7% and 93.7% in the corresponding periods last year.

Excluding the aforementioned reversal in 1H2023 and non-recurring provisions from 2H2022, the Group's total operating expenses for 2H2023 and the full year would have been S\$34.7 million lower YoY and S\$0.2 million higher YoY, respectively.

Cybersecurity Services ⁽¹⁾	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2023 S\$m	2022 S\$m	Incr / (Decr) S\$m %		2023 S\$m	2022 S\$m	Incr/ (Decr) S\$m %	
Cost of sales	138.5	102.9	35.6	34.6	204.7	159.9	44.8	28.0
Other operating expenses	72.5	68.2	4.2	6.2	145.1	134.7	10.4	7.7
Total	210.9	171.1	39.8	23.3	349.8	294.6	55.2	18.8

⁽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 2H2023 and the full year were at 95.4 and 99.9%, respectively, compared to 94.8% and 97.9% in the corresponding periods last year.

Regional ICT Services ⁽¹⁾	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2023	2022	Incr / (Decr)		2023	2022	Incr/ (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Cost of sales	62.5	68.6	(6.2)	(9.0)	112.3	126.2	(14.0)	(11.1)
Other operating expenses	33.0	33.6	(0.7)	(2.0)	67.2	69.7	(2.5)	(3.5)
Total	95.4	102.3	(6.9)	(6.7)	179.5	195.9	(16.4)	(8.4)

(1) Includes cost of sales and other operating expenses from Straeq, JOS SG and JOS MY

(2) Includes cost of sales and other operating expenses from Straeq

As a percentage of Regional ICT Services revenue, Regional ICT Services' operating expenses for 2H2023 and the full year were at 97.8% and 98.4%, respectively, compared to 98.0% and 98.5% in the corresponding periods last year.

A breakdown of total operating expenses is as follows:

(i) Cost of sales

Cost of sales	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2023	2022	Incr / (Decr)		2023	2022	Incr/ (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Cost of equipment sold	195.2	228.9	(33.7)	(14.7)	345.9	401.1	(55.2)	(13.8)
Cost of services	222.5	254.5	(32.0)	(12.6)	440.5	427.6	12.9	3.0
Traffic expenses	23.9	23.3	0.6	2.4	46.1	43.9	2.2	5.1
Customer acquisition costs	13.5	18.9	(5.5)	(28.9)	29.4	36.2	(6.9)	(18.9)
Cost of sales (excluding Cybersecurity Services and Regional ICT Services)	455.1	525.6	(70.5)	(13.4)	861.9	908.8	(46.9)	(5.2)
Cost of sales (Cybersecurity Services)	138.5	102.9	35.6	34.6	204.7	159.9	44.8	28.0
Cost of sales (Regional ICT Services)	62.5	68.6	(6.2)	(9.0)	112.3	126.2	(14.0)	(11.1)
Total	656.0	697.1	(41.1)	(5.9)	1,178.8	1,194.9	(16.0)	(1.3)

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

Cost of sales for 2H2023 decreased YoY by S\$70.5 million, mainly due to reduced cost of equipment sold, cost of services and customer acquisition costs; partially offset by higher traffic expenses. Cost of sales for the full year decreased S\$46.9 million YoY, mainly due to reduced cost of equipment sold and customer acquisition costs; partially offset by higher cost of services and traffic expenses.

Cost of equipment sold decreased 14.7% and 13.8% YoY in 2H2023 and the full year, respectively, mainly due to lower volume of handsets sold.

Cost of services decreased 12.6% YoY in 2H2023, mainly due to lower Postpaid Mobile costs and Pay TV content costs, coupled with the absence of S\$22.6 million in non-recurring DARE+-related provision recognised in 2H2022; partially offset by higher Broadband costs and higher Network Solutions costs. Cost of services increased 3.0% YoY in the full year, mainly due to higher Broadband costs, Network Solutions costs and Pay TV content costs; partially offset by lower Postpaid Mobile costs and the absence of a non-recurring provision as mentioned above. Excluding this non-recurring provision from 2H2022, cost of services would have been S\$9.3 million or 4.0% lower in 2H2023 and S\$35.5 million or 8.8% higher in the full year.

Traffic expenses in 2H2023 and the full year increased 2.4% and 5.1% YoY, respectively, mainly due to higher roaming cost in line with the higher roaming revenue, partially offset by lower domestic and international traffic volumes.

Customer acquisition costs in 2H2023 decreased 28.9% YoY in 2H2023, mainly due to lower Prepaid Mobile and Broadband acquisition costs as well as lower dealer commission for Postpaid Mobile and Entertainment. Customer acquisition costs in the full year decreased 18.9% in the full year, mainly due to lower Broadband acquisition costs as well as lower dealer commission for Postpaid Mobile and Entertainment, partially offset by higher Prepaid Mobile acquisition costs.

Cost of Sales (Cybersecurity Services)

The YoY increases in cost of sales in 2H2023 and the full year were in line with higher Cybersecurity Services revenue generated.

Cost of Sales (Regional ICT Services)

The YoY decreases in cost of sales in 2H2023 and the full year were in line with lower Regional ICT Services revenue generated.

(ii) Other operating expenses

Other operating expenses	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2023 S\$m	2022 S\$m	Incr / (Decr) S\$m %		2023 S\$m	2022 S\$m	Incr/ (Decr) S\$m %	
Staff costs	117.7	106.4	11.3	10.6	219.9	199.7	20.2	10.1
Operating leases	22.4	17.6	4.8	27.2	44.6	34.6	10.1	29.1
Marketing and promotions	13.3	15.9	(2.6)	(16.2)	24.6	27.4	(2.8)	(10.1)
Loss allowance for trade receivables	6.9	8.1	(1.2)	(15.1)	16.5	10.9	5.7	51.9
Repairs and maintenance	64.2	71.5	(7.3)	(10.3)	114.2	112.7	1.5	1.4
Other expenses	60.5	81.1	(20.6)	(25.4)	129.6	168.2	(38.6)	(22.9)
Depreciation and amortisation	102.2	114.5	(12.3)	(10.7)	208.5	228.3	(19.8)	(8.7)
Other operating expenses (excluding Cybersecurity Services and Regional ICT Services)	387.1	415.1	(28.0)	(6.7)	758.0	781.8	(23.7)	(3.0)
Other operating expenses (Cybersecurity Services)	72.5	68.2	4.2	6.2	145.1	134.7	10.4	7.7
Other operating expenses (Regional ICT Services)	33.0	33.6	(0.7)	(2.0)	67.2	69.7	(2.5)	(3.5)
Total	492.5	517.0	(24.4)	(4.7)	970.4	986.2	(15.8)	(1.6)

The Group's total other operating expenses for 2H2023 and the full year were S\$24.4 million and S\$15.8 million lower YoY, respectively. As a percentage of total revenue, other operating expenses was 38.9% and 40.9% in 2H2023 and the full year, respectively, compared to 40.7% and 42.4% in the corresponding periods 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 10.6% and 10.1% higher YoY in 2H2023 and the full year, respectively, mainly due to the consolidation of MyRepublic Broadband from 2Q2022 and higher replacement cost as part of talent acquisition to support the DARE+ transformation efforts; partially offset by the absence of a non-recurring DARE+-related provision of S\$4.0 million recognised in 2H2022. Excluding this non-recurring provision from prior year, staff costs would have been S\$15.3 million or 14.9% higher YoY in 2H2023 and S\$24.2 million or 12.3% higher YoY in the full year.

Operating leases

Operating leases was 27.2% and 29.1% higher YoY in 2H2023 and the full year, respectively, mainly due to an increase in contract capacity for the StarHub Hyperscale Data Centre @ Loyang.

Marketing and promotions

Marketing and promotions expenses was 16.2% and 10.1% lower YoY in 2H2023 and the full year, respectively, as a result of more targeted promotional efforts coupled with the absence of World Cup held in 4Q2022, which led to lower spend overall.

Loss allowance for trade receivables

Loss allowance for trade receivables was S\$1.2 million lower YoY in 2H2023, 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\$5.7 million higher YoY in the full year, mainly due to increase in general allowance as a result of higher trade receivables, partially offset by lower bad debt written off.

Repairs and maintenance

Repairs and maintenance expense was 10.3% lower YoY in 2H2023. This reduction was mainly due to lower maintenance costs for network infrastructure, lower submarine cables repair costs and the absence of a non-recurring DARE+-related provision of S\$3.0 million for base station relocation costs recognised in 2H2022; partially offset by higher maintenance costs for certain IS contracts that were novated back to the Group. Excluding the non-recurring provision from 2H2022, repairs and maintenance would have been S\$4.3 million or 6.3% lower YoY in 2H2023.

Repairs and maintenance expense was 1.4% higher YoY in the full year, mainly due to higher maintenance costs for network infrastructure and certain IS contracts that were novated back to the Group; partially offset by lower submarine cables repair costs and the absence of a non-recurring DARE+ provision, as mentioned above. Excluding the aforementioned provision from 2H2022, repairs and maintenance would have been S\$4.5 million or 4.1% higher YoY in the full year.

Other expenses

Other expenses was S\$20.6 million lower YoY in 2H2023, mainly due to lower licence fees, lower occupancy cost as a result of lower utilities rate, absence of a non-recurring DARE+-related provision of S\$1.2 million for professional fees recognised in 2H2022, higher miscellaneous income, lower IT outsourcing costs and lower foreign exchange gain; partially offset by higher miscellaneous expense.

Other expenses was S\$38.6 million lower YoY in the full year, mainly due to lower licence fees, lower occupancy cost as a result of lower utilities rate, lower professional fees including the reversal of a non-recurring DARE+-related provision in 1H2023 of S\$1.2 million that was no longer required, higher miscellaneous income, lower IT outsourcing costs; partially offset by higher miscellaneous expense and higher foreign exchange loss. Excluding this reversal in 1H2023 and the non-recurring provision for professional fees from prior year, other expenses would have been S\$19.4 million or 24.3% lower YoY in 2H2023 and S\$36.2 million or 21.7% lower YoY in the full year.

Depreciation and amortisation

Depreciation and amortisation expense was S\$12.3 million lower YoY in 2H2023, mainly due to lower depreciation of property, plant and equipment (“PPE”) resulting from the shutdown of StarHub’s legacy infrastructure in 2H2022 and lower amortisation of intangible assets; partially offset by higher depreciation of right-of-use (“ROU”) assets. Depreciation and amortisation expense was S\$19.8 million lower YoY in the full year, mainly due to lower depreciation of PPE (as explained above) and lower amortisation of intangible assets.

Other operating expenses (Cybersecurity Services)

Other operating expenses in 2H2023 and the full year was higher YoY primarily due to higher staff costs and higher depreciation and amortisation for Cybersecurity Services.

Other operating expenses (Regional ICT Services)

The decrease in other operating expenses was due to higher miscellaneous income and lower depreciation and amortisation for Regional ICT Services.

(C) Other income

Other income decreased YoY in 2H2023 and the full year, mainly due to lower income grants and lower recovery of tunnel fees from TPG.

(D) Profitability

Profit from operations in 2H2023 increased S\$60.3 million YoY to S\$119.3 million. 2H2023 operating profit from Cybersecurity Services decreased S\$2.8 million YoY to S\$10.4 million, mainly due to higher operating expenses and lower income grant; partially mitigated by higher revenue. Operating profit from Regional ICT Services remained stable at S\$2.1 million in 2H2023. Excluding Cybersecurity Services and Regional ICT Services, profit from operations would have been S\$106.9 million in 2H2023, which was S\$63.1 million or 144.3% higher YoY. This was due to higher revenue from Mobile coupled with lower operating expenses mainly attributed to the absence of non-recurring DARE+-related provisions of S\$30.8 million recognised in 2H2022; partially offset by lower revenues from Broadband, Entertainment and Network Solutions as well as lower margin from Sales of Equipment. Excluding these non-recurring provisions from 2H2022, profit from operations (excluding Cybersecurity and Regional ICT Services) of S\$106.9 million in 2H2023 would have been S\$32.3 million or 43.3% higher YoY.

Profit from operations for the full year increased S\$71.7 million YoY to S\$226.3 million. Operating profit from Cybersecurity Services for the full year decreased S\$12.2 million YoY to S\$1.5 million mainly due to higher operating expenses and lower income grant; partially mitigated by higher revenue. Operating profit from Regional ICT Services decreased S\$0.1 million YoY to S\$3.0 million in the full year. Excluding Cybersecurity Services and Regional ICT Services, profit from operations would have been S\$221.9 million in the full year, which was S\$83.9 million or 60.8% higher YoY. This was due to higher revenues from Mobile, Broadband, Entertainment and Network Solutions and lower operating expenses mainly attributed to the absence of S\$30.8 million in non-recurring DARE+-related provisions recognised in 2H2022 and the reversal of S\$1.2 million in non-recurring DARE+-related provision in 1H2023 that was no longer required; partially offset by lower margin from Sales of Equipment. Excluding the reversal in 1H2023 and these non-recurring provisions from

2H2022, profit from operations (excluding Cybersecurity and Regional ICT Services) of S\$220.7 million in the full year would have been S\$51.9 million or 30.7% higher YoY.

Service EBITDA margin for 2H2023 at 20.8% was 4.5 percentage points higher, compared to the corresponding period last year. Excluding the non-recurring DARE+-related provisions of S\$30.8 million made in 2H2022, categorised under operating expenses, Service EBITDA margin of 20.8% in 2H2023 would have been 1.5 percentage points higher YoY.

Service EBITDA margin for the full year at 21.7% was 1.6 percentage points higher than the corresponding period last year. Excluding the S\$1.2 million reversal of a non-recurring DARE+-related provision in 1H2023 that was no longer required, and the aforementioned non-recurring provisions made in 2H2022, both categorised under operating expenses, Service EBITDA margin of 21.6% in the full year would have been 0.1 percentage point lower YoY.

Non-operating income decreased S\$23.7 million YoY to S\$7.2 million in 2H2023. This decline was primarily attributed to the absence of a fair value gain recognition of S\$22.4 million, stemming from the reduction in forward liability recorded in 2H2022 for the acquisition of Strateq. Additionally, there was the recognition in 2H2023 of a fair value gain of S\$7.2 million arising from the financial liabilities measured at fair value associated with the contingent consideration of MyRepublic Broadband, which was S\$1.3 million lower YoY. Non-operating income decreased S\$24.2 million YoY to S\$7.2 million in the full year due to the above reasons, coupled with the absence of a fair value gain of S\$0.5 million from the settlement of contingent consideration for Strateq in 1H2022.

Non-operating expense decreased S\$43.5 million YoY to S\$16.6 million in 2H2023 and the full year, mainly due to the recognition of S\$16.6 million in impairment loss on remeasurement of disposal group – relating to the D’Crypt divestment announced in 4Q2023, coupled with the absence of S\$21.6 million in impairment loss of goodwill and intangible assets recognised as a result of the discontinuation of one of Strateq’s business lines and impairment of network assets amounting to S\$38.5 million relating to the shutdown of StarHub’s legacy infrastructure in 2H2022.

Finance income was higher in both 2H2023 and the full year, compared to the corresponding periods last year. Finance expense was lower YoY in both 2H2023 and the full year, mainly due to lower borrowings as a result of a bond redemption in 3Q2022 and lower interest cost on lease liabilities; partially offset by higher finance cost on financial liabilities associated with the consolidation of Strateq.

Share of results of associate was higher in 2H2023 and the full year, compared to the corresponding periods last year.

Share of results of joint venture was lower in 2H2023 and the full year, compared to the corresponding periods last year.

Profit before taxation of S\$100.5 million and S\$196.6 million in 2H2023 and the full year, respectively, were S\$84.4 million and S\$103.5 million higher YoY. These were attributed to higher profit from operations (as explained above) coupled with lower non-operating expense; partially offset by lower non-operating income. Taxation expenses was higher correspondingly at S\$29.9 million in 2H2023 and S\$50.8 million in the full year. Excluding the non-recurring DARE+-related provisions of S\$30.8 million from 2H2022, categorised under operating expenses, along with the non-operating expense and non-operating income

incurred, profit before taxation would have been S\$109.9 million in 2H2023. Excluding the S\$1.2 million reversal of non-recurring DARE+-related provision in 1H2023 that was no longer required, and the aforementioned non-recurring provisions from 2H2022, both categorised under operating expenses, along with the non-operating expense and non-operating income incurred, profit before taxation would have been S\$204.8 million in the full year.

Profit after taxation for the period in 2H2023 and the full year were S\$70.6 million and S\$145.8 million, respectively. Excluding the non-recurring DARE+-related provisions of S\$30.8 million from 2H2022, categorised under operating expenses, along with the non-operating expense and non-operating income incurred and the corresponding tax effects, profit after taxation would have been S\$80.0 million in 2H2023. Excluding the S\$1.2 million reversal of non-recurring DARE+-related provision in 1H2023 that was no longer required, and the aforementioned non-recurring provisions from 2H2022, both categorised under operating expenses, along with the non-operating expense and non-operating income incurred and the corresponding tax effects, profit after taxation would have been S\$154.2 million in the full year.

2. BUSINESS REVIEW

Mobile Services

	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2023	2022	Incr / (Decr)		2023	2022	Incr / (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Mobile revenue	306.3	296.1	10.2	3.4	609.0	564.4	44.6	7.9

Mobile operating statistics	Quarter ended			Full Year ended		YoY
	31 Dec 2023	30 Sep 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	Incr / (Decr) %
Number of registered subscribers (in thousands)						
Postpaid	1,577	1,582	1,565	1,577	1,565	0.7
Prepaid	585	574	591	585	591	(0.9)
Total	2,162	2,156	2,156	2,162	2,156	0.3
ARPU with IDD included (S\$ per month)						
Postpaid	33	32	32	32	30	6.3
Prepaid	7	7	8	7	8	(6.8)
Average smartphone data usage (GB)	17.7	17.5	14.4	16.9	13.7	23.6
Average monthly churn rate (post-paid)	0.9%	1.0%	0.8%	0.9%	0.8%	-
Singapore mobile penetration ⁽¹⁾	160.2%	159.5%	169.6%	160.2%	169.6%	-
Market Share ⁽¹⁾	22.8%	22.8%	22.5%	22.8%	22.5%	-

(1) Based on latest published statistics

Against the corresponding period last year, Mobile service revenue in 2H2023 was 3.4% higher, mainly due to higher Postpaid revenue offset by lower Prepaid revenue. The increase in Postpaid revenue was lifted by higher roaming revenue, VAS (value-added services) revenues and voice subscriptions; partially offset by a decrease in SMS usage, data subscriptions, IDD usage, excess data and voice usages. Prepaid revenue declined YoY mainly due to lower Prepaid expired credits.

Mobile service revenue in the full year was 7.9% higher YoY, mainly due to higher Postpaid revenue lifted by higher roaming revenue, VAS revenues and voice subscriptions; partially offset by a decrease in SMS usage, data subscriptions, IDD usage, excess data and voice usages, coupled with the absence of S\$1.7 million in one-off revenue recognised in 1H2022 relating to an infrastructure project. Excluding this one-off revenue, Mobile service revenue would have been S\$46.3 million or 8.2% higher YoY in the full year.

Postpaid Mobile Services

As of 31 December 2023, the Postpaid Mobile subscriber base stood at 1,577,000 after the quarter's net churn of 5,000 subscribers. Compared to a year ago, the Postpaid subscriber base increased by 12,000 subscribers or 0.7%. Average monthly churn rate was stable at 0.9% in 4Q2023 and the full year.

ARPU of S\$33 in 4Q2023 and S\$32 in the full year, was S\$1 and S\$2 higher than the corresponding periods last year, mainly due to higher roaming and VAS revenues, partially offset by lower IDD usage, voice usage and excess data usage revenues. Active customer-centric retention modeling and cross- and up-sell initiatives across Infinity Play products had

also contributed to the ARPU growth. The overall average smartphone data usage increased YoY for both 4Q2023 and the full year to 17.7 GB and 16.9 GB, respectively.

Prepaid Mobile Services

As of 31 December 2023, the Prepaid Mobile subscriber base stood at 585,000 subscribers after the quarter's net addition of 11,000 subscribers driven by simplified price plans offered on the All-in-One app. Compared to a year ago, Prepaid Mobile subscriber base decreased by 6,000 subscribers.

ARPU of S\$7 in both 4Q2023 and the full year, were S\$1 lower, compared to the corresponding periods last year, mainly due to tactical promotional activities.

Broadband Services

	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2023	2022	Incr / (Decr)		2023	2022	Incr / (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Broadband revenue ⁽¹⁾	124.1	126.5	(2.4)	(1.9)	248.7	242.4	6.3	2.6

Broadband operating statistics	Quarter ended			Full Year ended		YoY Incr / (Decr) %
	31 Dec 2023	30 Sep 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	
Number of residential broadband subscribers - subscription-based (in thousands) ⁽²⁾	580	579	578	580	578	0.4
ARPU (S\$ per month)	34	34	34	34	34	0.9
Average monthly churn rate	0.6%	0.6%	0.6%	0.6%	0.6%	-

(1) Includes service revenue from MyRepublic Broadband

(2) Includes residential subscribers from MyRepublic Broadband

Broadband service revenue decreased 1.9% YoY in 2H2023, mainly due to lower revenue from premiums (relating to tactical promotions) mitigated by higher subscription revenue. Broadband service revenue increased 2.6% YoY in the full year, mainly due to higher subscription revenue.

As of 31 December 2023, the Broadband subscriber base stood at 580,000 after the quarter's net addition of 1,000 subscribers. Compared to a year ago, the Broadband subscriber base increased by 2,000 subscribers or 0.4% in the full year, lifted by the consolidation of MyRepublic Broadband subscribers.

ARPU of S\$34 in 4Q2023 and the full year were stable, compared to the corresponding periods last year.

Average monthly churn rate was stable at 0.6% in 4Q2023 and the full year.

Entertainment Services

	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2023	2022	Incr / (Decr)		2023	2022	Incr/ (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Entertainment revenue	114.1	119.9	(5.8)	(4.8)	228.0	216.3	11.8	5.4

Entertainment operating statistics	Quarter ended			Full Year ended		YoY
	31 Dec 2023	30 Sep 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	Incr / (Decr) %
Total Entertainment subscribers ^{(1), (2)} (in thousands)	337	347	374	337	374	(10.0)
ARPU (S\$ per month) ⁽²⁾	46	45	45	44	41	9.3
Average monthly churn rate ⁽³⁾	1.1%	1.0%	0.9%	1.0%	0.9%	-

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

(2) Comparatives have been restated to take into account a change in subscriber definition

(3) Refers to churn rate from Pay TV only

Entertainment service revenue decreased 4.8% YoY in 2H2023, mainly due to the absence of World Cup held in 4Q2022 that resulted in lower subscription revenue, commercial TV revenue and advertising revenue YoY. Entertainment service revenue increased 5.4% YoY in the full year mainly due to higher subscription revenue, commercial TV revenue and advertising revenue. This was largely attributable to Premier League that commenced in 3Q2022, partially offset by the absence of World Cup held in 4Q2022.

As of 31 December 2023, Total Entertainment subscribers stood at 337,000, after the quarter’s net churn of 10,000 subscribers due mainly to the cessation of certain promotions. Compared to a year ago, Total Entertainment subscriber base decreased by 37,000 subscribers or 10.0%.

ARPU was S\$1 and S\$3 higher YoY at S\$46 and S\$44, respectively, in 4Q2023 and the full year, mainly lifted by Premier League.

Average monthly churn rate was at 1.1% and 1.0%, respectively, in 4Q2023 and the full year.

Enterprise Business

Enterprise Business revenue	Second Half Year ended 31 Dec				Full Year ended 31 Dec			
	2023 S\$m	2022 S\$m	Incr / (Decr) S\$m %		2023 S\$m	2022 S\$m	Incr / (Decr) S\$m %	
Data & Internet ⁽¹⁾	120.8	128.0	(7.1)	(5.6)	245.0	251.2	(6.2)	(2.5)
Managed Services ⁽²⁾	55.1	48.0	7.1	14.9	100.1	84.8	15.3	18.1
Voice Services	14.4	14.7	(0.4)	(2.4)	28.2	29.7	(1.5)	(5.1)
Network Solutions	190.3	190.7	(0.4)	(0.2)	373.3	365.6	7.6	2.1
Cybersecurity Services ⁽³⁾	221.1	180.4	40.7	22.6	350.1	301.0	49.1	16.3
Regional ICT Services ⁽⁴⁾	97.5	104.4	(6.9)	(6.6)	182.5	198.9	(16.4)	(8.2)
Total	508.9	475.5	33.5	7.0	905.9	865.5	40.4	4.7

(1) Includes service revenue from MyRepublic Broadband

(2) Managed Services include Analytics, Cloud, ICT solutions and Facilities Management

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

(4) Includes service revenue from Strateq, JOS SG and JOS MY

Enterprise Business revenue increased 7.0% YoY in 2H2023 and 4.7% YoY in the full year, mainly due to higher revenue contributions from Cybersecurity Services and Managed Services; partially offset by lower revenue contributions from Data & Internet, Voice Services and Regional ICT Services.

Data & Internet service revenue in 2H2023 and the full year were 5.6% and 2.5% lower YoY, respectively, mainly due to lower revenue from domestic leased circuits revenue, partially offset by the consolidation of non-residential contributions from MyRepublic Broadband.

Managed Services revenue in 2H2023 and the full year were 14.9% and 18.1% higher YoY, respectively, due to more project completions and higher revenue from data centre-related services.

Voice Services revenue in 2H2023 and the full year were 2.4% and 5.1% lower YoY, respectively, mainly due to lower domestic voice and international voice traffic.

Cybersecurity Services revenue increased 22.6% and 16.3% YoY in 2H2023 and the full year, driven by higher project recognition.

Regional ICT Services revenue in 2H2023 and the full year were 6.6% and 8.2% lower YoY, respectively, mainly due to lower hardware sales.

3. GROUP CASH FLOW STATEMENT

	Second Half Year ended 31 Dec		Full Year ended 31 Dec	
	2023	2022	2023	2022
	S\$m	S\$m	S\$m	S\$m
Operating Activities				
Profit before taxation	100.5	16.1	196.6	93.1
Adjustments for :				
Depreciation and amortisation (Note 1)	118.3	132.4	241.1	266.5
Share-based payments	2.5	2.7	4.3	4.4
Gain on disposal of plant and equipment and intangible assets	(0.2)	(0.3)	(0.2)	(0.6)
Net finance costs	11.3	16.2	23.8	37.0
Share of gain of associate, net of tax	(0.5)	(0.5)	(1.0)	(0.6)
Share of gain of joint venture, net of tax	(1.3)	(2.0)	(2.6)	(3.5)
Non-operating income	(7.2)	(30.9)	(7.2)	(31.4)
Non-operating expense	16.6	60.1	16.6	60.1
Operating cash flow before working capital changes	240.0	193.8	471.4	425.0
Changes in operating assets and liabilities	40.8	91.4	(71.5)	19.0
Income taxes paid	(20.6)	(29.5)	(41.3)	(60.3)
Net cash from operating activities	260.2	255.7	358.6	383.7
Investing Activities				
Interest received	10.3	4.6	17.7	8.3
Proceeds from disposal of property, plant and equipment and intangible assets	0.3	1.4	0.4	1.8
Purchase of property, plant and equipment and intangible assets	(74.3)	(94.7)	(172.7)	(161.4)
Acquisition of subsidiaries, net of cash acquired	-	0.8	-	(51.8)
Payment of contingent consideration	(39.6)	-	(39.6)	(30.9)
Investment in joint venture	(1.0)	(1.0)	(1.0)	(1.0)
Net cash used in investing activities	(104.3)	(88.9)	(195.3)	(235.1)
Financing Activities				
Payment of lease liabilities	(19.5)	(19.0)	(37.2)	(38.3)
Dividend paid to owners of the Company	(43.1)	(43.3)	(86.4)	(110.8)
Dividend paid to a non-controlling interest shareholder	(4.3)	(5.4)	(7.1)	(5.4)
Perpetual capital securities distribution paid	(4.0)	(4.0)	(7.9)	(7.9)
Interest paid	(20.1)	(24.3)	(38.4)	(43.5)
Purchase of treasury shares	(13.3)	(4.6)	(17.6)	(7.4)
Proceeds from bank loans	9.4	6.5	19.5	29.5
Repayment of bank loans	(12.9)	(5.4)	(22.6)	(20.1)
Repayment of medium term notes	-	(220.0)	-	(220.0)
Capital contribution from a non-controlling interest shareholder	-	-	-	17.7
Proceeds of loan from a non-controlling interest shareholder	-	1.1	-	2.7
Acquisition of additional interest in subsidiaries	(12.0)	-	(12.0)	-
Net cash used in financing activities	(119.8)	(318.5)	(209.6)	(403.6)
Net change in cash and cash equivalents	36.1	(151.7)	(46.3)	(254.9)
Exchange difference on cash and cash equivalents	-	-	0.3	0.6
Cash in assets held for sale	(23.3)	-	(23.3)	-
Cash and cash equivalents at beginning of the period	485.1	718.9	567.2	821.5
Cash and cash equivalents at end of the period	497.9	567.2	497.9	567.2
Cash and cash equivalents comprise:				
Cash and bank balances (Note 2)	502.2	572.1	502.2	572.1
Restricted cash	(4.3)	(4.9)	(4.3)	(4.9)
	497.9	567.2	497.9	567.2

Note 1: For the financial year ended 31 December 2023, the depreciation and amortisation in the cash flow statement includes depreciation of ROU assets of S\$ Nil (31 December 2022: S\$ 4.2 million) classified under Cost of Services relating to Regional ICT Services.

Note 2: As at 31 December 2023, cash and bank balances in the cash flow statement comprise cash and cash equivalents in the statement of financial position of S\$502.2 million (31 December 2022: S\$573.6 million) less bank overdraft of S\$ Nil (31 December 2022: S\$1.5 million).

The Group's net cash from operating activities of S\$260.2 million for 2H2023 was S\$4.5 million higher YoY, mainly due to higher cash from operations and lower income tax paid; partially offset by higher working capital needs. The net cash from operating activities of S\$358.6 million for the full year was S\$25.1 million lower YoY, mainly due to higher working capital needs; partially offset by higher cash from operations and lower income tax paid.

The positive working capital changes of S\$40.8 million in 2H2023 were mainly due to lower inventories, lower contract costs, higher contract liabilities and higher trade and other payables; partially offset by higher trade receivables, other receivables, deposits and prepayments, higher contract assets and lower net balances due to related parties. The negative working capital changes of S\$71.5 million in the full year were mainly due to higher trade receivables, higher contract assets, lower trade and other payables and lower net balances due to related parties; partially offset by higher contract liabilities, lower inventories, lower contract costs and lower other receivables, deposits and prepayments.

Net cash used in investing activities increased by S\$15.4 million to S\$104.3 million in 2H2023. The increase was primarily driven by the allocation of funds for the contingent consideration paid to the founding shareholders of D'Crypt and the non-controlling interest shareholder of MyRepublic Broadband; partially offset by lower CAPEX payments and higher interest received. Net cash used in investing activities decreased by S\$39.8 million to S\$195.3 million in the full year. The decrease was mainly due to higher interest received and the absence of funds used for the initial 60% acquisitions in JOS SG, JOS MY and initial 50.1% acquisition in MyRepublic Broadband in 1H2022. The overall reduction in net cash used in investing activities for the full year was partially offset by higher CAPEX payments and higher funds allocated for the contingent consideration paid to the founding shareholders of D'Crypt and the non-controlling interest shareholder of MyRepublic Broadband in 2H2023.

The Group's CAPEX payments amounted to S\$74.3 million in 2H2023 and S\$172.7 million in the full year, representing 5.9% and 7.3% of total revenue respectively. CAPEX payments was S\$20.4 million lower YoY in 2H2023, mainly due to decreases in PPE and intangible assets purchases. CAPEX payments was S\$11.3 million higher YoY in the full year, mainly due to increases in PPE and intangible assets purchases.

Free cash flow of S\$185.9 million in 2H2023 was S\$24.9 million higher YoY, mainly due to higher cash from operating activities coupled with lower CAPEX payments. Free cash flow of S\$185.9 million in the full year was S\$36.4 million lower YoY, mainly due to lower cash from operating activities coupled with higher CAPEX payments.

Net cash used in financing activities was S\$198.7 million lower at S\$119.8 million in 2H2023, mainly due to the absence of S\$220.0 million redemption of the 10-year fixed-rate notes paid in September 2022 and lower interest paid; partially offset by the allocation of funds for the remaining 40% acquisition in JOS SG and JOS MY, higher purchase of treasury shares and lower net proceeds from bank loans (after repayment of bank loans). Net cash used in financing activities was S\$194.0 million lower at S\$209.6 million in the full year, mainly due to the absence of S\$220.0 million notes redemption (as mentioned above) coupled with lower interest paid and lower dividends paid. The overall reduction in net cash used in financing activities for the full year was partially offset by the funds used for the remaining 40% acquisition in JOS SG and JOS MY, higher purchase of treasury shares, lower net proceeds from bank loans (after repayment of bank loans) and the absence of proceeds of capital contribution from a non-controlling interest shareholder in relation to the Ensign investment in 1H2022.

Despite a net cash surplus of S\$36.1 million in 2H2023, the full year's resulting net cash generated was a deficit of S\$46.3 million, mainly due to higher cash outflows in investing and financing activities which exceeded the net cash inflows from operating activities. This resulted in a lower cash and cash equivalents balance (excluding restricted cash) of S\$497.9 million as of 31 December 2023.

Capital expenditure commitments

As of 31 December 2023, the Group's total outstanding capital expenditure commitments amounted to S\$497.6 million, including the outstanding commitments for spectrum rights of S\$282.0 million.

4. STATEMENT OF FINANCIAL POSITION

	Group		Company	
	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
	S\$m	S\$m	S\$m	S\$m
Non-current assets				
Property, plant and equipment	607.8	631.4	325.6	345.4
Intangible assets	754.9	809.4	88.4	69.5
Right-of-use assets	95.4	108.1	68.5	77.3
Subsidiaries	-	-	3,351.5	3,336.8
Joint venture	18.2	14.6	-	-
Associate	28.8	28.7	27.8	27.8
Investment in fair value through other comprehensive income	3.5	5.1	3.5	5.1
Contract assets	66.4	39.9	0.1	2.3
Contract costs	4.6	2.9	0.4	0.3
Other receivables	74.2	74.4	-	-
	1,653.9	1,714.6	3,871.6	3,864.6
Current assets				
Inventories	46.9	66.4	4.8	5.1
Contract assets	290.0	340.3	18.0	18.1
Contract costs	12.3	20.2	1.2	0.9
Trade receivables	278.3	242.8	186.3	159.7
Other receivables, deposits and prepayments	139.7	158.1	35.8	33.2
Amount due from related parties	19.2	17.8	190.9	161.0
Cash and bank balances	502.2	573.6	375.8	405.6
Assets held for sale	92.6	-	-	-
	1,381.2	1,419.3	812.7	783.6
Less:				
Current Liabilities				
Contract liabilities	85.4	91.1	32.1	28.8
Trade and other payables	709.1	823.7	300.2	372.1
Amount due to related parties	34.4	42.2	640.2	394.5
Borrowings	11.3	136.6	-	120.0
Lease liabilities	32.8	31.8	16.5	17.0
Provision for taxation	56.1	34.7	0.7	0.4
Liabilities directly associated with assets held for sale	31.6	-	-	-
	960.7	1,160.2	989.7	932.8
Net current assets/ (liabilities)	420.5	259.1	(176.9)	(149.2)
Non-current liabilities				
Contract liabilities	46.9	42.2	46.9	42.2
Trade and other payables	48.7	58.4	24.4	26.9
Borrowings	1,128.2	1,013.6	1,054.1	934.9
Lease liabilities	71.7	86.9	56.8	65.0
Deferred income	1.4	1.9	-	-
Deferred tax liabilities	72.2	86.8	46.7	52.6
	1,369.0	1,289.9	1,228.8	1,121.5
Net assets	705.4	683.8	2,465.8	2,593.9
Shareholders' equity				
Share capital	299.7	299.7	299.7	299.7
Reserves	69.2	30.9	1,966.3	2,094.3
Perpetual Capital Securities	199.9	199.9	199.9	199.9
Equity attributable to owners and perpetual capital securities holders	568.7	530.4	2,465.8	2,593.9
Non-controlling interests	136.7	153.4	-	-
Total equity	705.4	683.8	2,465.8	2,593.9

GROUP BALANCE SHEET REVIEW

As at 31 December 2023, the Group's total non-current assets of S\$1,653.9 million was S\$60.7 million lower compared to S\$1,714.6 million as at 31 December 2022. The decrease was primarily due to lower PPE, ROU and intangible assets; partially offset by higher contract assets and investments in joint venture.

Total current assets as at 31 December 2023 decreased S\$38.1 million to S\$1,381.2 million. This was mainly due to lower inventories, contract assets, other receivables, deposits and prepayments coupled with lower cash and cash equivalents; partially offset by higher balances in trade receivables and recognition of assets held for sale relating to D'Crypt's divestment announced in December 2023.

Total current liabilities decreased S\$199.5 million to S\$960.7 million as at 31 December 2023, mainly due to the reclassification of a S\$120.0 million bank loan from current borrowings to non-current borrowings post refinancing, lower trade and other payables and lower contract liabilities; partially offset by higher provision for taxation and recognition of liabilities directly associated with assets held for sale relating to D'Crypt's divestment (as explained above).

The increase in total non-current liabilities by S\$79.1 million to S\$1,369.0 million as at 31 December 2023 was primarily due to the reclassification of S\$120.0 million from current borrowings to non-current borrowings (as explained above); partially offset by with lower trade and other payables, lower lease liabilities and lower deferred tax liabilities.

The Group's shareholders' equity increased by S\$38.3 million to S\$568.7 million as at 31 December 2023 (excluding non-controlling interests of S\$136.7 million). The increase was mainly due to higher retained profits; partially offset by lower capital reserve as a result of shares buyback.

Following the disposal of D'Crypt in September 2019 to Keele¹, 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 holds 55.73% of the economic interest in D'Crypt through its shareholding and interest in Ensign.

On 13 December 2023, it was announced that Keele had agreed to sell 2,000,000 ordinary shares or 100% in the capital of D'Crypt to STE² and the completion of the Sale and Purchase Agreement is subject to and conditional upon the fulfilment or waiver of various conditions precedent. The divestment of D'Crypt, which focuses primarily on hardware development for the defence industry, will allow the Group to optimise its resources on other businesses that will elevate the execution of its 3C's (convergence of Connectivity, Cloud and Cybersecurity) Enterprise strategy, as part of the Group's ongoing execution of the DARE+ transformation programme. The Group will continue to hold 55.73% economic interest in Ensign after D'Crypt's divestment subject to completion of the Sale and Purchase Agreement.

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

¹ Keele Investments Pte. Ltd. ("Keele") is a special purpose vehicle incorporated for the purpose of holding all the issued shares in the capital of D'Crypt and is the sole shareholder of D'Crypt

² ST Engineering Info-Security Pte. Ltd. ("STE") is an indirect wholly-owned subsidiary of Singapore Technologies Engineering Ltd., which is in turn an associate of Temasek, the controlling shareholder of StarHub

The Group holds 100% economic interest in JOS SG and JOS MY following the acquisition of the remaining 40% interest, completed in August 2023.

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

The non-controlling interests represent the balances of 44.27% effective economic interest in Ensign, 11.72% effective economic interest in Strateq and 49.9% effective economic interest in MyRepublic Broadband.

5. GROUP SECURED AND UNSECURED BORROWINGS

Secured and Unsecured borrowings	31 Dec 23 S\$m	31 Dec 22 S\$m
Amount repayable in one year or less		
Bank overdraft (secured)	-	1.5
Bank loans (secured)	11.3	15.1
Bank loans (unsecured)	-	120.0
	11.3	136.6
Amount repayable after one year		
Bank loans (unsecured)	628.3	513.8
Medium term notes (unsecured)	499.9	499.8
	1,128.2	1,013.6
Total	1,139.4	1,150.3

The Group's secured and unsecured borrowings was lower by S\$10.9 million as of 31 December 2023.

Due to the lower cash and cash equivalent balance, net debt was S\$60.5 million higher at S\$637.2 million as of 31 December 2023 compared to S\$576.7 million as of 31 December 2022. As a ratio of the past 12 months' EBITDA, the Group's net debt decreased to 1.36 times as of 31 December 2023 compared to 1.38 times as of 31 December 2022.

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 2023	299.7	(4.8)	(4.3)	(276.3)	9.2	(35.5)	(1.9)	(0.0)	344.6	30.9	199.9	153.4	683.8
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	76.7	76.7	-	(1.5)	75.2
Other comprehensive income													
Foreign currency translation differences	-	-	-	-	-	-	-	0.3	-	0.3	-	(0.1)	0.2
Effective portion of changes in fair value of cash flow hedges, net of taxation	-	-	-	-	-	-	4.1	-	-	4.1	-	0.1	4.2
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	-	-	(0.6)	-	-	-	(0.6)	-	-	(0.6)
Share of other comprehensive income of associate	-	-	-	-	-	-	(0.1)	-	-	(0.1)	-	-	(0.1)
Total comprehensive income for the period	-	-	-	-	-	(0.6)	4.0	0.3	76.7	80.4	-	(1.5)	78.9
Transactions with equity holders of the Company, recognised directly in equity													
Contributions by and distributions to equity holders of the Company													
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	(3.9)	-	(3.3)
Purchase of treasury shares	-	(4.3)	-	-	-	-	-	-	-	(4.3)	-	-	(4.3)
Issue of shares pursuant to share plans	-	3.7	-	-	(3.7)	-	-	-	-	-	-	-	-
Tax impact on transfer of treasury shares	-	-	-	-	(0.3)	-	-	-	-	(0.3)	-	-	(0.3)
Dividends paid	-	-	-	-	-	-	-	-	(43.3)	(43.3)	-	(2.8)	(46.1)
Total transactions with equity holders of the Company	-	(0.6)	-	-	(2.2)	-	-	-	(46.5)	(49.3)	-	(2.8)	(52.1)
At 30 Jun 2023	299.7	(5.5)	(4.3)	(276.3)	7.0	(36.1)	2.1	0.3	374.8	62.0	199.9	149.1	710.6
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	72.9	72.9	-	(2.4)	70.6
Other comprehensive income													
Foreign currency translation differences	-	-	-	-	-	-	-	(0.2)	-	(0.2)	-	0.1	(0.1)
Effective portion of changes in fair value of cash flow hedges, net of taxation	-	-	-	-	-	-	(2.1)	-	-	(2.1)	-	(0.1)	(2.2)
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	-	-	(1.0)	-	-	-	(1.0)	-	-	(1.0)
Share of other comprehensive income of associate	-	-	-	-	-	-	(0.8)	-	-	(0.8)	-	-	(0.8)
Total comprehensive income for the period	-	-	-	-	-	(1.0)	(2.9)	(0.2)	72.9	68.9	-	(2.3)	66.5
Transactions with equity holders of the Company, recognised directly in equity													
Contributions by and distributions to equity holders of the Company													
Share-based payments expenses	-	-	-	-	2.5	-	-	-	-	2.5	-	-	2.5
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	-	(13.3)	-	-	-	-	-	-	-	(13.3)	-	-	(13.3)
Issue of shares pursuant to share plans	-	0.1	-	-	(0.1)	-	-	-	-	-	-	-	-
Tax impact on transfer of treasury shares	-	-	-	-	0.0	-	-	-	-	0.0	-	-	0.0
Dividends paid	-	-	-	-	-	-	-	-	(43.1)	(43.1)	-	(4.3)	(47.4)
Acquisition of additional interest in subsidiaries	-	-	(4.8)	-	-	-	(0.0)	0.4	-	(4.4)	-	(5.9)	(10.3)
Total transactions with equity holders of the Company	-	(13.2)	(4.8)	-	2.4	-	(0.0)	0.4	(46.4)	(61.6)	-	(10.1)	(71.7)
At 31 Dec 2023	299.7	(18.6)	(9.2)	(276.3)	9.4	(37.1)	(0.7)	0.4	401.2	69.2	199.9	136.7	705.4

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 2022	299.7	(1.9)	(6.8)	(276.3)	8.5	(34.8)	0.0	0.2	401.1	89.9	199.9	106.7	696.2
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	60.9	60.9	-	0.6	61.6
Other comprehensive income													
Foreign currency translation differences	-	-	-	-	-	-	-	(0.1)	-	(0.1)	-	0.1	0.0
Effective portion of changes in fair value of cash flow hedges, net of taxation	-	-	-	-	-	-	0.6	-	-	0.6	-	0.0	0.6
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	-	-	0.6	-	-	-	0.6	-	-	0.6
Share of other comprehensive income of associate	-	-	-	-	-	-	1.6	-	-	1.6	-	-	1.6
Total comprehensive income for the period	-	-	-	-	-	0.6	2.1	(0.1)	60.9	63.6	-	0.8	64.4
Transactions with equity holders of the Company, recognised directly in equity													
Contributions by and distributions to equity holders of the Company													
Share-based payments expenses	-	-	-	-	1.7	-	-	-	-	1.7	-	-	1.7
Accrued perpetual capital securities distribution	-	-	-	-	-	-	-	-	(3.9)	(3.9)	3.9	-	-
Perpetual capital securities distribution paid	-	-	-	-	-	-	-	-	-	-	(3.9)	-	(3.9)
Purchase of treasury shares	-	(2.8)	-	-	-	-	-	-	-	(2.8)	-	-	(2.8)
Issue of shares pursuant to share plans	-	4.5	-	-	(4.5)	-	-	-	-	-	-	-	-
Tax impact on transfer of treasury shares	-	-	-	-	0.1	-	-	-	-	-	-	-	0.1
Dividends paid	-	-	-	-	-	-	-	-	(67.5)	(67.5)	-	-	(67.5)
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	25.4	25.4
Changes in ownership interests without a change of control	-	-	2.3	-	-	-	-	-	-	2.3	-	15.4	17.7
Fair value effect of performance-related consideration	-	-	0.2	-	-	-	-	-	-	0.2	-	-	0.2
Total transactions with equity holders of the Company	-	1.7	2.5	-	(2.7)	-	-	-	(71.4)	(70.0)	-	40.8	(29.1)
At 30 Jun 2022	299.7	(0.2)	(4.3)	(276.3)	5.8	(34.2)	2.2	0.1	390.6	83.5	199.9	148.3	731.4
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	1.3	1.3	-	7.0	8.2
Other comprehensive income													
Foreign currency translation differences	-	-	-	-	-	-	-	(0.1)	-	(0.1)	-	(0.1)	(0.2)
Effective portion of changes in fair value of cash flow hedges, net of taxation	-	-	-	-	-	-	(4.3)	-	-	(4.3)	-	(0.1)	(4.4)
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	-	-	(1.3)	-	-	-	(1.3)	-	-	(1.3)
Share of other comprehensive income of associate	-	-	-	-	-	-	0.3	-	-	0.3	-	-	0.3
Total comprehensive income for the period	-	-	-	-	-	(1.3)	(4.1)	(0.1)	1.3	(4.2)	-	6.8	2.6
Transactions with equity holders of the Company, recognised directly in equity													
Contributions by and distributions to equity holders of the Company													
Share-based payments expenses	-	-	-	-	3.0	-	-	-	-	3.0	-	-	3.0
Accrued perpetual capital securities distribution	-	-	-	-	-	-	-	-	(4.0)	(4.0)	4.0	-	-
Perpetual capital securities distribution paid	-	-	-	-	-	-	-	-	-	-	(4.0)	-	(4.0)
Purchase of treasury shares	-	(4.6)	-	-	-	-	-	-	-	(4.6)	-	-	(4.6)
Issue of shares pursuant to share plans	-	0.0	-	-	(0.0)	-	-	-	-	-	-	-	-
Tax impact on transfer of treasury shares	-	-	-	-	0.3	-	-	-	-	0.3	-	-	0.3
Dividends paid	-	-	-	-	-	-	-	-	(43.3)	(43.3)	-	(5.4)	(48.7)
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	3.7	3.7
Total transactions with equity holders of the Company	-	(4.6)	-	-	3.4	-	-	-	(47.3)	(48.5)	-	(1.7)	(50.2)
At 31 Dec 2022	299.7	(4.8)	(4.3)	(276.3)	9.2	(35.5)	(1.9)	(0.0)	344.6	30.9	199.9	153.4	683.8

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	Hedging reserve S\$m	Retained profits S\$m	Total reserves S\$m	Perpetual capital securities S\$m	Total equity S\$m
At 1 Jan 2023	299.7	(4.8)	9.2	(35.5)		2,125.5	2,094.3	199.9	2,593.9
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	97.2	97.2	-	97.2
Other comprehensive income									
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	(0.6)	-	-	(0.6)	-	(0.6)
Total comprehensive income for the period	-	-	-	(0.6)	-	97.2	96.6	-	96.6
<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	(3.9)	(3.3)
Purchase of treasury shares	-	(4.3)	-	-	-	-	(4.3)	-	(4.3)
Issue of shares pursuant to share plans	-	3.7	(3.7)	-	-	-	-	-	-
Tax impact on transfer of treasury shares	-	-	(0.3)	-	-	-	(0.3)	-	(0.3)
Dividends paid	-	-	-	-	-	(43.3)	(43.3)	-	(43.3)
Total transactions with equity holders of the Company	-	(0.6)	(2.2)	-	-	(46.5)	(49.3)	-	(49.3)
At 30 Jun 2023	299.7	(5.5)	7.0	(36.1)	-	2,176.1	2,141.6	199.9	2,641.1
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	(116.9)	(116.9)	-	(116.9)
Other comprehensive income									
Foreign currency translation differences	-	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	(0.2)	-	(0.2)	-	(0.2)
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	(1.0)	-	-	(1.0)	-	(1.0)
Total comprehensive income for the period	-	-	-	(1.0)	(0.2)	(116.9)	(118.1)	-	(118.1)
<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	-	-	2.6	-	-	-	2.6	-	2.6
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	-	(13.3)	-	-	-	-	(13.3)	-	(13.3)
Issue of shares pursuant to share plans	-	0.1	(0.1)	-	-	-	-	-	-
Tax impact on transfer of treasury shares	-	-	(0.1)	-	-	-	(0.1)	-	(0.1)
Dividends paid	-	-	-	-	-	(43.1)	(43.1)	-	(43.1)
Total transactions with equity holders of the Company	-	(13.2)	2.4	-	-	(46.4)	(57.2)	-	(57.2)
At 31 Dec 2023	299.7	(18.6)	9.4	(37.1)	(0.2)	2,012.8	1,966.3	199.9	2,465.8

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
At 1 Jan 2022	299.7	(1.9)	8.5	(34.8)	2,295.0	2,266.8	199.9	2,766.4
Total comprehensive income for the period								
Profit for the period	-	-	-	-	77.2	77.2	-	77.2
Other comprehensive income								
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	0.6	-	0.6	-	0.6
Total comprehensive income for the period	-	-	-	0.6	77.2	77.8	-	77.8
<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	-	-	1.7	-	-	1.7	-	1.7
Accrued perpetual capital securities distribution	-	-	-	-	(3.9)	(3.9)	3.9	-
Perpetual capital securities distribution paid	-	-	-	-	-	-	(3.9)	(3.9)
Purchase of treasury shares	-	(2.8)	-	-	-	(2.8)	-	(2.8)
Issue of shares pursuant to share plans	-	4.5	(4.5)	-	-	-	-	-
Tax impact on transfer of treasury shares	-	-	0.1	-	-	0.1	-	0.1
Dividends paid	-	-	-	-	(67.5)	(67.5)	-	(67.5)
Total transactions with equity holders of the Company	-	1.7	(2.7)	-	(71.4)	(72.4)	(0.0)	(72.5)
At 30 Jun 2022	299.7	(0.2)	5.8	(34.2)	2,300.8	2,272.2	199.9	2,771.7
Total comprehensive income for the period								
Profit for the period	-	-	-	-	(128.1)	(128.1)	-	(128.1)
Other comprehensive income								
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	(1.3)	-	(1.3)	-	(1.3)
Total comprehensive income for the period	-	-	-	(1.3)	(128.1)	(129.4)	-	(129.4)
<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	-	-	3.0	-	-	3.0	-	3.0
Accrued perpetual capital securities distribution	-	-	-	-	(4.0)	(4.0)	4.0	-
Perpetual capital securities distribution paid	-	-	-	-	-	-	(4.0)	(4.0)
Purchase of treasury shares	-	(4.6)	-	-	-	(4.6)	-	(4.6)
Tax impact on transfer of treasury shares	-	-	0.3	-	-	0.3	-	0.3
Dividends paid	-	-	-	-	(43.3)	(43.3)	-	(43.3)
Total transactions with equity holders of the Company	-	(4.6)	3.4	-	(47.3)	(48.5)	0.0	(48.5)
At 31 Dec 2022	299.7	(4.8)	9.2	(35.5)	2,125.5	2,094.3	199.9	2,593.9

7. CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

As of 31 December 2023, the share capital of the Company was at S\$299.7 million (31 December 2022: S\$299.7 million) comprising 1,714,018,142 (31 December 2022: 1,727,287,449) issued ordinary shares (excluding treasury shares).

Treasury Shares

For 2H2023, the Company transferred 95,334 treasury shares to participants of the Company's share plans.

For 2H2023, the Company bought 12,448,800 ordinary shares from the market at a consideration of S\$13.3 million.

The treasury share balance as at 31 December 2023 was S\$18.6 million (31 December 2022: S\$4.8 million) comprising 17,633,301 (31 December 2022: 4,363,994) ordinary shares.

Issue of new shares

For 2H2023, there was no issue of new ordinary shares.

Subsidiary holdings

As at 31 December 2023, none of the Company's subsidiaries held any shares in the Company (31 December 2022: 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.

On 13 May 2022, the Company announced that it would not exercise the Issuer's Redemption Option on the First Call Date of 16 June 2022 to redeem the perpetual capital securities. For the avoidance of doubt, there will not be a reset of the distribution rate of the perpetual capital securities, which will remain at 3.95% per annum.

Outstanding Shares – Share-Based Plans

Performance Share Plans

As of 31 December 2023, the outstanding balance of conditional awards under the Performance Share Plans was 4,487,111 (31 December 2022: 3,465,111) ordinary shares.

Restricted Stock Plans

As of 31 December 2023, the outstanding balance of conditional awards under the Restricted Stock Plans was 7,183,773 (31 December 2022: 6,499,483) 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 2022.

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 2023.

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 31 Dec		Full Year ended 31 Dec	
	2023	2022	2023	2022
Basic				
Earnings per share	4.0 cents	-0.2 cents	8.2 cents	3.1 cents
Weighted average number of shares ('000)	1,724,639	1,730,468	1,724,639	1,730,468
Diluted				
Earnings per share	4.0 cents	-0.2 cents	8.2 cents	3.1 cents
Weighted average number of shares ('000)	1,733,155	1,738,852	1,733,155	1,738,852

13. NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Net asset value per share	33.2 cents	30.7 cents	143.9 cents	150.2 cents

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

The Group had provided an updated guidance for FY2023 in our 1H2023 SGX Announcement on 3 August 2023.

The Group’s service revenue was 5.5% higher YoY in the full year, which exceeded our full year guidance of service revenue to increase 3% to 5% YoY.

The Group’s service EBITDA margin for the full year was 21.7% of service revenue, in line with our full year guidance of “approximately 22%”.

Total CAPEX commitment entered in the full year, aggregating BAU³ and including investments⁴, amounted to S\$208.0 million or 8.8% of total revenue. This was below our FY2023 guidance for CAPEX commitment including investments of between 11% and 13% of total revenue.

15. GROUP OUTLOOK

The Group’s strong performance in FY2023 demonstrates the effectiveness of its Infinity Play strategy, which has helped the Consumer business differentiate its brand and up- and cross-sell its suite of offerings, mitigating continued price erosion in the highly-competitive operating environment. The Group also continues to differentiate its Enterprise positioning through its unique proposition in converging Connectivity, Cloud and Cybersecurity solutions, as well as early engagements in Cloud Infinity. Towards this end, the Enterprise business has seen a 18.1% YoY increase in Managed Services revenue in FY2023, backed by a strong order book.

³ Excluding 5G Capex and spectrum right, as well as investments relating to DARE+, IT and Network Transformation

⁴ Including 5G Capex and spectrum right, as well as investments relating to DARE+, IT and Network Transformation

For the Consumer business, the Group has successfully capitalised on differentiation and cross-bundling opportunities offered by Infinity Play, such as the encouraging take up of products under the Safety Suite vertical designed to protect customers from online threats, resulting in YoY service revenue growth across all consumer segments in FY2023. The Broadband segment has, despite intensified market competition, seen robust adoption of the new UltraSpeed plans that offers 10x increase in home broadband speed, addressing consumers' demands for a reliable and superior home broadband experience. The 10Gbps UltraSpeed plans has also been bundled with Entertainment offerings, amplifying value and differentiation for both segments. The Group continues to enjoy leading market share in Entertainment, which provides the broadest sports content experience, leveraging the Premier League as a strong acquisition tool that also generates greater pull-through revenue.

On the Enterprise front, the Group has recorded year-on-year growth in Managed Services following the transformation in its business operating model, pivoting from a traditional telco product management-centric approach to a client-centric service organisation. This allows the Group to respond to enterprise customers' evolving needs to embrace a cloud-first strategy in their sustainability and digitalisation journey. By leveraging this platform, StarHub is well-positioned to offer innovative services and solutions to customers, including Cloud Infinity, harnessing the power of hybrid multi-cloud, artificial intelligence, data & analytics, application modernisation, and 5G, and cloud-based network services. The Group has also capitalised on its enhanced competitiveness and acquired capabilities to tap heightened demand for advanced infrastructure solutions, green tech managed services & facilities management, and sustainability & digitalisation solutions in FY2023. For the Cybersecurity segment, the Group has announced Ensign's divestment of its subsidiary, D'Crypt, whose focus in cryptography and the defence sector is non-synergistic with Ensign and StarHub's business strategies. Ensign has continued to contribute double-digit YoY revenue growth in FY2023, and the divestment will allow Ensign to optimise its resources on core business priorities.

Moving into FY2024, the Group continues to advance in the execution of its key strategies and platforms, such as new digital engagement models through the consumer All-In-One app powered by the data lake that will provide full visibility for each customer for an enhanced, personalised experience. The Group also seeks to pursue regional enterprise opportunities with a niche in Smart City solutions, leveraging its enhanced capabilities brought about by Cloud Infinity and through its acquired subsidiaries. The Group has reduced its guidance for total DARE+ investments to \$270 million (from \$310 million previously); of which 70% has been incurred and a majority of the remaining 30% is expected to be incurred by FY2024, marking the tail-end of the Group's investments for the growth transformation programme. The reduced investments will not compromise the Group's transformation objectives and scope, and the Group has reiterated its DARE+ target to achieve \$80 million in stable-state incremental NPAT from FY2027.

FY2024 Guidance

Reflecting the DARE+ update above, as well as prevailing macroeconomic and market conditions, the Group offers the following guidance for FY2024:

- **Service Revenue: 1% to 3% YoY Growth, excluding impact from the D'Crypt divestment⁵**
Expect stable contributions from Consumer and Enterprise coupled with higher contributions from Regional ICT Services and Cybersecurity Services
- **Service EBITDA margin: Approximately 22%**
Expect realisation of some DARE+ benefits and continued cost optimisation efforts in FY2024
- **Capex Commitment as a percentage of Total Revenue: 4% to 6% (BAU⁶) / 11% to 13% (including investments⁷)**
Mainly due to continuous investments in IT and Network Transformation and other DARE+ business initiatives including Cloud Infinity

The Group's evolving business model that will see legacy Capex substituted by Opex is also expected to improve net margin efficiency and increase NPAT as a percentage of EBITDA.

Dividend

Taking into consideration short to mid-term business conditions, cash flow and investment requirements, and results expected from the ongoing business transformation initiatives ("dividend considerations"), and FY2023 performance, the Group is declaring a final dividend of 4.2 cents per ordinary share for the full year ended 31 December 2023. 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 2023 amounts to 6.7 cents per ordinary share, exceeding the Group's FY2023 dividend guidance of 5 cents per ordinary share. The full year dividend payout of 80% is consistent with the Group's 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 ("dividend policy").

For FY2024, the Group remains committed to the same dividend considerations and offers its dividend guidance of at least 6.0 cents per ordinary share for the full year. The Group also reiterates its aforementioned dividend policy.

"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.

⁵ Excluding D'Crypt, FY2023 Service Revenue would have been \$1,945.4 million.

⁶ Excluding 5G Capex and spectrum right, as well as investments relating to DARE+, IT and Network Transformation.

⁷ Excluding spectrum right, but including 5G Capex and investments relating to DARE+, IT and Network Transformation.

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\$0.042 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\$0.042 per ordinary share, tax-exempt (1-tier) to be paid on 16 May 2024, 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 2022. In addition, an interim tax-exempt (one-tier) dividend of 2.5 cents per ordinary share totalling S\$43.1 million was paid in respect of the current financial year ended 31 December 2023.

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 2023, the fair value of bank loans are S\$628.8 million (31 December 2022: S\$618.8 million) and the fair value of medium term notes are S\$465.6 million (31 December 2022: S\$461.1 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:

Group	Fair value Level	31 Dec 23 S\$m	31 Dec 22 S\$m
Financial assets			
Other investments	1	3.5	5.1
Marked-to-market financial instrument			
– Forward exchange contracts	2	0.1	-
Financial liabilities			
Marked-to-market financial instrument			
– Forward exchange contracts	2	2.2	4.6
Forward liability to acquire non-controlling interests	3	13.3	12.8
Contingent consideration	3	-	46.2
Company			
Financial assets			
Other investments	1	3.5	5.1
Marked-to-market financial instrument			
– Forward exchange contracts	2	0.1	-
Financial liabilities			
Marked-to-market financial instrument			
– Forward exchange contracts	2	2.2	4.6

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 23 S\$m	31 Dec 22 S\$m	31 Dec 23 S\$m	31 Dec 22 S\$m
Balance as at 1 January	12.8	37.3	46.2	39.1
Arising from business combinations	-	-	-	46.2
Total unrealised (gains)/losses recognised in income statement	-	(23.1)	0.6	(9.0)
Total realised (gains)/losses recognised in income statement	-	-	(7.2)	-
Settlements during the period	-	-	(39.6)	(30.9)
Translation differences	0.5	(1.4)	-	0.9
Balance as at 31 December	13.3	12.8	-	46.2

19. SEGMENT REPORTING

	Telecommunications ⁽¹⁾	Cybersecurity ⁽²⁾	Total	Telecommunications ⁽¹⁾	Cybersecurity ⁽²⁾	Total
	Full Year ended 31 Dec			Full Year ended 31 Dec		
	2023 S\$m	2023 S\$m	2023 S\$m	2022 S\$m	2022 S\$m	2022 S\$m
Mobile	609.0	-	609.0	564.4	-	564.4
Broadband	248.7	-	248.7	242.4	-	242.4
Entertainment	228.0	-	228.0	216.3	-	216.3
Enterprise Business	553.7	352.1	905.9	564.5	301.0	865.5
Sales of equipment	381.6	-	381.6	438.7	-	438.7
Total revenue	2,021.0	352.1	2,373.1	2,026.2	301.0	2,327.3
EBITDA	465.8	1.6	467.4	386.6	30.4	417.0
Depreciation & amortisation	(224.3)	(16.8)	(241.1)	(245.6)	(16.7)	(262.3)
Non-operating income	7.2	-	7.2	31.4	-	31.4
Non-operating expense	(0.0)	(16.6)	(16.6)	(60.1)	-	(60.1)
Finance income	15.1	2.0	17.1	8.2	-	8.2
Finance expense	(39.6)	(1.4)	(40.9)	(43.5)	(1.7)	(45.2)
Share of gain of associate (net of tax)	1.0	-	1.0	0.6	-	0.6
Share of gain of joint venture (net of tax)	2.6	-	2.6	3.5	-	3.5
Profit before taxation	227.8	(31.2)	196.6	81.1	12.0	93.1
Taxation	(49.3)	(1.5)	(50.8)	(20.8)	(2.5)	(23.3)
Profit for the year	178.5	(32.7)	145.8	60.4	9.4	69.8
Assets and liabilities						
Non-current assets	1,538.8	115.2	1,653.9	1,553.2	161.4	1,714.6
Current assets	984.0	397.2	1,381.2	1,083.2	336.1	1,419.3
Total assets	2,522.8	512.3	3,035.1	2,636.4	497.5	3,133.9
Borrowings	1,139.4	-	1,139.4	1,150.3	-	1,150.3
Other non-current liabilities	236.4	4.4	240.9	267.5	8.7	276.2
Other current liabilities	748.2	201.2	949.4	853.5	170.1	1,023.5
Total liabilities	2,124.1	205.6	2,329.7	2,271.3	178.8	2,450.0
Other information						
Capital expenditure ⁽³⁾	163.1	5.3	168.4	157.6	3.8	161.4
Free cash flow ⁽⁴⁾	187.9	(2.1)	185.9	215.4	6.9	222.3

Notes:

(1) Telecommunications segment comprises the Group's Mobile, Entertainment, Broadband, Enterprise Business and Sales of Equipment. In addition, it includes MyRepublic Broadband as well as Strateg, JOS SG and JOS MY under Regional ICT

(2) Cybersecurity refers to Ensign and D'Crypt

(3) Segment capital expenditure is the total costs incurred during the year to acquire property, plant and equipment and intangible assets

(4) 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 2023 to 31 December 2023 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 2023 to 31 December 2023 S\$m
Transactions for the Sale of Goods & Services			
Capitaland Investment Limited & its associates	Associates of StarHub Ltd 's controlling shareholder	0.3	-
Capitaland Limited & its associates		0.4	-
Mapletree Industrial Trust & its associates		0.3	-
SembCorp Industries Ltd & its associates		0.5	-
Singapore Power Limited & its associates		0.1	-
Singapore Airlines Limited		0.3	-
Singapore Technologies Engineering Ltd & its associates		1.0	-
Singapore Technologies Telemedia Pte Ltd & its associates		0.9	-
Singapore Telecommunications Limited & its associates		4.2	-
CLA Real Estate Holdings Pte. Ltd. & its associates		1.2	-
Temasek Holdings (Private) Limited and its associates (other than those disclosed above)		Controlling shareholder of StarHub Ltd and its associates	19.6
		28.8	-
Transactions for the Purchase of Goods & Services			
SembCorp Industries Ltd & its associates	Associates of StarHub Ltd 's controlling shareholder	5.4	-
Singapore Technologies Engineering Ltd & its associates		0.2	-
Singapore Technologies Telemedia Pte Ltd & its associates		9.5	-
Singapore Telecommunications Limited & its associates		7.8	-
Temasek Holdings (Private) Limited and its associates (other than those disclosed above)	Controlling shareholder of StarHub Ltd and its associates	18.2	-
		41.1	-
Conditional sale and purchase agreement of the entire issued and paid-up share capital of D'Crypt 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	-	48.7
		-	48.7

21. SUBSEQUENT EVENTS

Dividend declaration

The directors have proposed a final dividend of \$0.042 (2022: \$0.025) per share, tax-exempt (one-tier), totalling S\$72.0 million (2022: S\$43.2 million) in respect of the financial year ended 31 December 2023. 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 2024.

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

	2023	2022	Incr / (Decr)	
	S\$m	S\$m	S\$m	%
Total revenue reported for first half year	1,106.1	1,058.6	47.5	4.5
Operating profit after tax before deducting non-controlling interests reported for first half year	75.2	61.6	13.6	22.1
Total revenue reported for second half year	1,267.0	1,268.7	(1.7)	(0.1)
Operating profit after tax before deducting non-controlling interests reported for second half year	70.6	8.2	62.4	nm

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

	Full Year ended 31 Dec	
	2023 S\$m	2022 S\$m
Ordinary shares (tax exempt 1-tier)		
Interim	43.1	43.3
Final (Proposed)	72.0	43.2
Total Annual Dividend	115.1	86.5

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.