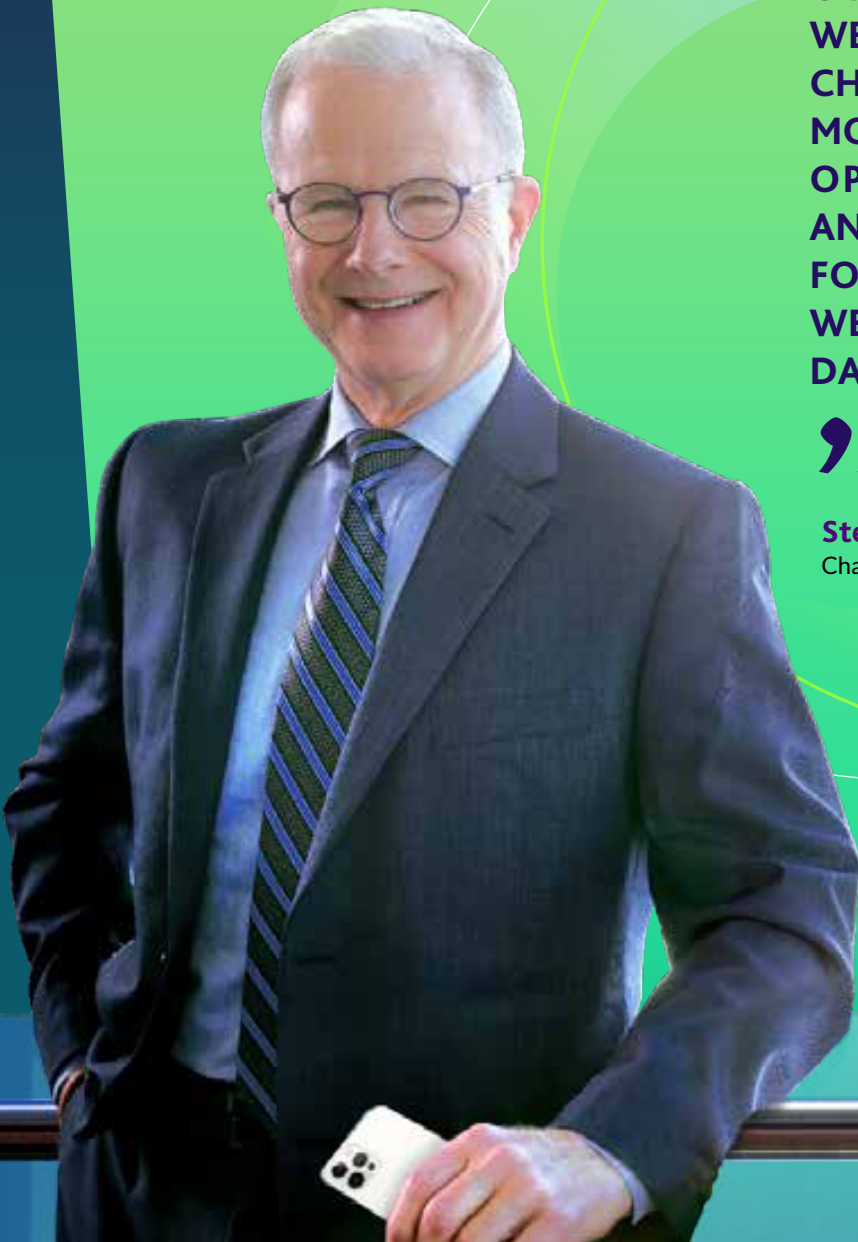


CHAIRMAN'S MESSAGE



“

OVER THE LAST THREE YEARS, WE MADE CRITICAL STRATEGIC CHANGES TO OUR BUSINESS MODEL THAT ENHANCED OUR OPERATIONAL EFFICIENCIES AND LAID THE FOUNDATION FOR THE DIGITAL ACCELERATION WE WILL BE DRIVING WITH DARE+.

”

Steven Terrell Clontz
Chairman

DEAR SHAREHOLDERS,

FY2021 was a milestone year for StarHub. Against a challenging backdrop brought about by the global pandemic, StarHub delivered growth on most financial metrics and business lines, as well as on key operating indicators, over multiple sequential quarters. We also concluded our DARE 1.0 transformation, achieving total savings of \$273 million against our original target of \$210 million. We then moved swiftly to announce and implement the next phase of our transformation, DARE+, which will launch the “Connecting Your Digital World” platform, a key enabler of StarHub’s pioneering “Infinity Play” vision. With the launch of DARE+, we are committed to growth and cost transformation targets across all lines of business and are seeing early indicators of our differentiated strategy. In another key milestone for FY2021, we announced two strategic acquisitions – to augment our leadership in the Broadband segment and to drive Infinity Play products into an expanded base; as well as to add scale in our Enterprise Regional ICT business and strengthen our value proposition to customers.

FY2021 also marked an important year for our 5G ambitions following our launch of the 5G non-standalone (“NSA”) network in FY2020 – the first operator to do so in Singapore. During FY2021, we initiated our 5G standalone (“SA”) market trial and completed the joint acquisition of the 2.1GHz spectrum to add to our comprehensive spectrum portfolio

earmarked for the 5G SA network. Our 5G SA rollout remains on track as part of our joint venture with another mobile network operator (“MNO”) – the first of its kind in Singapore – that is expected to reap unprecedented cost savings of approximately \$150 million from synergies harnessed via the shared 2.1GHz and 3.5GHz network. Meanwhile, our customers continue to enjoy unparalleled network quality, with StarHub receiving the highest number of network experience awards in Singapore for 2021, as we look forward to exciting new 5G experiences that we will enable for our customers as part of our Infinity Play offerings.

DARE 1.0: EXTRACTING VALUE; DRIVING EFFICIENCIES

In FY2021, we concluded the DARE 1.0 transformation programme that commenced in October 2018. Over the last three years, we made critical strategic changes to our business model that enhanced our operational efficiencies and laid the foundation for the digital acceleration we will be driving with DARE+.

One of the cornerstones of DARE 1.0 was a reboot of our Pay TV business – which now constitutes an integral element of StarHub’s Entertainment proposition. We successfully transitioned from a primarily fixed content cost model to a more variable cost model; upgraded all our customers from cable to fibre; and dramatically

expanded new entertainment possibilities for Singapore consumers with StarHub TV+. StarHub TV+ seamlessly integrates the market’s most comprehensive over-the-top (“OTT”) portfolio alongside linear offerings, an important platform to power our DARE+ Infinity Play vision.

With DARE 1.0, we conducted a review of all our business models and processes, sharpened our operations for agility and efficiency and achieved recurring savings from cost optimisation initiatives. This has positioned us with a more efficient business model and strong cash flows to fund organic DARE+ growth initiatives and execute synergistic M&A opportunities as they arise.

OPENSIGNAL

Singapore Mobile Network Experience Report (June 2021)

StarHub led in five network performance categories, including Video Experience and Download Speed.



Customer Satisfaction Index of Singapore 2021

StarHub led on Mobile for the second consecutive year.

CHAIRMAN'S MESSAGE

DARE 1.0 ACHIEVEMENTS >>>



\$273M
total savings achieved



Exceeded original target
of >\$210M by **30%**
or >\$60M



29%
reduction in Operating
Expenditure¹



Added **\$340M²**
in revenue through the
acquisition of Ensign and
Strateq

DARE 1.0 KEY MILESTONES >>>

First In Market Initiatives

- First to launch 5G in Singapore
- First joint network rollout in Singapore

Leading Experiences

- Successful Hello Change campaign: Transparency, Simplicity, Flexibility
- Exclusive partnerships: Disney+, NVIDIA GeForce NOW
- Significant YoY improvements in Net Promoter Scores

Pay TV Transformation

- Cable-to-fibre migration
- Converting content costs to variable fees
- New hybrid content delivery platform: StarHub TV+
- Strong OTT portfolio of 10 brands and growing

IT Transformation & Digitalisation

- Enhanced online touchpoints and migration towards online sales
- Strong growth momentum for digital fighter brand, giga!
- Deployed RPA and automation initiatives across organisation
- Commenced multi-year IT & Digital Transformation programme

Strengthened Enterprise Proposition

- Formation of Ensign and Acquisition of Strateq to bolster Cybersecurity and Regional ICT propositions
- Sustained double-digit YoY growth for Cybersecurity Services

DARE+: FOCUS ON GROWTH & TOTAL SHAREHOLDER RETURN

DARE+ is focused on moving StarHub beyond telco, to a “Connecting Your Digital World” platform. With DARE 1.0, we set the basis to move seamlessly into DARE+ and have already seen leading indicators from our differentiated strategy in terms of new product take-up, digital adoption and increasing consumption and upgrade of Mobile and Broadband plans.

A centerpiece of our DARE+ Consumer strategy is moving from quad-play to Infinity Play, which we envision as an infinite continuum of digital products to connect all facets of our customers' lives. We are empowering our consumers to engage digitally on a zero-touch basis with our Infinity Play digital product, through digital Super App platforms.

giga!, our digital fighter brand focused on the Mobile Postpaid SIM Only segment, is proof-of-concept for our digital and Super App strategy with its seamless end-to-end digital customer engagement. Over FY2021, giga! achieved strong subscriber growth and the highest Net Promoter Score (“NPS”) in the market, with over 30% of its sales derived from referrals. We plan to replicate and scale up the successful giga! model for StarHub, incorporating new Infinity Play products to drive greater lifetime value for customers.

Connectivity and our state-of-the-art network underpins Infinity Play and is the core of our business. Our focus will be on adding consumption drivers for connectivity – for the entire household; across Mobile and Broadband; in and out of the home; anytime, anywhere and on any device. Hence, we look forward to bringing greater value to customers and broadening StarHub's revenue streams. Importantly, as our business transforms, we will be increasingly empowered by our new agile, cloud-based IT systems that is a key deliverable of our ongoing multi-year

¹ Excluding Cost of Sales and Operating Expenses relating to the Cybersecurity and Regional ICT Services segments; and referring to the percentage change between FY2018 and FY2021 levels

² Refers to Ensign and Strateq's collective FY2021 revenue contribution

IT and Digital Transformation efforts. We will also leverage our rich data assets to gain real-time intelligence to design better products, services and customer experiences, thereby elevating customer lifetime value.

For Enterprises, we are uniquely positioned to drive converged platforms bringing together Cybersecurity, Cloud and Connectivity – or the 3C's, following the formation of Ensign (Cybersecurity Services), as well as the acquisition of Strateq and HKBN JOS in Singapore and Malaysia (Regional ICT Services). StarHub's Enterprise business has its core in connectivity, Managed Services, cloud migration and apps modernisation. During the past year, we have grown our stable of products and solutions, significantly moving into 5G next-gen network products, Managed Secure Access Service Edge (SASE) and Digital/Cloud transformation services. Through building common platforms and reaping cost synergies across our Enterprise businesses, we are well-equipped to pursue new opportunities and applications around facilities management, Smart City and Industry 4.0, with sustainability as a cornerstone.

These new verticals, across Consumer and Enterprise, will support a resilient and future-ready business, one that is agile and a step ahead of the evolving needs of our customers and industry trends. Unlike DARE 1.0 that was developed with a focus on cost savings, DARE+ is expected to deliver aggregate gross profit growth of \$220 million over the next five years, and generate a stable-state incremental run rate net profit after tax of \$80 million per annum from FY2026. In addition, DARE+ will apply various digital strategies that fundamentally achieves a lower operating cost model, with expected savings of \$280 million cumulatively over five years. We will be focused on execution as a key priority over the coming three years when we will be investing heavily into these

new business verticals, transforming with IT and digital strategies, and deploying 5G network and related solutions. This upfront focus and investment into key transformation areas will be critical for us as we pursue our future.

BUSINESS REVIEW & OUTLOOK

Consumer – Improved Indicators

Our efforts over the past few years have contributed to the improved performance and indicators we achieved this year.

Average Revenue Per User (“ARPU”) has moved up across the board and we attribute this mainly to our clear market differentiation brought about by early strategies around Infinity Play – cross-product bundles integrating our exclusive OTT content, cloud gaming and other offerings.

Supported by increased take-up for entertainment value added services and initial roaming recovery in 4Q2021, we ended the year with Postpaid Mobile ARPU of \$30. We are also encouraged by consistent migration towards our 5G plans, having exceeded 300,000 5G customers at premium ARPU compared to the 4G offerings. We look forward to adding more Infinity Play product and services – more content, gaming and value-added propositions as we roll out our 5G SA network that is expected to reach nationwide coverage by end-2022.

With the shift in our content delivery strategy, and higher prices achieved for HomeHub bundled plans, the Entertainment segment achieved higher ARPU of \$44 in 4Q2021 compared to \$40 in 4Q2020. While traditional Pay TV subscribers continue to churn, we are pleased to report that total Entertainment subscribers have grown 30.8% YoY to 444,000, lending confidence to our OTT streaming product strategy.

We have driven growth in our Broadband segment during the pandemic, focusing on bundling seamless connectivity with attractive entertainment options that drive consumption. We registered significant ARPU improvements in Broadband, achieving \$33 for 4Q2021 compared to \$30 a year ago due to reduction in subscription discounts and a 3.3 times YoY growth in subscribers for the premium 2 Gbps plans.

In September 2021, we announced the acquisition of a 50.1% majority stake in MyRepublic Broadband Pte Ltd (“MyRepublic Broadband”) for an investment of up to \$162.8 million. This strategic acquisition will enable us to consolidate and strengthen our position in the Singapore broadband market, expanding our market share to 40%. There is an attractive market opportunity for us to work closely with MyRepublic Broadband, to cross-sell OTT, cloud gaming and other Infinity Play services to their customers, and create mutually beneficial opportunities through scale and operational synergies.

Enterprise – Growth Engine

Our Enterprise business has continued to deliver growth year after year, lifted by double-digit revenue growth contributions from our Cybersecurity business and the first full-year consolidation of our Regional ICT business.

Our Network Solutions business has seen some recovery in its Managed Services business, offset by declines in traditional connectivity businesses that have continued to see price pressures in recent years. That said, Singapore's growing Infrastructure as a Service (IaaS) market presents significant demand for Cloud Connectivity, Cloud Security and Cybersecurity services. This presents new

CHAIRMAN'S MESSAGE

opportunities in mobile private network, telco data, edge computing, Internet of Things (IoT), and mission critical capabilities. To pursue these new growth sectors, we will continue to build new competencies as an end-to-end digital service provider internally, as well as through M&A to build scale, presence, and complementary capabilities.

Anchored by Ensign, our Cybersecurity Services segment contributed \$268.5 million in FY2021 revenue, an increase of 21.7% from \$220.7 million in FY2020; and operating profit of \$3.5 million. In FY2021, Ensign continued its push into the region winning new market opportunities in Brunei, Indonesia, Myanmar, South Korea and Vietnam. Ensign has continued to contribute positively to our Enterprise business, and we will continue working closely with Temasek to enhance the growth and synergies for between StarHub, Ensign and our Regional ICT business.

Our Regional ICT Services segment, Strateq, demonstrated resilience despite uncertainty and disruptions presented by Malaysia's Movement Control Orders (MCO), State of Emergency and Change of Government. The Regional ICT Services division contributed its first full-year revenue of \$75.8 million and operating profit of \$1.7 million, on the back of a 12% YoY growth in its order book that will also secure its growth moving into FY2022.

To strengthen our Regional ICT Services division, we acquired a 60% interest in HKBN JOS Singapore ("JOS SG") and Malaysia ("JOS MY"). Both entities have over 30 years of deep expertise in delivering in demand end-user computing, IT maintenance and infrastructure

support services to meet the digital and cloud transformation needs of enterprise customers. Now backed by both StarHub and HKBN Ltd, JOS SG and JOS MY will be able to tap on the collective network and capabilities of both shareholders across Singapore and Hong Kong, to deepen the value proposition to customers. Concurrently, this strengthens the overall partnership between StarHub and HKBN Ltd, as we explore cross-regional collaborative opportunities for mutual growth.

DELIVERING SHAREHOLDER RETURNS

In keeping with our commitment to return surplus cash to shareholders, the Board has recommended a final dividend of 3.9 cents per share. Together with the interim dividend of 2.5 cents per share, this brings total dividend for FY2021 to 6.4 cents per share. This is in line with our dividend policy of distributing at least 80% of net profit attributable to shareholders, adjusted for one-off, non-recurring items; and taking into consideration short- to mid-term business conditions, cash flow and investment requirements; as well as results reaped and expected from the ongoing business transformation initiatives.

While we expect to incur significant upfront investments in the coming years to underpin the execution of DARE+, our balance sheet and cash generative abilities remains strong, and our net debt to EBITDA remains low at 1.04 times. We will continue to adopt a responsible and prudent approach to dividends, to strike a balance between our commitment to share the fruits of our labor with

shareholders and retaining sufficient resources for financial flexibility. With a sharp focus on growth, we aspire to enhance shareholder value from a total returns perspective in the coming years.

SUSTAINABILITY AND CORPORATE GOVERNANCE

As a responsible homegrown digital service provider, Sustainability is at the heart of everything we do for our customers, shareholders, partners, community, and workforce. Amid a tumultuous year, we made significant strides in enhancing our strategy and practices across Environment, Social, Governance ("ESG") pillars. Cognisant that Sustainability is a key focus area and differentiator, we have embedded green and responsible practices into our core business ethos and day-to-day operations, and it is a key prong of our DARE+ five-year roadmap.

Reflecting a material milestone in our Sustainability journey, we are honored and humbled to be named the world's most sustainable wireless telecommunication service provider by the 2022 Corporate Knights Global 100. Amongst all telecommunication companies in Singapore, we were placed first in Singapore. Of about 7,000 companies globally across industries, StarHub came in at the 72nd position – an improvement from our 80th ranking in 2021.

This global recognition together with a series of accolades secured, are strong endorsements as we acted decisively to build a more sustainable future for Singapore and make a meaningful difference in the community. Noteworthy

accolades in 2021 include LowCarbonSG Mark for our sustainable business operations by Carbon Pricing Leadership Coalition with support from the National Environment Agency and Enterprise Singapore; Most Transparent Company at the SIAS Investors' Choice Awards 2021 for the 5th time since 2014; and ranked 40th out of 519 listed companies in the annual Singapore Governance and Transparency Index (SGTI) assessment of corporate governance practices.

Engendering trust and transparency, we align our reporting standards with ESG frameworks, such as the GRI Standards since 2011, UN Sustainable Development Goals (SDGs) since 2016, and Sustainability Accounting Standards Board (SASB) since 2020. Climate change is an urgent reality, and with the objective of mitigating climate-related risks and capturing opportunities, we embarked on the latest reporting framework Task Force on Climate-related Financial Disclosures (TCFD) in 2021.

On environmental stewardship, we achieved a 'B' rating in the CDP climate change score in 2021, ahead of the global average. With this, we are pleased to report that we have met the sustainability performance target of our maiden sustainability-linked term loan facility we took on in 2020, qualifying for a rebate against the loan interest. We will continue to evaluate the use of sustainability-linked financing, should the need arise.

In terms of community support, we doubled down on our efforts in 2021 to help people in need. Working with various non-profit organisations, including Community Chest, Care Corner Singapore, Central Singapore Community

Development Council, and The Food Bank Singapore, we contributed over \$880,000 and pitched in for volunteer work, channelling care towards over 4,800 underprivileged families, youths, children, and seniors as well as persons with disabilities. For demonstrating strong community spirit, we received the Community Chest's Charity Platinum Award for the third time since 2018.

We are heartened that our efforts have been recognised by leading institutions here and abroad, and we will continue to do bigger, better, and more for our customers, our community and the environment.

ACKNOWLEDGEMENTS

During the year, Dr Nasser Marafih and Mr Lim Ming Seong retired from the Board as Non-Executive Directors on 30 April 2021 and 13 August 2021 respectively. Both Dr Marafih and Mr Lim are long serving Directors on the Board having been appointed on 9 July 2007 and 14 December 2000 respectively. We would like to express our heartfelt appreciation to Dr Marafih and Mr Lim for their invaluable contributions to the Board and wise counsel to Management during their tenure of service.

In 2021, we strengthened the Board with several appointments: Mr Nikhil Eapen as Executive Director in August; and Mr Ahmad Al-Neama, Group Regional CEO at Ooredoo Group, as Non-Executive Director in November. Most recently, we welcomed Mr Olivier Lim as Independent Non-Executive Director in February 2022. Olivier is the Chairman of Certis CISCO Security Pte. Ltd. and PropertyGuru Pte Ltd,

and is the Lead Independent Director of DBS. We look forward to the new ideas and contributions our new Directors will bring to StarHub.

I would like to extend the Board's sincere appreciation to StarHub employees for their dedication and invaluable contributions, as well as the Board's sincere gratitude to the Group's customers, business partners and suppliers for their continued support and loyalty.

Lastly, we would like to thank you – our shareholder – for your continued trust and support as we continue our evolution beyond telco to a company that strives to enhance the enjoyment, productivity, and safety of our customers' rapidly evolving digital lives.



Steven Terrell Clontz
Chairman