FINANCIALS

186 FY2023 Financial Statements
187 Directors' Statement
196 Independent Auditors' Report
201 Statements of Financial Position
202 Consolidated Income Statement
203 Consolidated Statement of Comprehensive Income
204 Statements of Changes in Equity
208 Consolidated Cash Flow Statement
210 Notes to the Financial Statements

ADDITIONAL INFORMATION

292 Shareholding Information
294 Interested Person Transactions and Material Contracts
295 Notice of Twenty-Sixth Annual General Meeting
300 Additional Information on Directors Seeking Re-election
Proxy Form
IBC Corporate Information

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2023.

In our opinion:

(a) the financial statements set out on pages 201 to 291 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance and the cash flows of the Group, and changes in equity of the Group and of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors in office at the date of this statement are as follows:

Olivier Lim Tse Ghow (Chairman)
Nikhil Oommen Jacob Eapen
Ma Kah Woh
Nayantara Bali
Michelle Lee Guthrie
Ng Shin Ein
Lionel Yeo Hung Tong
Teo Ek Tor
Stephen Geoffrey Miller
Naoki Wakai
Ahmad Abdulaziz A A Al-Neama

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 ("the Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants, share options and share awards in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Names of director and corporation in which interests are held	Direct interest		Deemed interest	
	At 01.01.2023	At 31.12.2023	At 01.01.2023	At 31.12.2023
The Company				
Ordinary shares				
Olivier Lim Tse Ghow	1,000,000[(1)]	1,029,300[(1)]	–	–

DIRECTORS' STATEMENT (continued)

DIRECTORS' INTERESTS (CONTINUED)

Names of director and corporation in which interests are held	Direct interest		Deemed interest	
	At 01.01.2023	At 31.12.2023	At 01.01.2023	At 31.12.2023
The Company				
Ordinary shares				
Nikhil Oommen Jacob Eapen	103,000	340,000	730,000	730,000
Ma Kah Woh	147,780	199,080	–	–
Nayantara Bali	93,300	126,700	–	–
Michelle Lee Guthrie	119,500	170,800	–	–
Ng Shin Ein	91,800	129,000	–	–
Lionel Yeo Hung Tong	71,200	111,100	–	–
Teo Ek Tor	307,838	343,838	–	–
Stephen Geoffrey Miller	168,100	214,000	–	–
Ahmad Abdulaziz A A Al-Neama	8,400	38,200	–	–
Related Corporations				
CapitaLand Ascendas REIT Management Limited				
Units in CapitaLand Ascendas REIT				
Olivier Lim Tse Ghow	–	–	54,131	54,131
CapitaLand Ascott Trust Management Limited				
Units in CapitaLand Ascott Trust				
Olivier Lim Tse Ghow	–	–	95,000	97,755
CapitaLand China Trust Management Limited				
Units in CapitaLand China Trust				
Olivier Lim Tse Ghow	–	–	101,012	101,012
CapitaLand Integrated Commercial Trust Management Limited				
Units in CapitaLand Integrated Commercial Trust				
Olivier Lim Tse Ghow	–	–	96,800	96,800
Datameer, Inc.				
Share Options				
Stephen Geoffrey Miller	1,146,953[(2)]	1,146,953[(2)]	–	–

DIRECTORS' STATEMENT (continued)

DIRECTORS' INTERESTS (CONTINUED)

Names of director and corporation in which interests are held	Direct interest		Deemed interest	
	At 01.01.2023	At 31.12.2023	At 01.01.2023	At 31.12.2023
Related Corporations				
Mapletree Industrial Trust Management Ltd.				
Units in Mapletree Industrial Trust				
Olivier Lim Tse Ghow	–	–	63,000	63,000
Ma Kah Woh	867,402[(1)]	867,530	–	–
Mapletree Logistics Trust Management Ltd.				
Units in Mapletree Logistics Trust				
Olivier Lim Tse Ghow	–	–	98,801	98,801
Ma Kah Woh	1,750,227	1,750,227	–	–
MPACT Management Ltd.				
Units in Mapletree Pan Asia Commercial Trust				
Olivier Lim Tse Ghow	–	–	179,918	179,918
Ma Kah Woh	745,246	745,246	–	–
Singapore Technologies Telemedia Pte Ltd				
Debentures				
Stephen Geoffrey Miller	S$250,000[(3)]	S$250,000[(3)]	–	–
Singapore Telecommunications Limited				
Ordinary Shares				
Olivier Lim Tse Ghow	1,610	1,610	1,360	1,360
Nikhil Oommen Jacob Eapen	750	750	–	–
Ma Kah Woh	190	190	190	190
Lionel Yeo Hung Tong	750	750	–	–
TeleChoice International Limited				
Ordinary Shares				
Stephen Geoffrey Miller	351,000	494,000	–	–

DIRECTORS' STATEMENT (continued)

DIRECTORS' INTERESTS (CONTINUED)

Names of director and corporation in which interests are held	Direct interest		Deemed interest	
	At 01.01.2023	At 31.12.2023	At 01.01.2023	At 31.12.2023
The Company				
Conditional awards of shares under StarHub Performance Share Plan				
Nikhil Oommen Jacob Eapen	622,000[4]	622,000[4]	–	–
	632,000[5]	632,000[5]	–	–
	–	780,000[6]	–	–
Conditional awards of shares under StarHub Restricted Stock Plan				
Nikhil Oommen Jacob Eapen	206,000[7]	103,000[7]	–	–
	402,000[8]	268,000[8]	–	–
	–	488,000[9]	–	–

(1) *Held partly by a nominee.*
(2) *Share Option under Datameer, Inc. 2009 Stock Plan held in trust for STT inTech Pte. Ltd. The share option is exercisable at US$1.56 per share and expires on 15 November 2027.*
(3) *5% Subordinated Perpetual Securities under Singapore Technologies Telemedia Pte Ltd's S$2,000,000,000 Multicurrency Debt Issuance Programme.*
(4) *A conditional award was granted in August 2021. The performance period was from 2021 to 2023. No shares will be delivered if the threshold performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the performance targets are met or exceeded.*
(5) *A conditional award was granted in June 2022. The performance period is from 2022 to 2024. No shares will be delivered if the threshold performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the performance targets are met or exceeded.*
(6) *A conditional award was granted in September 2023. The performance period is from 2023 to 2025. No shares will be delivered if the threshold performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the performance targets are met or exceeded.*
(7) *A conditional award was granted in March 2021. The performance period was over the one year of 2021. The final award was granted in March 2022 based on the actual level of achievement of the pre-determined performance targets. The shares under the final award were partially delivered in 2022 and 2023, and the balance will be delivered in phases according to the stipulated vesting periods.*
(8) *A conditional award was granted in June 2022. The performance period was over the one year of 2022. The final award was granted in March 2023 based on the actual level of achievement of the pre-determined performance targets. The shares under the final award were partially delivered in 2023, and the remaining balance will be delivered in phases according to the stipulated vesting periods.*
(9) *A conditional award was granted in September 2023. The performance period was over the one year of 2023. No shares will be delivered if the threshold performance targets are not achieved, while up to the number of shares that are the subject of the award will be delivered if the performance targets are met or exceeded.*

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants, share options or share awards of the Company, or of its related corporations, either at the beginning of the financial year, or at the end of the financial year.

There were no changes in the above-mentioned directors' interests in the Company between the end of the financial year and 21 January 2024.

Except as disclosed under the "Share-based Payments" section of this statement, neither at the end of nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE-BASED PAYMENTS

The Company has in place the StarHub Performance Share Plan 2014 and the StarHub Restricted Stock Plan 2014 (collectively, "StarHub Share Plans 2014", and each, "StarHub PSP 2014" and "StarHub RSP 2014" respectively). The StarHub Share Plans 2014 were approved and adopted at the Extraordinary General Meeting of the Company held on 14 April 2014.

The StarHub Share Plans 2014 are administered by the Company's Organisation Development and Compensation Committee ("ODCC") comprising three directors, namely Michelle Lee Guthrie, Lionel Yeo Hung Tong and Stephen Geoffrey Miller.

The Company designates Singapore Technologies Telemedia Pte Ltd as its parent company ("Parent Company") for purposes of the Plans.

DIRECTORS' STATEMENT (continued)

SHARE-BASED PAYMENTS (CONTINUED)

StarHub Share Plans 2014

(i) The StarHub Share Plans 2014 were implemented with the objectives of motivating key executives to strive for superior performance and sustaining long-term growth for the Group.

(ii) The following persons were/shall be eligible to participate in the StarHub Share Plans, respectively at the absolute discretion of the ODCC:

(1) employees (including executive directors) and non-executive directors of the Group;

(2) employees (including executive directors) and non-executive directors of the Parent Group who meet the relevant age and rank criteria and whose services have been seconded to a company within the Group and who shall be regarded as an employee of the Group for the purposes of the StarHub Share Plans; and

(3) employees and non-executive directors of the Company's associated companies, who in the opinion of the ODCC, have contributed or will contribute to the success of the Group.

(iii) Under the StarHub PSP 2014, awards of shares are granted on an annual basis, conditional on targets set for a performance period, currently prescribed to be a three-year period. Awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the participant achieving prescribed performance targets set based on medium-term corporate objectives.

Awards are released once the ODCC is satisfied that the prescribed performance targets have been achieved. The actual number of shares given will depend on the level of achievement of the prescribed performance targets over the performance period.

Since the commencement of the StarHub PSP 2014 to the financial year ended 31 December 2023, conditional awards aggregating 10,685,500 shares have been granted under the aforesaid plan. For share awards granted prior to and during the financial year ended 31 December 2016, no shares will be delivered if the threshold performance targets are not achieved, while up to 1.825 times the number of shares that are the subject of the award will be delivered if the stretch performance targets are met or exceeded. The performance targets benchmark (a) the performance of the Company's Total Shareholders' Return ("TSR") measured against the MSCI Asia-Pacific Telecommunications Index (including Japan) over the performance period, and (b) the Wealth Added which measures investment performance in terms of the Company's TSR against shareholders' expected returns using cost of equity as a benchmark.

For share awards granted during and from the financial year ended 31 December 2017 to financial year ended 31 December 2018, no shares will be delivered if the threshold performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the stretch performance targets are met or exceeded. The performance targets benchmark (a) Returns on Invested Capital ("ROIC"), and (b) the Wealth Added which measures investment performance in terms of the Company's TSR against shareholders' expected returns using cost of equity as a benchmark.

For share awards granted during and from the financial year ended 31 December 2019 to financial year ended 31 December 2022, no share awards will be delivered if the performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the stretch performance targets are met or exceeded. The performance targets benchmark (a) Absolute Total Shareholder Return (Absolute TSR) against Cost of Equity hurdles (i.e. measure of Wealth added), and (b) the Relative Total Shareholder Return (Relative TSR) against selected peers from the MSCI Asia Pacific Telecommunications Index, and (c) Transformation Key Performance Indicators reflective of the strategic growth objectives of StarHub.

For share awards granted during the financial year ended 31 December 2023, no share awards will be delivered if the performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the stretch performance targets are met or exceeded. The performance targets benchmark (a) Relative TSR against Peer list based on APAC Telco companies and (b) Absolute TSR against Cost of Equity hurdles (i.e. measure of Wealth Added); and (c) Transformation Key Performance Indicators reflective of the strategic growth objectives of StarHub.

DIRECTORS' STATEMENT (continued)

SHARE-BASED PAYMENTS (CONTINUED)

StarHub Share Plans 2014 (continued)

Details of share awards granted under the StarHub PSP 2014 are as follows:

Participants	Share awards granted during the financial year	Aggregate share awards granted since commencement of the StarHub PSP 2014 to 31 December 2023	Share awards vested during the financial year	Aggregate share awards outstanding as at 31 December 2023
StarHub PSP 2014				
Key executives	1,813,000	10,685,500	124,966	4,487,111

(iv) Under the StarHub RSP 2014, awards granted vest only after the satisfactory completion of time-based service conditions (time-based restricted awards) or where the award is performance-related, after a further period of service beyond the performance period (performance-based restricted awards).

No minimum vesting periods are prescribed under the StarHub RSP 2014 and the length of the vesting period in respect of each award will be determined on a case-by-case basis. Performance-based restricted awards differ from awards granted under the StarHub PSP 2014 in that an extended vesting period is imposed beyond the performance period.

The performance-based restricted awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the participant achieving prescribed performance targets. The actual number of shares to be released depends on the level of attainment of the performance targets over the performance period.

For performance-based restricted awards granted prior to and during financial year ended 31 December 2016, the performance targets used were measured against the ROIC and the Earnings Before Interest, Taxation, Depreciation and Amortisation ("EBITDA").

For performance-based restricted awards granted during and from financial year ended 31 December 2017 to financial year ended 31 December 2018, the performance targets used were aligned to the overall strategic financial and operational goals of the Group.

For performance-based restricted awards granted during and from financial year ended 31 December 2019 onwards, the performance targets used are measured against the ROIC.

Since the commencement of the StarHub RSP 2014 to the financial year ended 31 December 2023:

(1) performance-based restricted awards aggregating 27,299,750 shares have been granted under the aforesaid plan. For share awards granted prior to and during the financial year ended 31 December 2016, no shares will be delivered if the threshold performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award, will be delivered if the stretch performance targets are met or exceeded. For share awards granted during and after the financial year ended 31 December 2017, no shares will be delivered if the threshold performance target are not achieved, while up to the number of shares that are the subject of the award will be delivered if the stretch performance targets are met or exceeded;

(2) restricted awards aggregating 2,484,200 shares have been granted to non-executive directors of the Company as part of their directors' remuneration, and were vested immediately upon grant;

(3) a time-based restricted award of 32,500 shares has been granted on 8 July 2015. The shares under this award were vested in two equal tranches over a 2-year period from 8 July 2015 to 7 July 2017 according to a specified vesting schedule;

DIRECTORS' STATEMENT (continued)

SHARE-BASED PAYMENTS (CONTINUED)

StarHub Share Plans 2014 (continued)

(4) a time-based restricted award of 240,000 shares has been granted on 20 May 2016. The shares under this award were vested in two equal tranches over a period from 20 May 2016 to 7 July 2017 according to a specified vesting schedule;

(5) a time-based restricted award of 592,590 shares has been granted on 15 March 2017. The shares under this award were vested in two equal tranches over a period from 15 March 2017 to 15 January 2018;

(6) a time-based restricted award of 400,000 shares has been granted on 6 April 2017. The shares under this award were vested in three tranches over a 3-year period from 13 April 2018 to 15 April 2020; and

(7) a time-based restricted award of 118,700 shares has been granted on 7 September 2018. The shares under this award were vested in one tranche on 9 July 2019.

(8) a time-based restricted award of 286,000 shares has been granted on 8 March 2023. The shares under this award will be vested in three equal tranches over a period from 1 September 2023 to 1 September 2025.

Details of share awards granted under the StarHub RSP 2014 are as follows:

Participants	Share awards granted during the financial year	Aggregate share awards granted since commencement of the StarHub RSP 2014 to 31 December 2023	Share awards vested during the financial year	Aggregate share awards outstanding as at 31 December 2023
StarHub RSP 2014				
Non-executive directors:				
Olivier Lim Tse Ghow	29,300	29,300	29,300	–
Ma Kah Woh	51,300	220,500	51,300	–
Nayantara Bali	33,400	126,700	33,400	–
Michelle Lee Guthrie	51,300	170,800	51,300	–
Ng Shin Ein	37,200	129,000	37,200	–
Lionel Yeo Hung Tong	39,900	111,100	39,900	–
Teo Ek Tor	36,000	213,200	36,000	–
Stephen Geoffrey Miller	45,900	214,000	45,900	–
Ahmad Abdulaziz A A Al-Neama	29,800	38,200	29,800	–
Nihal Vijaya Devadas Kaviratne[(a)]	58,100	313,800	58,100	–
Key employees	4,475,400	27,299,750	2,851,427	7,183,773

[(a)] *Nihal Vijaya Devadas Kaviratne retired as a Director on the close of the Annual General Meeting of the Company held on 21 April 2023.*

During the financial year, a total of 3,483,411 treasury shares were transferred pursuant to the StarHub Share Plans 2014.

As at 31 December 2023, no participant has been granted and/or received shares pursuant to the release of awards granted under the StarHub Share Plans 2014, which, in aggregate, represents 5% or more of the aggregate of:

(a) the total number of new shares available under the StarHub Share Plans 2014 collectively; and

(b) the total number of existing shares delivered pursuant to awards released under the StarHub Share Plans 2014 collectively.

DIRECTORS' STATEMENT (continued)

AUDIT COMMITTEE

The members of the Audit Committee as at the date of this statement are as follows:

Ma Kah Woh, independent non-executive director (Chairman)
Nayantara Bali, independent non-executive director
Ng Shin Ein, independent non-executive director
Teo Ek Tor, non-executive director

The Audit Committee has held four meetings since the last directors' statement. In performing its functions in accordance with Section 201B of the Companies Act 1967, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Group's internal accounting control system.

The Audit Committee has also reviewed the following:

(1) assistance provided by the Company's officers to the internal and external auditors;

(2) financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and

(3) interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited) of the Company and its subsidiaries and the Company's compliance with the review procedures for such transactions.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee has undertaken a review of all non-audit services provided by the external auditors, and is satisfied that the independence, objectivity and effectiveness of the external auditors are not compromised as a result thereof and has recommended to the Board of Directors that KPMG LLP be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT (continued)

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

These directors' statement and financial statements were authorised for issuance on 7 March 2024 in accordance with a resolution of the Board of Directors of StarHub Ltd.

On behalf of the Board of Directors

Olivier Lim Tse Ghow
Director

Nikhil Oommen Jacob Eapen
Director

Singapore
7 March 2024

INDEPENDENT AUDITORS' REPORT

Members of the Company StarHub Ltd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of StarHub Ltd (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement of the Group, and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 201 to 291.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group, and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT (continued)

Members of the Company StarHub Ltd

Revenue recognition ($2,373.1 million) *(Refer to Note 3.10 'Material accounting policies' and Note 24 'Revenue')*	
The key audit matter	***How the matter was addressed in our audit***
The Group's revenue recognition for Mobile, Broadband and some of Entertainment revenue is extensive and complex, dealing with complex networks interfaced with business support systems, and multiple income streams with varying programmes offered to customers. IT systems and configurations, and business processes and controls are put in place to capture revenue correctly, and to deal with changes arising from new service and product offerings. There is however a lag in identifying and implementing the necessary changes to IT configurations to capture revenue correctly. Because of certain limitations with current system configuration, manual procedures and reconciliations are necessary to true-up revenue to comply with requirements of SFRS(I) 15 *Revenue from Contracts with Customers*. Management relies on both automated and manual controls to ensure that revenues recorded are correct. For the Group's Enterprise Business revenue, significant judgments and estimates are made by the Group in recognition and measurement of revenue from long term-contracts. In view of the complexities described above, the identification of performance obligations, stand-alone selling price and basis of allocation of fair values to each performance obligation, and determination of the amount and timing of revenues to be recognised can be a judgemental process.	We obtained an understanding of various revenue streams and the recording systems, processes, and controls. Our audit approach included both controls testing and substantive procedures. Our procedures included: • Assessing the appropriateness of revenue recognition policies for products and services offered by the Group by reviewing samples of customer contracts, which included assessing the appropriateness of performance obligations identified by management, the appropriateness of the transaction price and its basis of allocation of the transaction price to the respective performance obligations identified within bundled contracts. • Testing the design and implementation, and operating effectiveness of controls over the capture and recording of revenue. We also tested the relevant automated controls, including interface controls between different key IT application systems. • Reviewing the basis of percentage of completion for selected projects and checked the accuracy of revenue recognised for these projects. • Testing key manual reconciliation controls over revenue recognition used by management for certain revenue streams. • Testing manual journal entries recorded in the general ledger relating to revenue recognition.
Findings There are systems and controls in place, aided by manual procedures to capture revenue to comply with relevant accounting standards.	

INDEPENDENT AUDITORS' REPORT (continued)

Members of the Company StarHub Ltd

Valuation of non-financial assets *(Refer to Note 3.7(ii) 'Material accounting policies', Note 4 'Property, plant and equipment'; Note 5 'Intangible assets'; Note 6 'Right-of-use-assets'; Note 7 'Subsidiaries'; Note 28 'Non-operating expense')*	
The key audit matter	**How the matter was addressed in our audit**
At 31 December 2023, the Group's statement of financial position includes goodwill predominately allocated to four cash-generating units ("CGUs") – entertainment, mobile, broadband and enterprise business operations ("Telco") CGU, Ensign InfoSecurity Pte. Ltd. ("Ensign") CGU, MyRepublic Broadband Pte. Ltd. ("MR Broadband") CGU and Strateq Sdn Bhd ("Strateq") CGU. Goodwill is subject to an annual impairment test or more frequently if there are indications of impairment. As the other non-financial assets relate to the same CGUs to which the goodwill is allocated to, they are included and assessed concurrently in the annual goodwill impairment test. The other non-financial assets are subject to impairment test when there are indicators of impairment. The Group and the Company performs an impairment assessment for each of the CGUs by estimating its recoverable amounts. The recoverable amount of each CGU is derived using its discounted cash flow forecast. Forecasting future cash flow is a highly judgemental process which involves making assumptions on revenue growth rates, margins, operating expense and discount rates.	We evaluated the appropriateness of CGUs identified by management based on our understanding of the current business of the Group and the Company. We assessed management's process of setting budgets on which the cash flow forecasts are based. We assessed key assumptions used in the cash flow projections by comparing them against historical performance, future business plans and external market reports, and whether these were appropriately reflected in the cash flow forecasts used. We independently derived applicable discount rates from comparable companies and compared these with those used by management. We performed sensitivity and breakeven analyses, focusing on plausible changes in the key assumptions or discount rates, and analysed the impact to the carrying amount. We considered the appropriateness of the disclosures in the financial statements.
Findings We found the identification of CGUs to be based on a reasonable basis. We found that the assumptions and resulting estimates used in determining the recoverable amounts to be within acceptable range. We found the Group's disclosure in notes to the financial statements to be appropriate.	

INDEPENDENT AUDITORS' REPORT (continued)

Members of the Company StarHub Ltd

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT (continued)

Members of the Company StarHub Ltd

Auditors' responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Siew Yilin.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
7 March 2024

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	Group 2023 $m	Group 2022 $m	Company 2023 $m	Company 2022 $m
Non-current assets					
Property, plant and equipment	4	**607.9**	631.4	**325.6**	345.4
Intangible assets	5	**754.9**	809.4	**88.4**	69.5
Right-of-use assets	6	**95.4**	108.1	**68.5**	77.3
Subsidiaries	7	**–**	–	**3,351.5**	3,336.8
Associate	8	**28.8**	28.7	**27.8**	27.8
Joint venture	8	**18.2**	14.6	**–**	–
Other investment		**3.5**	5.1	**3.5**	5.1
Contract assets	10	**66.4**	39.9	**0.1**	2.3
Contract costs	10	**4.6**	3.0	**0.4**	0.4
Other receivables and prepayments	13	**74.2**	74.4	**5.8**	–
		1,653.9	1,714.6	**3,871.6**	3,864.6
Current assets					
Inventories	11	**46.9**	66.5	**4.8**	5.1
Contract assets	10	**290.0**	340.3	**18.1**	18.1
Contract costs	10	**12.3**	20.2	**1.2**	0.9
Trade receivables	12	**278.3**	242.8	**186.3**	159.7
Other receivables, deposits and prepayments	13	**139.7**	158.1	**35.8**	33.2
Amounts due from related parties	9	**19.2**	17.8	**190.9**	161.0
Cash and cash equivalents	14	**502.2**	573.6	**375.8**	405.6
		1,288.6	1,419.3	**812.9**	783.6
Assets held for sale	19	**92.6**	–	**–**	–
		1,381.2	1,419.3	**812.9**	783.6
Current liabilities					
Contract liabilities	10	**(85.4)**	(91.1)	**(32.1)**	(28.8)
Trade and other payables	15	**(709.1)**	(823.7)	**(300.2)**	(372.1)
Amounts due to related parties	9	**(34.4)**	(42.3)	**(640.2)**	(394.5)
Borrowings	16	**(11.2)**	(136.6)	**–**	(120.0)
Lease liabilities	17	**(32.8)**	(31.8)	**(16.5)**	(17.0)
Provision for taxation		**(56.1)**	(34.7)	**(0.7)**	(0.4)
		(929.0)	(1,160.2)	**(989.7)**	(932.8)
Liabilities directly associated with the assets held for sale	19	**(31.6)**	–	**–**	–
		(960.6)	(1,160.2)	**(989.7)**	(932.8)
Net current assets/(liabilities)		**420.6**	259.1	**(176.8)**	(149.2)
Non-current liabilities					
Contract liabilities	10	**(46.9)**	(42.2)	**(46.9)**	(42.2)
Trade and other payables	15	**(50.1)**	(60.4)	**(24.4)**	(26.8)
Borrowings	16	**(1,128.2)**	(1,013.6)	**(1,054.1)**	(934.9)
Lease liabilities	17	**(71.7)**	(86.9)	**(56.8)**	(65.0)
Deferred tax liabilities	18	**(72.2)**	(86.8)	**(46.7)**	(52.6)
		(1,369.1)	(1,289.9)	**(1,228.9)**	(1,121.5)
Net assets		**705.4**	683.8	**2,465.9**	2,593.9
Equity					
Share capital	20	**299.7**	299.7	**299.7**	299.7
Reserves	21	**69.2**	30.8	**1,966.3**	2,094.3
Perpetual capital securities	22	**199.9**	199.9	**199.9**	199.9
Equity attributable to owners and perpetual capital securities holders		**568.8**	530.4	**2,465.9**	2,593.9
Non-controlling interests	23	**136.6**	153.4	**–**	–
Total equity		**705.4**	683.8	**2,465.9**	2,593.9

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2023

	Note	Group 2023 $m	Group 2022 $m
Revenue	24	**2,373.1**	2,327.3
Operating expenses	25	**(2,149.2)**	(2,181.1)
Other income	26	**2.5**	8.5
Profit from operations		**226.4**	154.7
Finance income	27	**17.0**	8.2
Finance expense	27	**(41.0)**	(45.2)
Net finance costs		**(24.0)**	(37.0)
Non-operating income	28	**7.2**	31.4
Non-operating expense	28	**(16.6)**	(60.1)
Share of result of associate, net of tax	8	**1.0**	0.6
Share of result of joint venture, net of tax	8	**2.6**	3.5
		(5.8)	(24.6)
Profit before taxation		**196.6**	93.1
Taxation	29	**(50.8)**	(23.3)
Profit for the year		**145.8**	69.8
Profit/(loss) attributable to:			
Owners of the Company		**149.6**	62.2
Non-controlling interests		**(3.8)**	7.6
Profit for the year		**145.8**	69.8
Earnings per share (in cents)			
– Basic	30	**8.2**	3.1
– Diluted	30	**8.2**	3.1
EBITDA	31	**467.5**	417.0

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2023

	Group	
	2023 $m	2022 $m
Profit for the year	**145.8**	69.8
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Change in fair value of equity investments at FVOCI, net of taxation	**(1.6)**	(0.7)
	(1.6)	(0.7)
Items that are or may be reclassified subsequently to profit or loss:		
Share of other comprehensive income of associate	**(0.9)**	1.8
Foreign currency translation differences	**0.1**	(0.2)
Effective portion of changes in fair value of cash flow hedges, net of taxation	**2.1**	(3.7)
	1.3	(2.1)
Other comprehensive income for the year, net of taxation	**(0.3)**	(2.8)
Total comprehensive income for the year	**145.5**	67.0
Total comprehensive income attributable to:		
Owners of the Company	**149.3**	59.4
Non-controlling interests	**(3.8)**	7.6
Total comprehensive income for the year	**145.5**	67.0

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

Group	Share capital $m	Treasury shares $m	Capital reserve $m	Goodwill written off $m	Share-based payments reserve $m	Fair value reserve $m	Hedging reserve $m	Translation reserve $m	Retained profits $m	Total reserves $m	Perpetual capital securities $m	Non-controlling interests $m	Total equity $m
At 1 January 2023	299.7	(4.8)	(4.4)	(276.3)	9.1	(35.5)	(1.9)	–	344.6	30.8	199.9	153.4	683.8
Total comprehensive income for the year													
Profit for the year	–	–	–	–	–	–	–	–	149.6	149.6	–	(3.8)	145.8
Other comprehensive income													
Change in fair value of equity investments at FVOCI, net of taxation	–	–	–	–	–	(1.6)	–	–	–	(1.6)	–	–	(1.6)
Share of other comprehensive income of associate, net of tax	–	–	–	–	–	–	(0.9)	–	–	(0.9)	–	–	(0.9)
Foreign currency translation differences	–	–	–	–	–	–	–	0.1	–	0.1	–	–	0.1
Effective portion of changes in fair value of cash flow hedges, net of taxation	–	–	–	–	–	–	2.1	–	–	2.1	–	–	2.1
Total comprehensive income for the year	–	–	–	–	–	(1.6)	1.2	0.1	149.6	149.3	–	(3.8)	145.5
Transactions with equity holders of the Company, recognised directly in equity													
Accrued perpetual capital securities distribution	–	–	–	–	–	–	–	–	(7.9)	(7.9)	7.9	–	–
Perpetual capital securities paid	–	–	–	–	–	–	–	–	1.4	1.4	(7.9)	–	(6.5)
Purchase of treasury shares	–	(17.6)	–	–	–	–	–	–	–	(17.6)	–	–	(17.6)
Issue of shares pursuant to share plans	–	3.8	–	–	(3.8)	–	–	–	–	–	–	–	–
Share-based payment expenses	–	–	–	–	4.3	–	–	–	–	4.3	–	–	4.3
Tax on share-based payments	–	–	–	–	(0.2)	–	–	–	–	(0.2)	–	–	(0.2)
Dividends paid (Note 33)	–	–	–	–	–	–	–	–	(86.4)	(86.4)	–	(7.1)	(93.5)
Acquisition of additional interest in subsidiaries	–	–	(4.8)	–	–	–	–	0.3	–	(4.5)	–	(5.9)	(10.4)
Total transactions with equity holders of the Company	–	(13.8)	(4.8)	–	0.3	–	–	0.3	(92.9)	(110.9)	–	(13.0)	(123.9)
At 31 December 2023	299.7	(18.6)	(9.2)	(276.3)	9.4	(37.1)	(0.7)	0.4	401.3	69.2	199.9	136.6	705.4

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (continued)

Year ended 31 December 2023

Group	Share capital $m	Treasury shares $m	Capital reserve $m	Goodwill written off $m	Share-based payments reserve $m	Fair value reserve $m	Hedging reserve $m	Translation reserve $m	Retained profits $m	Total reserves $m	Perpetual capital securities $m	Non-controlling interests $m	Total equity $m
At 1 January 2022	299.7	(1.9)	(6.9)	(276.3)	8.5	(34.8)	–	0.2	401.1	89.9	199.9	106.7	696.2
Total comprehensive income for the year													
Profit for the year	–	–	–	–	–	–	–	–	62.2	62.2	–	7.6	69.8
Other comprehensive income													
Change in fair value of equity investments at FVOCI, net of taxation	–	–	–	–	–	(0.7)	–	–	–	(0.7)	–	–	(0.7)
Share of other comprehensive income of associate, net of tax	–	–	–	–	–	–	1.8	–	–	1.8	–	–	1.8
Foreign currency translation differences	–	–	–	–	–	–	–	(0.2)	–	(0.2)	–	–	(0.2)
Effective portion of changes in fair value of cash flow hedges, net of taxation	–	–	–	–	–	–	(3.7)	–	–	(3.7)	–	–	(3.7)
Total comprehensive income for the year	–	–	–	–	–	(0.7)	(1.9)	(0.2)	62.2	59.4	–	7.6	67.0
Transactions with equity holders of the Company, recognised directly in equity													
Accrued perpetual capital securities distribution	–	–	–	–	–	–	–	–	(7.9)	(7.9)	7.9	–	–
Perpetual capital securities distribution paid	–	–	–	–	–	–	–	–	–	–	(7.9)	–	(7.9)
Purchase of treasury shares	–	(7.4)	–	–	–	–	–	–	–	(7.4)	–	–	(7.4)
Issue of shares pursuant to share plans	–	4.5	–	–	(4.5)	–	–	–	–	–	–	–	–
Share-based payment expenses	–	–	–	–	4.7	–	–	–	–	4.7	–	–	4.7
Tax on share-based payments	–	–	–	–	0.4	–	–	–	–	0.4	–	–	0.4
Dividends paid (Note 33)	–	–	–	–	–	–	–	–	(110.8)	(110.8)	–	(5.4)	(116.2)
Changes in ownership interests without a change of control (Note 23)	–	–	2.3	–	–	–	–	–	–	2.3	–	15.4	17.7
Others	–	–	0.2	–	–	–	–	–	–	0.2	–	–	0.2
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	29.1	29.1
Total transactions with equity holders of the Company	–	(2.9)	2.5	–	0.6	–	–	–	(118.7)	(118.5)	–	39.1	(79.4)
At 31 December 2022	299.7	(4.8)	(4.4)	(276.3)	9.1	(35.5)	(1.9)	–	344.6	30.8	199.9	153.4	683.8

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (continued)

Year ended 31 December 2023

Company	Share capital $m	Treasury shares $m	Share-based payments reserve $m	Fair value reserve $m	Hedging reserve $m	Retained profits $m	Total reserves $m	Perpetual capital securities $m	Total equity $m
At 1 January 2023	**299.7**	**(4.8)**	**9.1**	**(35.5)**	**–**	**2,125.5**	**2,094.3**	**199.9**	**2,593.9**
Total comprehensive income for the year									
Profit for the year	–	–	–	–	–	(19.8)	(19.8)	–	(19.8)
Other comprehensive income									
Change in fair value of equity investments at FVOCI, net of taxation	–	–	–	(1.6)	–	–	(1.6)	–	(1.6)
Effective portion of changes in fair value of cash flow hedges, net of taxation	–	–	–	–	(0.2)	–	(0.2)	–	(0.2)
Total comprehensive income for the year	–	–	–	(1.6)	(0.2)	(19.8)	(21.6)	–	(21.6)
Transactions with equity holders of the Company, recognised directly in equity									
Accrued perpetual securities distribution	–	–	–	–	–	(7.9)	(7.9)	7.9	–
Perpetual capital securities paid	–	–	–	–	–	1.4	1.4	(7.9)	(6.5)
Purchase of treasury shares	–	(17.6)	–	–	–	–	(17.6)	–	(17.6)
Issue of shares pursuant to share plans	–	3.8	(3.8)	–	–	–	–	–	–
Share-based payment expenses	–	–	4.3	–	–	–	4.3	–	4.3
Tax on share-based payments	–	–	(0.2)	–	–	–	(0.2)	–	(0.2)
Dividends paid (Note 33)	–	–	–	–	–	(86.4)	(86.4)	–	(86.4)
Total transactions with equity holders of the Company	–	(13.8)	0.3	–	–	(92.9)	(106.4)	–	(106.4)
At 31 December 2023	**299.7**	**(18.6)**	**9.4**	**(37.1)**	**(0.2)**	**2,012.8**	**1,966.3**	**199.9**	**2,465.9**

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (continued)

Year ended 31 December 2023

Company	Share capital $m	Treasury shares $m	Share-based payments reserve $m	Fair value reserve $m	Retained profits $m	Total reserves $m	Perpetual capital securities $m	Total equity $m
At 1 January 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 year								
Profit for the year	–	–	–	–	(50.8)	(50.8)	–	(50.8)
Other comprehensive income								
Change in fair value of equity investments at FVOCI, net of taxation	–	–	–	(0.7)	–	(0.7)	–	(0.7)
Total comprehensive income for the year	–	–	–	(0.7)	(50.8)	(51.5)	–	(51.5)
Transactions with equity holders of the Company, recognised directly in equity								
Accrued perpetual securities distribution	–	–	–	–	(7.9)	(7.9)	7.9	–
Perpetual securities distribution paid	–	–	–	–	–	–	(7.9)	(7.9)
Purchase of treasury shares	–	(7.4)	–	–	–	(7.4)	–	(7.4)
Issue of shares pursuant to share plans	–	4.5	(4.5)	–	–	–	–	–
Share-based payment expenses	–	–	4.7	–	–	4.7	–	4.7
Tax on share-based payments	–	–	0.4	–	–	0.4	–	0.4
Dividends paid (Note 33)	–	–	–	–	(110.8)	(110.8)	–	(110.8)
Total transactions with equity holders of the Company	–	(2.9)	0.6	–	(118.7)	(121.0)	–	(121.0)
At 31 December 2022	299.7	(4.8)	9.1	(35.5)	2,125.5	2,094.3	199.9	2,593.9

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2023

	2023 $m	2022 $m
Cash flow from operating activities		
Profit before taxation	**196.6**	93.1
Adjustments for:		
Depreciation and amortisation	**241.1**	266.5
Share-based payments	**4.3**	4.7
Net finance costs	**24.0**	37.0
Gain on disposal of plant and equipment and intangible assets	**(0.2)**	(0.6)
Non-operating income	**(7.2)**	(31.4)
Non-operating expense	**16.6**	60.1
Share of profit of associate, net of tax	**(1.0)**	(0.6)
Share of profit of joint venture, net of tax	**(2.6)**	(3.5)
	471.6	425.3
Changes in:		
Inventories	**9.0**	(4.5)
Contract assets	**4.7**	(11.8)
Contract costs	**6.2**	6.5
Trade receivables	**(39.6)**	(32.4)
Other receivables, deposits and prepayments	**4.3**	(62.3)
Contract liabilities	**15.1**	23.2
Trade and other payables	**(62.2)**	84.2
Amounts due from related parties	**(1.4)**	(2.7)
Amounts due to related parties	**(7.8)**	18.5
Cash generated from operations	**399.9**	444.0
Income tax paid	**(41.3)**	(60.3)
Net cash from operating activities	**358.6**	383.7
Cash flow from investing activities		
Interest received	**17.7**	8.3
Proceeds from disposal of property, plant and equipment	**0.4**	1.9
Purchase of property, plant and equipment and intangible assets	**(172.7)**	(161.5)
Investment in joint venture	**(1.0)**	(1.0)
Payment of contingent consideration	**(39.6)**	(30.9)
Acquisition of subsidiary, net of cash acquired	**–**	(51.8)
Net cash used in investing activities	**(195.2)**	(235.0)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT (continued)

Year ended 31 December 2023

	2023 $m	2022 $m
Cash flow from financing activities		
Payment of lease liabilities	**(37.2)**	(38.3)
Proceeds from borrowings	**19.5**	29.5
Repayment of borrowings	**(22.6)**	(240.1)
Dividend paid to owners of the Company	**(86.4)**	(110.8)
Dividend paid to non-controlling interest	**(7.1)**	(5.4)
Purchase of treasury shares	**(17.6)**	(7.4)
Perpetual capital securities distribution paid	**(7.9)**	(7.9)
Acquisition of additional interest in subsidiaries	**(12.0)**	–
Interest paid	**(38.4)**	(43.5)
Proceeds of loan from a non-controlling interest	**–**	2.6
Capital contribution from a non-controlling interest shareholder	**–**	17.7
Net cash used in financing activities	**(209.7)**	(403.6)
Net change in cash and cash equivalents	**(46.3)**	(254.9)
Cash and cash equivalents at beginning of year	**567.2**	821.5
Effect of exchange rate fluctuations	**0.3**	0.6
Cash and cash equivalents at end of year (including held for sale)	**521.2**	567.2
Cash and cash equivalents reclassified as held for sale	**(23.3)**	–
Cash and cash equivalents at end of year (Note 14)	**497.9**	567.2

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

These notes form an integral part of the financial statements.

The financial statements were authorised for issuance on 7 March 2024 in accordance with a resolution of the Board of Directors of StarHub Ltd.

1 DOMICILE AND ACTIVITIES

StarHub Ltd ("StarHub" or the "Company") is incorporated in the Republic of Singapore and has its registered office at 67 Ubi Avenue 1, #05-01 StarHub Green, Singapore 408942.

The principal activities of the Company are those relating to the operation and provision of telecommunications services and other businesses relating to the info-communications industry. The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

The consolidated financial statements relate to the Company and its subsidiaries (together the "Group" and individually as "Group entities"), and the Group's interest in its equity-accounted investees.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). The changes to material accounting policies are described in Note 2.5.

2.2 Basis of measurement

The financial statements are prepared on a historical cost basis, except as otherwise described in the notes below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Group's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest million, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions about the future, and opportunities, that affect the application of accounting policies and the reported amounts of assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported income and expenses during the financial year. These estimates are based on management's best knowledge and judgement of current events and environment. Actual results may ultimately differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised prospectively.

In the application of the Group's accounting policies, which are described in Note 3, management is of the opinion that there is no instance of application of judgement which is expected to have a significant effect on the amounts recognised in the financial statements, apart from those described below.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

2 BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (continued)

Information about assumptions, judgements and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Measurement of recoverable amounts relating to impairment

  The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill is tested for impairment annually and at other times when such indications exist. The other non-financial assets, such as property, plant and equipment, intangible assets (excluding goodwill) and subsidiaries are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

  Assessing the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and applying an appropriate discount rate in order to calculate the present value of those cash flows. Actual cash flows will differ from these estimates as a result of differences between assumptions used and actual operations (see Note 5).

- Revenue recognition – Determining the performance obligations, stand-alone selling price ("SSP") and the amounts allocated to performance obligations

  Judgement is required to determine whether products and services qualify as separate performance obligations. Transaction price is allocated in proportion to the estimated SSP for each performance obligation at the inception of the contract. Therefore, management estimates the SSP of each performance obligation, especially those goods or services that are not regularly offered separately to customers. The Group establishes SSP using observable price or in the case observable price is not available, using estimation techniques. The SSP of material right depends on the probability of exercise, which considers historical exercise patterns. Change or absence of SSP of a performance obligation affects the amount of consideration allocated to each performance obligation. Variable considerations are allocated solely to the service component of the contract since they relate specifically to the effort to satisfy the service performance obligation.

  For managed service revenue contracts, significant judgements and estimates are made by the Group in the recognition and measurement of revenue from long term contracts.

- Acquisition through business combinations (see Note 35)

  - determination of fair value of the assets acquired and liabilities assumed; and

  - determination of fair value of consideration transferred, including contingent consideration.

  Management has engaged external firms of specialists to perform the purchase price allocation, including valuation of the identified assets and liabilities. There is judgement and inherent uncertainty involved in the identification and valuation of these assets and liabilities.

  The determination of the contingent consideration associated with the acquisition of subsidiaries requires significant management judgement and assumptions. The contingent consideration and forward liability are based on estimates from the associated probability of achieving performance targets by the investee and the expected payment amount.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

2 BASIS OF PREPARATION (CONTINUED)

2.5 New accounting standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2023:

- SFRS(I) 17: *Insurance Contracts*
- Amendments to SFRS(I) 1-12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules*
- Amendments to SFRS(I) 1-1 and Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*

Other than the below, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

- Insurance Contracts

  SFRS(I) 17: *Insurance Contracts* is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. SFRS(I) 17 replaces SFRS(I) 4: *Insurance Contracts*. SFRS(I) 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. SFRS(I) 17 is based on a general model, supplemented by:

  – A specific adaption for contracts with direct participation features (the variable fee approach)

  – A simplified approach (the premium allocation approach) mainly for short-duration contracts

  The Company has issued a financial guarantee for a loan drawn down under a loan facility entered by a subsidiary and previously accounted for this contract under SFRS(I) 4. The Group has irrevocably elected to apply SFRS(I) 9: *Financial Instruments* to the financial guarantee contract.

- Deferred tax related to assets and liabilities arising from a single transaction

  The Group has adopted Amendments to SFRS(I)1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities.

  For leases, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

  The Group previously accounted for deferred tax on leases by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of SFRS(I)1-12. There was also no impact on the opening retained earnings as at 1 January 2022 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised (see note 18).

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

2 BASIS OF PREPARATION (CONTINUED)

2.5 New accounting standards and amendments (continued)

- Global minimum top-up tax

  The Amendments to SFRS(I)1-12: International Tax Reform – Pillar Two Model Rules provide a temporary mandatory exception from deferred tax accounting for the top-up tax that may arise from the jurisdictional adoption of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"), and require new disclosures about the Pillar Two tax exposure.

  The mandatory exception is effective immediately and applies retrospectively. However, because no new legislation to implement the top-up tax was enacted or substantively enacted as at 31 December 2022 in any jurisdiction in which the Group operates and no related deferred tax was recognised at that date, the retrospective application has no impact on the Group's consolidated financial statements.

- Material accounting policy information

  The Group adopted Amendments to SFRS(I)1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

  The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclose the accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

  Management has reviewed the accounting policies disclosed in note 3 Material Accounting Policies (2022: Significant Accounting Policies) and determined that no updates are required for the information disclosed in these policies.

3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.5, which addresses changes in accounting policies.

In addition, the Group adopted the Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 *Disclosure of Accounting Policies* from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in note 3.1 in certain instances (see note 2.5 for further information).

The accounting policies have been applied consistently by Group entities.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(i) Business combinations (continued)

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in income statement.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition date at fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in the income statement. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iii) Investments in associate and joint venture (equity-accounted investees)

Associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to substantially all the economic benefits to its assets and obligations for its liabilities. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing the control.

The investments in associate and joint venture are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the income statement and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(v) Written put option or forward purchase agreements with non-controlling interest

When an entity within the Group writes a put option or enters into a forward purchase agreement with the non-controlling shareholders as part of the acquisition of a subsidiary for settlement in cash or in another financial asset, a liability is recognised for the present value of the exercise price of the put option or forward price. This creates an obligation or potential obligation for the entity to purchase its subsidiary's equity instruments (constitutes the Group's own equity in the consolidated financial statements) for cash or another financial asset.

When the non-controlling shareholders still have present access to the returns associated with the underlying ownership interests, the Group has chosen an accounting policy in which the non-controlling shareholders continue to be recognised. Therefore, the present value of the liability is recognised in equity. Subsequent to initial recognition of the financial liability, changes in the carrying amount of the financial liability is recognised within equity (put option) and in the income statement (forward purchase agreement).

If the put option expires unexercised or is cancelled, then the charge to equity will be reversed and the financial liability will be derecognised. If the put option is exercised or when the forward is settled, then the charge to equity will be reversed and the financial liability will be derecognised.

(vi) Subsidiaries, associate and joint venture in the separate financial statements

Investments in subsidiaries, associate and joint venture are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currencies

(i) Foreign currencies transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the income statement, except for the differences arising on the translation of qualifying cash flow hedges to the extent the hedges are effective, which are recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Foreign currencies (continued)

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at the dates of the transactions.

Foreign currency translation differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

3.3 Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, and when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the assets and restoring the site on which they are located, and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate item (major components) of property, plant and equipment.

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the income statement on the date of retirement or disposal.

(ii) Subsequent costs

Subsequent expenditure relating to existing property, plant and equipment is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Property, plant and equipment (continued)

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of the asset, that component is depreciated separately.

Depreciation is recognised as an expense in the income statement on a straight-line basis over the estimated useful lives (or lease term, if shorter) of each part of an item of property, plant and equipment as follows:

Buildings	–	19 years to 57 years
Leasehold improvements	–	Shorter of lease term or 10 years
Network equipment and infrastructure	–	2 years to 15 years
Office equipment, computers and furniture and fittings	–	2 years to 10 years
Motor vehicles	–	5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at the end of each reporting date.

No depreciation is provided on freehold property or in respect of property, plant and equipment under construction.

3.4 Intangible assets

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets.

Goodwill at the acquisition date represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment on an annual basis as described in Note 3.7(ii).

Goodwill that has previously been taken to the reserves is not taken to the income statement when the business is disposed of or the goodwill is impaired. Similarly, negative goodwill that has previously been taken to reserves is not taken to the income statement when the business is disposed.

In respect of associate and joint venture, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associate and joint venture.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Intangible assets (continued)

(ii) Telecommunications and spectrum licences

Telecommunications and spectrum licences costs incurred are measured at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income statement using the straight-line method over the period of the licence, being 10 years to 21 years, commencing from the effective date of the licence.

(iii) Computer software

Computer software comprises software purchased from third parties, and also the cost of internally developed software. Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income statement using the straight-line method over their estimated useful lives of 2 years to 7 years.

Subsequent expenditure on capitalised intangible assets is added to the carrying value only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the income statement as incurred.

Computer software integral to a related item of equipment is accounted for as property, plant and equipment.

(iv) Deferred development costs

Deferred development activities involve a plan or design for the production of new or substantially improved products and processes. Deferred development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in the income statement as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised over 5 to 6 years.

(v) Customer contracts and relationships and brands

Customer contracts and relationships (including subscribers base) and brands are acquired in business combinations and carried at fair value at the date of acquisition, and amortised to the income statement using either the straight-line method over the estimated useful lives of 1 to 15 years, or when there is a high correlation with the revenue and margin to be generated, based on units of production method.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

3.5 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of goods held for resale is determined on the weighted average basis. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. Allowance for obsolescence is made for all deteriorated, damaged, obsolete and slow-moving inventories.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables (including amounts due from related parties), cash and cash equivalents, trade and other payables (including amounts due to related parties), lease liabilities and borrowings.

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost and equity investments at FVOCI.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

The determination of classification at initial recognition and subsequent measurement into each of the measurement categories are as described below.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Non-derivative financial assets (continued)

(a) Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by loss allowances. Interest income, foreign exchange gains and losses and loss allowances are recognised in the income statement. Any gain or loss on derecognition is recognised in the income statement.

(b) Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognised as income in the income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the income statement. On de-recognition, cumulative gains and losses recognised in other comprehensive income are transferred to retained profits.

Non-derivative financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in income statement. Directly attributable transaction costs are recognised in the income statement as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in income statement.

(iii) Derecognition

Financial assets are derecognised when the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of ownership of the asset. On disposal of a financial asset, the difference between the sale proceeds and the carrying amount is recognised in the income statement. Any amount in the fair value reserve relating to that asset is reclassified to the income statement.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (continued)

(iv) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, short-term deposits with financial institutions with maturities of three months or less, and bank overdrafts. For the purpose of presentation in the consolidated cash flow statement, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and that form an integral part of the Group's cash management.

(vi) Derivative financial instruments and hedge accounting

Embedded derivatives

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for an embedded derivative separately from the host contract when:

- the host contract is not an asset in the scope of SFRS(I) 9;
- the host contract is not itself carried at FVTPL;
- the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract; and
- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract

The Group has a sustainability-linked loan that includes feature that changes contractual cash flows based on the Group meeting the specified CDP Climate Change Score. The Group has determined that the variability in cash flows linked to the Group's sustainability performance target is a non-financial variable specific to the party to the contract, and therefore, in accordance with the Group's accounting policy the feature fails the definition of a derivative. Accordingly, the feature is not separated. Instead, it is included in the calculation of the effective interest rate of the loan.

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its risk exposures to foreign exchange rates and electricity prices. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the income statement as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the income statement.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and electricity prices.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the income statement.

The Group designates only the change in fair value of the spot element of forward exchange contracts and energy contract as the hedging instrument in cash flow hedging relationships.

For forward exchange contracts, the Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assess whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are the effect of the counterparty and the Group's own credit risk on the fair value of the forward foreign exchange contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and changes in the timing of the hedged transactions.

For hedged forecast transactions that do not subsequently result in the recognition of a non-financial item, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to income statement in the same period or periods during which the hedged expected future cash flows affect income statement.

(vii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (continued)

(viii) Perpetual capital securities

The Group's perpetual securities do not have a maturity date, and the Company is able to elect to defer making a distribution subject to the terms and conditions of the securities issue. Accordingly, the Company is not considered to have a contractual obligation to make principal repayments or distributions in respect of its perpetual capital securities issue. The perpetual securities are presented within equity. Discretionary dividends thereon are recognised as equity distributions on approval by the Company's shareholders. Costs directly attributable to the issue of the perpetual capital securities are deducted against the proceeds from the issue.

(ix) Intra-group financial guarantee in the separate financial statements

Financial guarantee is financial instrument issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee issued is initially measured at fair value. Subsequently, it is measured at the higher of the loss allowance determined in accordance with SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15.

ECLs are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantee issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

3.7 Impairment

(i) Non-derivative financial assets and contract assets

The Group recognises loss allowances for ECL on financial assets measured at amortised cost, contract assets and intra-group financial guarantee contract ("FGC").

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment (continued)

(i) Non-derivative financial assets and contract assets (continued)

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held) or the financial asset is more than 360 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs in the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates or credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment (continued)

(i) Non-derivative financial assets and contract assets (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Loss allowances for FGC are recognised as financial liability to the extent that they exceed the initial carrying amount of the FGC less the cumulated income recognised.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, contract assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or its CGU is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. For the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level within the Group at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment (continued)

(ii) Non-financial assets (continued)

Impairment losses recognised in the income statement in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of units) and then, to reduce the carrying amount of other assets in the CGU (group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. All reversals of impairment are recognised in the income statement.

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

Goodwill that forms part of the carrying amount of an investment in an associate or joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment is tested for impairment as a single asset when there is objective evidence that the investment may be impaired.

3.8 Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, classified as held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to financial assets, deferred tax assets and employee benefit assets which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Employee benefits

(i) Share-based payment

Performance Share Plans and Restricted Stock Plans

The Performance Share Plans and the Restricted Stock Plans are accounted as equity-settled share-based payments. Equity-settled share-based payments are measured at fair value at the date of grant. The share-based expense is amortised and recognised in the income statement on a straight line basis over the vesting period. At each reporting date, the Company revises its estimates of the number of shares that the participating employees and directors are expected to receive based on non-market vesting conditions. The difference is charged or credited to the income statement, with a corresponding adjustment to equity.

(ii) Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the income statement in the periods during which related service are rendered by employees.

(iii) Other short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(iv) Other long-term benefits

Long-term employee benefit obligations are measured on performance conditions over a period of three years. The Group adopts an incentive compensation plan, which is tied to the creation of Economic Value Added ("EVA") for its management personnel executives. An EVA bank is used to hold incentive compensation credited in any year. Typically, one-third of the accumulated EVA-based bonus, comprising the EVA declared in the financial year and the balance of such bonus brought forward from preceding years is paid out in cash each year, with the balance being carried forward to the following year. The balances of the EVA bank in future will be adjusted by the yearly EVA performance of the Group and the payouts made from the EVA bank.

3.10 Revenue recognition

Revenue comprises fees earned from telecommunications services, managed services, system integration and solution projects, broadband access, entertainment, related advertising space and sales of equipment. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligations.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 Revenue recognition (continued)

Revenue is recognised in the income statement as follows:

- Revenue from bundled products and services is recognised either at a point in time or over time based on the SSP allocated to the individual elements of the bundled products at contract inception. Invoices are issued on a monthly basis and are payable within 14 days.

- Revenue from telecommunications, broadband and cable television services and advertising space is recognised over time when such services are rendered. Revenue billed in advance of the rendering of services is deferred and presented in the statement of financial position as contract liability. Invoices for telecommunications, broadband and cable television services are issued on a monthly basis and are payable within 14 days. Invoices for advertising space are issued when services have been performed and are payable within 30 days.

- Revenue from sales of pre-paid phone cards for which services have not been rendered is deferred and presented in the statement of financial position as contract liability. Revenue is recognised over time upon usage of the pre-paid phone cards and upon expiry, any unutilised value of the cards is taken to the income statement. Payment is due when the cards are delivered to customers.

- Revenue from sales of equipment is recognised at a point in time when control of the equipment has been transferred, being at the point of delivery and acceptance of the equipment sold. Delivery occurs when the goods have been shipped to the customer's specified location. When the customer initially purchases the goods online, the transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customer. Payment is due when the equipment is delivered to customers.

- Revenue from managed services, system integration and solution projects are recognised based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, multiplied by the total estimated contract revenue. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under SFRS(I) 15. The Group becomes entitled to invoice customers based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer is sent a relevant statement of work and an invoice for the related milestone payment which is due within 14 to 30 days. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date, then the Group recognises a contract liability for the difference. This is not considered to be a significant financing component in construction contracts with customers as the period between the recognition of revenue and the milestone payment is always less than one year.

Any difference between the revenue recognised in relation to the satisfied performance obligation and the amount of consideration received or receivable is presented either as contract asset or contract liability. Contract asset represents the Group's right to consideration, excluding any amount presented as trade receivable, in exchange for the goods or services transferred to customers. Contract liability, on the other hand represents the Group's obligation to transfer goods and services to a customer for which the Group has received consideration from the customer.

Variable consideration

Certain contracts with customers include variable considerations like right of return, trade discounts or rebates. Currently, the Group recognises revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowance, trade discounts and certain rebates. Under SFRS(I) 15, such provisions will be estimated at contract inception and at every reporting period, adjusted against revenue.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 Revenue recognition (continued)

Material right

Under SFRS(I) 15, options to acquire additional goods or services represent separate performance obligations if they provide the customer a material right that the customer would not otherwise receive. In these cases, revenue from the contract is deferred and recognised when future goods and services are transferred or when the option expires. The transaction price is allocated to performance obligations (including the option) based on relative SSP.

Contract modification

Changes in scope or price (or both) of a contract that is approved by parties to the contract are contract modifications. SFRS(I) 15 prescribes the treatments of contract modifications depending on the attributes of the modification and the remaining goods and/or services.

Contract cost

SFRS(I) 15 requires the incremental costs of obtaining or fulfilling a contract to be recognised as an asset if the entity expects to recover those costs. Those incremental costs are limited to the costs that the entity would not have incurred if the contract had not been successfully obtained. The Group has applied the practical expedient, where the incremental costs of obtaining a contract is expensed if the associated amortisation period is 12 months or less.

3.11 Finance income and costs

Finance income comprises interest income, which is recognised using the effective interest method.

Finance costs comprise interest expense and similar charges. They are recognised in the income statement using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to prepare for its intended use or sale.

3.12 Government grants

Government grants received, which are designated for the purchase of property, plant and equipment, are accreted to the income statement on a straight-line basis over the estimated useful lives of the related assets, so as to match the related depreciation expense.

Government grants received, which are designated for operating expenditure, are recognised on a systematic basis in the income statement over the periods necessary to match the related cost which they are intended to compensate.

Other government grants are recognised in the income statement when there is reasonable assurance that the Group has complied with the attached conditions and the amount will be received.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group capitalises only the consideration attributable to lease components.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments; and
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the Group changes its assessment of whether it will exercise an extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.14 Income taxes

Income taxes comprise current tax and deferred tax. Income taxes are recognised in the income statement except to the extent that it relates to items recognised directly in equity, or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS (I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences at the balance sheet date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss;
- temporary differences relating to investments in subsidiaries and associate to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences on the initial recognition of goodwill

Deferred tax is provided based on the expected realisation or settlement of the temporary differences, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Global minimum top-up tax

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of SFRS(I) 1-12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

3.15 Dividends

Interim dividends to the Company's shareholders are recognised in the financial year in which they are declared payable. Final dividends to the Company's shareholders are recognised in the financial year in which the dividends are approved by the shareholders.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.16 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other component. Segment information is presented based on the information reviewed by chief operating decision maker ("CODM") for performance assessment and resource allocation.

3.17 New accounting standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

(i) Amendments to SFRS(I) 1: *Classification of Liabilities as Current or Non- Current and Non-current Liabilities with Covenants*

The amendments as issued in 2020 and 2022, aim to clarify the requirements on determining whether a liability is current or non-current, and require new disclosures for non-current liabilities that are subject to future covenants. The amendments apply for annual reporting periods beginning on or after 1 January 2024.

As disclosed in note 16, the Group has secured bank loans that are subject to specific covenants. While the liabilities are classified as non-current at 31 December 2023, a future breach of the related covenants may require the Group to repay the liabilities earlier than the contractual maturity dates. The Group is in the process of assessing the potential impact of the amendments on the classification of these liabilities and the related disclosures.

(ii) Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements*

The amendments introduce new disclosures relating to supplier finance arrangements that assist users of financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk. The amendments apply for annual periods beginning on or after 1 January 2024.

As disclosed in note 15, the Group participates in supply chain financing arrangement for which the new disclosures will apply. The Group is in the process of assessing the impact of the amendments, particularly with respect to the collation of additional information needed to meet the new disclosure requirements.

(iii) Other accounting standards

The following amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position:

- Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*
- Amendments to SFRS(I) 1-21: *Lack of Exchangeability*

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

4 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold property $m	Buildings $m	Leasehold improvements $m	Network equipment and infrastructure $m	Office equipment, computers and furniture and fittings $m	Motor vehicles $m	Construction in progress $m	Total $m
Cost								
At 1 January 2022	1.7	45.9	40.6	2,576.5	212.2	5.1	142.7	3,024.7
Additions	–	–	1.0	7.0	26.4	–	93.2	127.6
Acquisition through business combination	–	–	0.1	6.8	0.9	–	–	7.8
Transfers	–	–	0.5	64.8	–	–	(65.3)	–
Disposals/Write-offs	–	–	(1.0)	(147.3)	(35.2)	(0.3)	(0.2)	(184.0)
At 31 December 2022	1.7	45.9	41.2	2,507.8	204.3	4.8	170.4	2,976.1
At 1 January 2023	**1.7**	**45.9**	**41.2**	**2,507.8**	**204.3**	**4.8**	**170.4**	**2,976.1**
Additions	**–**	**–**	**1.6**	**7.2**	**43.9**	**0.1**	**67.6**	**120.4**
Transfers	**–**	**–**	**0.7**	**43.4**	**0.3**	**–**	**(44.4)**	**–**
Reclassification to assets held for sale (Note 19)	**–**	**(4.2)**	**(0.4)**	**(0.1)**	**(1.9)**	**–**	**(0.2)**	**(6.8)**
Disposals/Write-offs	**–**	**–**	**(0.8)**	**(42.2)**	**(8.9)**	**(0.1)**	**–**	**(52.0)**
Translation	**–**	**–**	**(0.4)**	**–**	**(1.5)**	**–**	**–**	**(1.9)**
At 31 December 2023	**1.7**	**41.7**	**41.9**	**2,516.1**	**236.2**	**4.8**	**193.4**	**3,035.8**
Accumulated depreciation and impairment losses								
At 1 January 2022	–	7.6	30.8	2,093.8	194.0	3.8	–	2,330.0
Charge for the year	–	1.3	3.0	143.1	10.3	0.6	–	158.3
Impairment loss	–	–	–	25.0	–	–	13.5	38.5
Disposals/Write-offs	–	–	(1.0)	(147.0)	(33.9)	(0.2)	–	(182.1)
At 31 December 2022	–	8.9	32.8	2,114.9	170.4	4.2	13.5	2,344.7
At 1 January 2023	**–**	**8.9**	**32.8**	**2,114.9**	**170.4**	**4.2**	**13.5**	**2,344.7**
Charge for the year	**–**	**1.3**	**2.9**	**111.1**	**21.5**	**0.4**	**–**	**137.2**
Reclassification to assets held for sale (Note 19)	**–**	**(0.5)**	**–**	**(0.1)**	**(0.7)**	**–**	**–**	**(1.3)**
Disposals/Write-offs	**–**	**–**	**(0.8)**	**(42.1)**	**(9.7)**	**(0.1)**	**–**	**(52.7)**
At 31 December 2023	**–**	**9.7**	**34.9**	**2,183.8**	**181.5**	**4.5**	**13.5**	**2,427.9**
Carrying amount								
At 1 January 2022	1.7	38.3	9.8	482.7	18.2	1.3	142.7	694.7
At 31 December 2022	1.7	37.0	8.4	392.9	33.9	0.6	156.9	631.4
At 31 December 2023	**1.7**	**32.0**	**7.0**	**332.3**	**54.7**	**0.3**	**179.9**	**607.9**

Staff costs capitalised in construction in progress for the Group during the year amounted to $2.5 million (2022: $0.4 million).

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment loss

For the year ended 31 December 2022, the shut down of certain legacy network equipment and infrastructure as part of the ongoing DARE+ technology evolution to focus on the rollout of 5G Standalone network, resulted in the Group recognising impairment loss of $38.5 million to reduce the carrying amounts of those affected assets to their net realisable values. The impairment was recorded as a non-operating expense in the income statement (Note 28).

Company	Buildings $m	Leasehold improvements $m	Network equipment and infrastructure $m	Office equipment, computers and furniture and fittings $m	Motor vehicles $m	Construction in progress $m	Total $m
Cost							
At 1 January 2022	41.7	30.6	1,245.6	140.5	2.3	25.7	1,486.4
Additions	–	–	–	4.4	–	45.9	50.3
Transfers	–	0.5	29.2	–	–	(29.7)	–
Disposals/Write-offs	–	(0.9)	(63.0)	(20.5)	(0.3)	–	(84.7)
At 31 December 2022	41.7	30.2	1,211.8	124.4	2.0	41.9	1,452.0
At 1 January 2023	**41.7**	**30.2**	**1,211.8**	**124.4**	**2.0**	**41.9**	**1,452.0**
Additions	**–**	**–**	**–**	**34.2**	**–**	**17.9**	**52.1**
Transfers	**–**	**0.2**	**22.1**	**–**	**–**	**(22.3)**	**–**
Disposals/Write-offs	**–**	**–**	**(29.7)**	**(1.5)**	**(0.1)**	**–**	**(31.3)**
At 31 December 2023	**41.7**	**30.4**	**1,204.2**	**157.1**	**1.9**	**37.5**	**1,472.8**
Accumulated depreciation and impairment losses							
At 1 January 2022	7.3	28.6	945.7	137.5	1.5	–	1,120.6
Charge for the year	1.2	1.1	62.9	5.0	0.4	–	70.6
Transfers	–	–	7.9	(7.9)	–	–	–
Disposals/Write-offs	–	(0.9)	(62.9)	(20.5)	(0.3)	–	(84.6)
At 31 December 2022	8.5	28.8	953.6	114.1	1.6	–	1,106.6
At 1 January 2023	**8.5**	**28.8**	**953.6**	**114.1**	**1.6**	**–**	**1,106.6**
Charge for the year	**1.2**	**1.0**	**58.8**	**10.6**	**0.3**	**–**	**71.9**
Disposals/Write-offs	**–**	**–**	**(29.7)**	**(1.5)**	**(0.1)**	**–**	**(31.3)**
At 31 December 2023	**9.7**	**29.8**	**982.7**	**123.2**	**1.8**	**–**	**1,147.2**
Carrying amount							
At 1 January 2022	34.4	2.0	299.9	3.0	0.8	25.7	365.8
At 31 December 2022	33.2	1.4	258.2	10.3	0.4	41.9	345.4
At 31 December 2023	**32.0**	**0.6**	**221.5**	**33.9**	**0.1**	**37.5**	**325.6**

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

5 INTANGIBLE ASSETS

Group	Telecommunications and spectrum licences $m	Computer software, deferred development and development expenditure $m	Software in development $m	Goodwill $m	Brands and customer contracts and relationships $m	Total $m
Cost						
At 1 January 2022	332.9	500.3	37.0	405.2	59.9	1,335.3
Additions	–	1.0	32.9	–	–	33.9
Acquisition through business combination	–	0.3	–	98.5	63.5	162.3
Transfers	–	52.6	(52.6)	–	–	–
Disposals/Write-offs	–	(4.2)	–	–	–	(4.2)
Translation	–	(0.7)	–	(3.6)	(1.1)	(5.4)
At 31 December 2022	332.9	549.3	17.3	500.1	122.3	1,521.9
At 1 January 2023	**332.9**	**549.3**	**17.3**	**500.1**	**122.3**	**1,521.9**
Additions	**–**	**–**	**48.0**	**–**	**–**	**48.0**
Transfers	**–**	**19.8**	**(19.8)**	**–**	**–**	**–**
Disposals/Write-offs	**–**	**(0.5)**	**–**	**–**	**–**	**(0.5)**
Reclassification to assets held for sale (Note 19)	**–**	**(3.9)**	**–**	**(25.8)**	**(33.4)**	**(63.1)**
Translation	**–**	**(1.0)**	**–**	**(3.6)**	**(1.1)**	**(5.7)**
At 31 December 2023	**332.9**	**563.7**	**45.5**	**470.7**	**87.8**	**1,500.6**
Accumulated amortisation and impairment losses						
At 1 January 2022	183.3	409.5	–	–	30.5	623.3
Charge for the year	14.9	45.3	–	–	11.5	71.7
Impairment loss	–	6.2	–	15.2	0.2	21.6
Disposals/Write-offs	–	(4.1)	–	–	–	(4.1)
Translation	–	0.3	–	–	(0.3)	–
At 31 December 2022	198.2	457.2	–	15.2	41.9	712.5
At 1 January 2023	**198.2**	**457.2**	**–**	**15.2**	**41.9**	**712.5**
Charge for the year	**14.9**	**39.4**	**–**	**–**	**14.7**	**69.0**
Impairment loss	**–**	**–**	**–**	**16.6**	**–**	**16.6**
Reclassification to assets held for sale (Note 19)	**–**	**(2.3)**	**–**	**(16.6)**	**(30.9)**	**(49.8)**
Disposals/Write-offs	**–**	**(0.5)**	**–**	**–**	**–**	**(0.5)**
Translation	**–**	**(0.7)**	**–**	**(0.8)**	**(0.6)**	**(2.1)**
At 31 December 2023	**213.1**	**493.1**	**–**	**14.4**	**25.1**	**745.7**
Carrying amount						
At 1 January 2022	149.6	90.8	37.0	405.2	29.4	712.0
At 31 December 2022	134.7	92.1	17.3	484.9	80.4	809.4
At 31 December 2023	**119.8**	**70.6**	**45.5**	**456.3**	**62.7**	**754.9**

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

5 INTANGIBLE ASSETS (CONTINUED)

Impairment loss

(i) Impairment loss on other intangible assets, other than goodwill

In the prior year, an impairment loss of $6.4 million was recognised following the discontinuation of one business line in a subsidiary group of companies. This will allow the subsidiary group to focus on growing other core businesses and develop other capabilities to generate right returns and growth. The related intangible assets were fully impaired and the impairment loss was recorded as a non-operating expense in the income statement.

(ii) Impairment testing for CGUs containing significant goodwill

For the purposes of impairment testing, goodwill has been allocated to respective CGUs, which represents the lowest level within the Group at which goodwill is monitored. The carrying amount of the Group's goodwill as at 31 December 2023 are attributable to the respective CGUs.

Group	2023 $m	2022 $m
Telco	**220.4**	220.3
Ensign	**100.8**	100.8
DPL	**–**	25.8
Strateq	**36.9**	39.7
MR Broadband	**94.8**	94.8
Others	**3.4**	3.5
	456.3	484.9

- Telco: The Group, through its "Hubbing" strategy, operates and delivers its Mobile, Entertainment, Broadband and Enterprise Business on an operationally integrated network, customer service, sales, marketing and administration support. Accordingly, the Group's integrated entertainment, mobile, broadband and enterprise business operations is considered one CGU ("Telco");

- Ensign: Ensign InfoSecurity Pte. Ltd. ("Ensign") which operates a cyber-security business under the Cybersecurity operating segment;

- DPL: D'Crypt Pte Ltd ("DPL") which designs and develops high security assurance products and is a separate CGU under the cybersecurity operating segment. In December 2023, one of the subsidiaries of the Company entered into a conditional sale and purchase agreement to sell its entire investment in DPL. Accordingly, DPL is presented as held for sale at year end (See note 19);

- Strateq: Strateq Sdn Bhd ("Strateq"), undertakes Regional Information Communication Technology ("Regional ICT") projects; and

- MR Broadband: MyRepublic Broadband ("MR Broadband") is an internet access provider.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

5 INTANGIBLE ASSETS (CONTINUED)

Impairment loss (continued)

(ii) Impairment testing for CGUs containing significant goodwill (continued)

The recoverable amounts of the CGUs are determined based on value-in-use calculations. The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management.

Key assumptions used in the estimation of recoverable amount are as follows:

- The cash flow projections ranging from 3 to 5 years are based on management's assessment of future trends, taking into account actual past operating results. Where cash flow projections greater than 5 years are used, they reflect the long-term future performance of the CGU as it reaches a steady state of operations.
- Growth rates and EBITDA margins take into consideration competitive pressures in the industry and effects of uncertainties in the macroeconomic environment.
- The discount rates applied to the cash flow projections are based on Weighted Average Cost of Capital ("WACC") calculated using the Capital Asset Pricing Model ("CAPM").
- The terminal growth rates used in deriving the recoverable amounts reflect management's estimate of the long-term future performance of each CGU as it reaches a steady state of operations, and do not exceed the long term average growth rates of the respective industry and country in which the entity operates and are consistent with forecasts included in industry reports.

	Pre-tax discount rate		Terminal growth rates	
	2023	2022	2023	2022
Telco	**6.4%**	6.4%	**0%**	0%
Ensign	**9.0%**	9.0%	**2.5%**	2.5%
DPL	**–**	10.4%	**–**	2.5%
Strateq	**14.4%**	16.4%	**0%**	0%
MR Broadband	**12.1%**	10.2%	**0%**	0%

As at 31 December 2023, no impairment charge was required for the carrying amounts of goodwill as the recoverable amounts of each of the CGUs were in excess of their carrying amounts.

In 2022, one business line in a subsidiary group of companies within Strateq CGU was discontinued to focus on growing other core businesses and develop other capabilities to generate the right returns and growth. The carrying amount of the Strateq CGU was determined to be lower than its recoverable amount and an impairment loss of $15.2 million was recognised. The impairment loss was fully allocated to goodwill and included in "non-operating expense" in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

5 INTANGIBLE ASSETS (CONTINUED)

Company	Telecommunications licences $m	Computer software $m	Software in development $m	Total $m
Cost				
At 1 January 2022	0.3	390.2	9.8	400.3
Additions	–	–	28.8	28.8
Transfers	–	22.8	(22.8)	–
Write-offs	–	(2.4)	–	(2.4)
At 31 December 2022	0.3	410.6	15.8	426.7
At 1 January 2023	**0.3**	**410.6**	**15.8**	**426.7**
Additions	**–**	**–**	**45.8**	**45.8**
Transfers	**–**	**18.3**	**(18.3)**	**–**
At 31 December 2023	**0.3**	**428.9**	**43.3**	**472.5**
Accumulated amortisation				
At 1 January 2022	0.2	330.3	–	330.5
Charge for the year	–	29.1	–	29.1
Write-offs	–	(2.4)	–	(2.4)
At 31 December 2022	0.2	357.0	–	357.2
At 1 January 2023	**0.2**	**357.0**	**–**	**357.2**
Charge for the year	**–**	**26.9**	**–**	**26.9**
At 31 December 2023	**0.2**	**383.9**	**–**	**384.1**
Carrying amounts				
At 1 January 2022	0.1	59.9	9.8	69.8
At 31 December 2022	0.1	53.6	15.8	69.5
At 31 December 2023	**0.1**	**45.0**	**43.3**	**88.4**

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

6 RIGHT-OF-USE ASSETS

Leases as lessee

The Group leases land and buildings, base transceiver stations and other network equipment, computers and infrastructure. The leases typically run for a period of up to 19 years, with an option to renew the lease after that date. Lease payments are renegotiated at the end of the lease term to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

Information about leases for which the Group and Company is a lessee is presented below.

Group	Land and buildings $m	Base transceiver stations $m	Network equipment, computers and infrastructure $m	Total $m
Cost				
At 1 January 2022	191.2	26.6	4.9	222.7
Additions and modifications to right-of-use assets	11.6	2.0	4.9	18.5
Acquisition through business combinations	2.1	–	5.9	8.0
Terminations	(7.6)	(0.3)	–	(7.9)
Translation	(1.0)	–	(0.1)	(1.1)
At 31 December 2022	196.3	28.3	15.6	240.2
Additions and modifications to right-of-use assets	24.4	1.1	1.8	27.3
Reclassification to assets held for sale (see Note 19)	(4.8)	–	–	(4.8)
Asset retirement obligation	0.3	–	–	0.3
Terminations	(2.4)	–	(4.4)	(6.8)
Translation	(1.0)	–	(0.4)	(1.4)
At 31 December 2023	**212.8**	**29.4**	**12.6**	**254.8**
Accumulated depreciation				
At 1 January 2022	77.2	20.9	3.1	101.2
Depreciation	28.6	2.5	5.4	36.5
Terminations	(5.2)	(0.2)	–	(5.4)
Translation	(0.2)	–	–	(0.2)
At 31 December 2022	100.4	23.2	8.5	132.1
Depreciation	29.1	2.4	3.4	34.9
Reclassification to assets held for sale (see Note 19)	(1.7)	–	–	(1.7)
Terminations	(1.2)	–	(4.4)	(5.6)
Translation	(0.2)	–	(0.1)	(0.3)
At 31 December 2023	**126.4**	**25.6**	**7.4**	**159.4**
Carrying amounts				
At 31 December 2022	95.9	5.1	7.1	108.1
At 31 December 2023	**86.4**	**3.8**	**5.2**	**95.4**

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

6 RIGHT-OF-USE ASSETS (CONTINUED)

Leases as lessee (continued)

Company	Land and buildings $m	Other network equipment and infrastructure $m	Total $m
Cost			
At 1 January 2022	141.5	2.3	143.8
Additions and modifications to right-of-use assets	9.2	–	9.2
Terminations	(3.1)	–	(3.1)
At 31 December 2022	**147.6**	**2.3**	**149.9**
Additions and modifications to right-of-use assets	**8.4**	**1.1**	**9.5**
At 31 December 2023	**156.0**	**3.4**	**159.4**
Accumulated depreciation			
At 1 January 2022	55.5	1.3	56.8
Depreciation	18.1	0.5	18.6
Terminations	(2.8)	–	(2.8)
At 31 December 2022	**70.8**	**1.8**	**72.6**
Depreciation	**17.8**	**0.5**	**18.3**
At 31 December 2023	**88.6**	**2.3**	**90.9**
Carrying amounts			
At 31 December 2022	76.8	0.5	77.3
At 31 December 2023	**67.4**	**1.1**	**68.5**

7 SUBSIDIARIES

	Company	
	2023 $m	2022 $m
Investments in subsidiaries, at cost or deemed cost	**3,351.5**	3,336.8

At 31 December 2023 and 2022, no impairment charge was required for the carrying amounts of the Company's cost of investment in subsidiaries as the recoverable amounts were in excess of their carrying amounts. The recoverable amounts were based on their respective value-in-use.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

7 SUBSIDIARIES (CONTINUED)

Details of subsidiaries

The significant subsidiaries directly held by the Company are as follows:

Name of company	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group 2023 %	2022 %
StarHub Cable Vision Ltd.[1]	Provision of subscription television and television broadcasting services	Singapore	**100**	100
StarHub Mobile Pte Ltd[1]	Provision of mobile telecommunications services	Singapore	**100**	100
StarHub Online Pte Ltd[1]	Provision of broadband access services	Singapore	**100**	100
Nucleus Connect Pte. Ltd.[1]	Provision of high speed wholesale broadband services	Singapore	**100**	100
Ensign InfoSecurity Pte. Ltd. ("Ensign")[3]	Provision of computer systems integration activities, other professional, scientific and technical activities	Singapore	**55.73**[6]	55.73[6]
Malaren International Sdn Bhd ("Malaren")[2]	Investment holding	Malaysia	**100**	100
JOS (SG) Pte. Ltd.[1]	Distribution, sales, servicing and rental of computer hardware, software and related equipment	Singapore	**100**[7]	60

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

7 SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)

The significant subsidiaries held by the Company's subsidiary companies are as follows:

Name of company	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group 2023 %	2022 %
Subsidiaries of Ensign				
Ensign InfoSecurity (Cybersecurity) Pte. Ltd. ("EIC")[3]	Investment holding	Singapore	**55.73[6]**	55.73[6]
Ensign InfoSecurity (Systems) Pte. Ltd. ("EIS")[3]	Information security systems integrator	Singapore	**55.73[6]**	55.73[6]
Keele Investments Pte. Ltd. ("Keele")[3]	Investment holding	Singapore	**55.73[6]**	55.73[6]
Subsidiaries of Keele				
D'Crypt Pte Ltd ("DPL")[3]	Development and supply of data security products and components	Singapore	**55.73[6]**	55.73[6]
Subsidiaries of EIC				
Ensign InfoSecurity (Asia Pacific) Pte. Ltd. ("EIS Asia Pacific")[3]	Provision of information security and network security surveillance services	Singapore	**55.73[6]**	55.73[6]
Ensign InfoSecurity (SmartTech) Pte. Ltd.[3]	Sales of information technology security related products	Singapore	**55.73[6]**	55.73[6]
Ensign InfoSecurity (Networks) Pte. Ltd.[3]	Provision of security consultancy services	Singapore	**55.73[6]**	55.73[6]
Subsidiaries of EIS Asia Pacific				
Ensign InfoSecurity (Malaysia) Sdn Bhd[3]	Provision of information security and network security surveillance services	Malaysia	**55.73[6]**	55.73[6]
Ensign InfoSecurity (East Asia) Limited[3]	Provision of information security and network security surveillance services	People's Republic of China	**55.73[6]**	55.73[6]
Ensign InfoSecurity (Singapore) Pte. Ltd.[3]	Provision of information security and network security surveillance services	Singapore	**55.73[6]**	55.73[6]
Vectra Information Security Pte. Ltd.[3]	Provision of security consultancy services	Singapore	**55.73[6]**	55.73[6]

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

7 SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)

Name of company	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group 2023 %	2022 %
Subsidiary of Malaren				
Nettilling Sdn. Bhd. ("Nettilling")[2]	Investment holding	Malaysia	**88.28**	88.28
JOS (Malaysia) Sdn. Bhd.[2]	Marketing and distribution of computer and computer related products and provision of installation and maintenance services	Malaysia	**100.00**[7]	60.00
Subsidiary of Nettilling				
Taman Kenyir Holdings Sdn. Bhd. ("Taman Kenyir")[2]	Investment holding	Malaysia	**43.26**[5]	43.26[5]
Subsidiary of Taman Kenyir				
Strateq Sdn. Bhd.[2]	Implementation of Information Communication Technology projects	Malaysia	**43.26**[5]	43.26[5]
Subsidiaries of Strateq Sdn. Bhd.				
Strateq Systems Sdn. Bhd.[2]	System integration, supply and implementation of hardware and software solutions and provision of maintenance services	Malaysia	**43.26**[5]	43.26[5]
Strateq (Singapore) Pte Ltd[1]	Provision of petrol station retail solutions and fuel logistics management solutions and data centre and business continuity services	Singapore	**43.26**[5]	43.26[5]
Strateq Oil & Gas Sdn Bhd.[2]	Provision of petrol station retail solutions and fuel logistics management solutions	Malaysia	**43.26**[5]	43.26[5]
Strateq Health Sdn Bhd.[2]	Provision of hospital information systems solutions	Malaysia	**43.26**[5]	43.26[5]
Strateq Global Services Sdn. Bhd.[2]	Development and provision of software as a service application	Malaysia	**43.26**[5]	43.26[5]
Strateq Business Solutions Sdn. Bhd.[2]	Provision of business application solutions and related services	Malaysia	**43.26**[5]	43.26[5]

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

7 SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)

Name of company	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group 2023 %	2022 %
Subsidiaries of Strateq Sdn. Bhd. (continued)				
Strateq Sentry Sdn. Bhd.(2)	Provision of architecting ICT solutions and project management services into building complexes and infrastructure related projects	Malaysia	**43.26(5)**	43.26(5)
Strateq Capital Sdn. Bhd.(2)	Investment holding and provision of management services	Malaysia	**43.26(5)**	43.26(5)
Subsidiaries of Strateq Systems Sdn. Bhd.				
Strateq Data Centre Sdn. Bhd.(2)	Provision of data centre and business continuity services	Malaysia	**43.26(5)**	43.26(5)
Strateq Systems (Thailand) Co. Ltd(3)	Provision of petrol station retail solutions and fuel logistics management solutions	Thailand	**43.26(5)**	43.26(5)
Subsidiary of Strateq Capital Sdn. Bhd.				
Strateq Health B.V.(4)	Provision of healthcare information technology products and services globally	Netherlands	**42.54(5)**	42.54(5)
Subsidiary of Strateq Health B.V				
Strateq Health Inc (4)	Provision of healthcare information technology software, research and development services and support services	United States	**42.54(5)**	42.54(5)
Subsidiary of StarHub Online Pte. Ltd.				
MyRepublic Broadband Pte. Ltd. (3)	Provider of broadband internet access	Singapore	**50.10**	50.10

(1) *Audited by KPMG LLP Singapore*
(2) *Audited by member firms of KPMG International*
(3) *Audited by another firm*
(4) *Not required to be audited by laws of the country of incorporation*
(5) *Although the Group owns less than half of the voting rights, the Group controls these companies as it has the power to appoint the majority of the board of directors and is able to exercise control over their financial and operating policies.*
(6) *The Group controls these companies as 20% of the rights, benefits and interests in Ensign have been assigned to the Company by the non-controlling interest shareholder at the date of acquisition.*
(7) *In 2023, the Group's equity interest increased from 60 to 100 percent. The carrying amount of both JOS (SG) Pte. Ltd. and JOS (Malaysia) Sdn. Bhd.'s net assets in the Group's consolidated financial statements on the date of acquisition was $10.4 million. The carrying amount of non-controlling interest acquired was $5.9 million and consideration paid to non-controlling interest is $12.0 million.*

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

8 ASSOCIATE AND JOINT VENTURE

	Group		Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Interests in associate				
Unquoted equity investments	**27.8**	27.8	**27.8**	27.8
Share of post-acquisition reserves	**1.0**	0.9	**–**	–
	28.8	28.7	**27.8**	27.8
Interests in joint venture				
Unquoted equity investments	**10.5**	9.5	**–**	–
Share of post-acquisition reserves	**7.7**	5.1	**–**	–
	18.2	14.6	**–**	–

Associate

Details of the associate are as follows:

Name of company	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group 2023 %	2022 %
Shine Systems Assets Pte. Ltd.[1]	Investment in, ownership or lease of infrastructure assets and provision of data centre services	Singapore	**30.00**	30.00

[1] *Audited by KPMG LLP Singapore*

The following summarises the financial information of the associate, based on its financial statements prepared in accordance with SFRS(I), amended for fair value adjustments on acquisition:

	2023 $m	2022 $m
Revenue	**59.0**	57.6
Profit from continuing operations	**3.2**	2.1
Other comprehensive (loss)/income	**(2.8)**	6.0
Total comprehensive income	**0.4**	8.1
Non-current assets	**281.3**	266.7
Current assets	**56.5**	51.1
Non-current liabilities	**(209.4)**	(202.9)
Current liabilities	**(32.4)**	(19.1)
Net assets	**96.0**	95.8
Group's interest in net assets of associate at beginning of the year	**28.7**	26.3
Group's share of:		
– Profit from continuing operations	**1.0**	0.6
– Other comprehensive (loss)/income	**(0.9)**	1.8
Total comprehensive income	**0.1**	2.4
Carrying amount of interest in associate at end of the year	**28.8**	28.7

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

8 ASSOCIATE AND JOINT VENTURE (CONTINUED)

Joint Venture

StarHub Mobile Pte Ltd (a wholly-owned subsidiary of the Company), and M1 Limited, jointly incorporated a joint venture company, Antina Pte. Ltd., to develop, deploy and operate a 5G mobile network in Singapore.

Details of the joint venture are as follows:

Name of company	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group 2023 %	2022 %
Antina Pte. Ltd.[1]	Provision of mobile telecommunication services	Singapore	**50.00**	50.00

[1] *Audited by another firm*

The following summarises the financial information of the joint venture, based on its financial statements prepared in accordance with SFRS(I):

	2023 $m	2022 $m
Revenue	**77.7**	67.0
Profit from continuing operations/Total comprehensive income	**5.2**	7.0
Non-current assets	**120.8**	54.0
Current assets	**30.3**	22.4
Non-current liabilities	**(2.3)**	(2.5)
Current liabilities	**(112.4)**	(44.7)
Net assets	**36.4**	29.2
Group's interest in net assets of joint venture at beginning of the year	**14.6**	10.1
Share of total comprehensive income	**2.6**	3.5
Additional equity investment	**1.0**	1.0
Carrying amount of interest in joint venture at end of the year	**18.2**	14.6

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

9 BALANCES WITH RELATED PARTIES

The immediate and ultimate holding companies are Asia Mobile Holdings Pte. Ltd. and Temasek Holdings (Private) Limited, respectively. These companies are incorporated in the Republic of Singapore.

9.1 Amounts due from related parties

	Group		Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Current				
Amounts due from (trade):				
– Subsidiaries	**–**	–	**1,146.9**	937.3
– Related corporations	**19.2**	17.8	**6.4**	11.0
	19.2	17.8	**1,153.3**	948.3
Less: Loss allowance	**–**	–	**(962.4)**	(787.3)
	19.2	17.8	**190.9**	161.0

Included in current amounts due from subsidiaries are amounts of $892.6 million (2022: $716.2 million) from certain subsidiaries which are unsecured, bear interest of 7.75% (2022: 7.75%) per annum and are repayable on demand.

All other amounts are unsecured, interest-free and trade in nature.

Movements in loss allowance during the year are as follows:

	Company	
	2023 $m	2022 $m
At 1 January	**787.3**	590.2
Loss allowances recognised	**175.1**	197.1
At 31 December	**962.4**	787.3

During the year, the Company impaired additional balances owing by certain subsidiaries amounting to $175.1 million (2022: $197.1 million). Other than the above, there is no loss allowance arising from the remaining outstanding balances with subsidiaries and related corporations as the ECL is not material.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

9 BALANCES WITH RELATED PARTIES (CONTINUED)

9.2 Amounts due to related parties

	Group		Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Current				
Amounts due to:				
– Subsidiaries	–	–	**629.3**	377.6
– Associate	**1.0**	3.0	**1.0**	3.0
– Joint venture	**11.9**	10.3	**–**	–
– Related corporations	**21.5**	29.0	**9.9**	13.9
	34.4	42.3	**640.2**	394.5

Amounts due to subsidiaries included $227.2 million (2022: $183.9 million) placed by a subsidiary with the Company under a cash pooling arrangement (see Note 14).

All other balances with related parties are unsecured and interest-free and trade in nature.

9.3

The Company's balances with subsidiaries included amounts netted under agreed master netting arrangements. The amounts, after impairment, before netting are as follows:

Company	Gross amounts $m	Gross amounts offset $m	Net amounts $m
2023			
Current			
Amounts due from subsidiaries	**514.2**	**(329.7)**	**184.5**
Amounts due to subsidiaries	**959.0**	**(329.7)**	**629.3**
2022			
Current			
Amounts due from subsidiaries	542.1	(392.1)	150.0
Amounts due to subsidiaries	769.7	(392.1)	377.6

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

10 CONTRACT BALANCES

The following section provides information about contract assets, contract liabilities and contract cost from contracts with customers.

10.1 Contract assets

	Group		Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Contract assets	**361.8**	385.0	**18.2**	20.4
Loss allowance	**(5.4)**	(4.8)	**–**	–
	356.4	380.2	**18.2**	20.4
Analysed as:				
Third parties	**339.4**	374.6	**17.9**	19.3
Related parties	**17.0**	5.6	**0.3**	1.1
	356.4	380.2	**18.2**	20.4
Current	**290.0**	340.3	**18.1**	18.1
Non-current	**66.4**	39.9	**0.1**	2.3
	356.4	380.2	**18.2**	20.4

The contract assets primarily relate to the Group's rights to consideration for goods and services provided but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices its customers.

Movements in the contract asset balances during the year are as follows:

	Group		Company	
	2023 $m	2022 $m	2023 $m	2022 $m
At 1 January	**385.0**	362.3	**20.4**	23.1
Prior year contract assets reclassified to trade receivables	**(233.5)**	(284.4)	**(9.7)**	(12.4)
Contract assets recognised, net of reclassification to trade receivables	**241.7**	296.6	**8.1**	10.8
Acquisition through business combinations	**–**	12.1	**–**	–
Contract assets written off	**(12.3)**	(1.6)	**(0.6)**	(1.1)
Reclassified to assets held for sale (Note 19)	**(19.1)**	–	**–**	–
	361.8	385.0	**18.2**	20.4
Less: Loss allowance	**(5.4)**	(4.8)	**–**	–
At 31 December	**356.4**	380.2	**18.2**	20.4

The Group uses an allowance matrix to measure the ECL of contract assets. In determining the ECL, the Group has taken into account the historical termination write-off experience of the corporate and consumer customer bases, adjusted for factors based on the Group's view of economic conditions over the remaining lifetime of future performance obligations.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

10 CONTRACT BALANCES (CONTINUED)

10.1 Contract assets (continued)

The following table details the risk profile of contract assets based on the Group's provision matrix.

	Group					
	2023			2022		
	Weighted average loss rate	Gross carrying amount $m	Loss allowance $m	Weighted average loss rate	Gross carrying amount $m	Loss allowance $m
Current	**1.5%**	**361.8**	**5.4**	1.3%	385.0	4.8

Movements in loss allowance (lifetime ECL) during the year are as follows:

	Group		Company	
	2023 $m	2022 $m	2023 $m	2022 $m
At 1 January	**4.8**	6.1	**–**	–
Loss allowances recognised	**8.0**	9.0	**–**	–
Allowance utilised	**(7.4)**	(10.3)	**–**	–
At 31 December	**5.4**	4.8	**–**	–

Based on the Company's credit assessment, management believes that credit exposure is low and the expected credit loss is negligible.

10.2 Contract liabilities

Contract liabilities primarily relate to amounts billed in advance for telecommunications, broadband and entertainment services, advance consideration received from customers for prepaid mobile services and excess of progress payments over the revenue recognised for managed services.

	Group		Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Managed services contracts	**33.7**	39.3	**15.5**	13.8
Amounts billed in advance for telecommunications, broadband and entertainment services	**94.0**	87.5	**63.5**	57.2
Amounts received in advance for prepaid mobile services	**4.6**	6.5	**–**	–
	132.3	133.3	**79.0**	71.0
Analysed as:				
Third parties	**121.3**	123.9	**71.6**	62.5
Related parties	**11.0**	9.4	**7.4**	8.5
	132.3	133.3	**79.0**	71.0
Current	**85.4**	91.1	**32.1**	28.8
Non-current	**46.9**	42.2	**46.9**	42.2
	132.3	133.3	**79.0**	71.0

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

10 CONTRACT BALANCES (CONTINUED)

10.2 Contract liabilities (continued)

Movements in the contract liabilities balances during the year are as follows:

	Group		Company	
	2023 $m	2022 $m	2023 $m	2022 $m
At 1 January	**133.3**	101.7	**71.0**	58.5
Revenue recognised that was included in the contract liability balance at the beginning of the year	**(76.7)**	(61.0)	**(19.3)**	(11.5)
Cash received, excluding amounts recognised as revenue during the year	**3.1**	9.2	**1.6**	1.3
Billings in advance, excluding amounts recognised as revenue during the year	**88.7**	76.0	**25.7**	22.7
Acquisition through business combinations	**–**	7.4	**–**	–
Reclassified to liabilities directly associated with the assets held for sale (Note 19)	**(16.1)**	–	**–**	–
At 31 December	**132.3**	133.3	**79.0**	71.0

10.3 Contract costs

	Group		Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Costs to obtain contracts	**7.4**	7.5	**1.6**	1.3
Costs to fulfil contracts	**9.5**	15.7	**–**	–
	16.9	23.2	**1.6**	1.3
Current	**12.3**	20.2	**1.2**	0.9
Non-current	**4.6**	3.0	**0.4**	0.4
	16.9	23.2	**1.6**	1.3

Costs to obtain contracts relate to commission fees paid to dealers as a result of obtaining mobile, entertainment and broadband service contracts. Costs to fulfil contracts relate to costs of materials which generate or enhance resources that will be used in satisfying future performance obligations.

These costs are amortised consistently with the pattern of revenue for related contracts. In 2023, amortisation amounting to $16.9 million and $178.9 million (2022: $16.7 million and $130.4 million) were recognised as customer acquisition costs and cost of services in the income statement, respectively. There was no loss allowance in relation to the costs capitalised.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

11 INVENTORIES

	Group 2023 $m	Group 2022 $m	Company 2023 $m	Company 2022 $m
Equipment held for resale	**41.3**	37.6	**0.4**	–
Maintenance and project inventories	**5.6**	28.9	**4.4**	5.1
Inventories, net of allowance	**46.9**	66.5	**4.8**	5.1
Allowance made/(written back) during the year, net	**0.8**	(1.2)	**0.3**	(0.2)

12 TRADE RECEIVABLES

	Group 2023 $m	Group 2022 $m	Company 2023 $m	Company 2022 $m
Trade receivables	**332.6**	288.2	**236.7**	201.2
Loss allowances	**(54.3)**	(45.4)	**(50.4)**	(41.5)
	278.3	242.8	**186.3**	159.7

The trade receivables of the Company include amounts billed under a combined billing arrangement to customers for services provided by certain subsidiaries.

The Group uses an allowance matrix to measure the ECL of trade receivables. In the assessment of ECL, the Group applies the simplified approach to estimate the loss allowance based on aging buckets of the trade receivables, adjusted for certain external indices to different groups between consumer and corporate customers, where applicable.

The following table details the risk profile of trade receivables from contracts with customers based on the Group's allowance matrix.

	2023 Weighted average loss rate	2023 Gross carrying amount $m	2023 Loss allowance $m	2022 Weighted average loss rate	2022 Gross carrying amount $m	2022 Loss allowance $m	Credit impaired?
Group							
Current	**4.6%**	**124.1**	**5.7**	5.3%	114.5	6.1	No
Past due 1 - 15 days	**8.7%**	**35.5**	**3.1**	6.8%	22.2	1.5	Yes
Past due above 15 days	**26.3%**	**173.0**	**45.5**	25.0%	151.5	37.8	Yes
		332.6	**54.3**		288.2	45.4	
Company							
Current	**7.1%**	**79.0**	**5.6**	8.4%	71.3	6.0	No
Past due 1 - 15 days	**15.2%**	**19.8**	**3.0**	7.5%	18.7	1.4	Yes
Past due above 15 days	**30.3%**	**137.9**	**41.8**	30.7%	111.2	34.1	Yes
		236.7	**50.4**		201.2	41.5	

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

12 TRADE RECEIVABLES (CONTINUED)

Movements in lifetime ECL balances during the year are as follows:

	Group		Company	
	2023 $m	2022 $m	2023 $m	2022 $m
At 1 January	**45.4**	43.5	**41.5**	39.4
Loss allowances recognised	**17.3**	10.6	**8.3**	3.2
Recharged to subsidiaries	**–**	–	**7.6**	7.5
Allowance utilised	**(8.4)**	(8.7)	**(7.0)**	(8.6)
At 31 December	**54.3**	45.4	**50.4**	41.5

13 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Current				
Grant receivables	**8.1**	11.3	**–**	–
Deposits	**7.4**	7.8	**1.3**	1.0
Prepayments	**100.8**	115.6	**31.5**	29.2
Other receivables	**23.2**	23.1	**2.9**	3.0
Forward exchange contracts	**0.1**	–	**0.1**	–
Others	**0.1**	0.3	**–**	–
	139.7	158.1	**35.8**	33.2
Non-current				
Loan receivable	**74.2**	74.2	**5.8**	–
Others	**–**	0.2	**–**	–
	74.2	74.4	**5.8**	–

In 2022, the Group completed the acquisition of 50.1% equity interest in MyRepublic Broadband Pte. Ltd. ("MR Broadband"). In addition to the equity stake, SHOL agreed to extend a $74.2 million loan to MR HoldCo. The loan being interest bearing, secured over certain assets of MR GroupCo for a period of three years, is considered to be of low credit risk.

In 2022, together with another loan that has since been repaid, this loan was net settled and disbursed amounting to $30.8 million, by way of offset against the consideration paid for the acquisition of MR Broadband.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

14 CASH AND CASH EQUIVALENTS

	Note	Group 2023 $m	Group 2022 $m	Company 2023 $m	Company 2022 $m
Fixed deposits		**293.1**	325.2	**288.5**	318.1
Cash at bank and in hand		**209.1**	248.4	**87.3**	87.5
Cash and cash equivalents in the statement of financial position		**502.2**	573.6	**375.8**	405.6
Restricted cash and fixed deposits		**(4.3)**	(4.9)	**–**	–
Bank overdraft	16	**–**	(1.5)	**–**	–
Cash and cash equivalents in the cash flow statement		**497.9**	567.2	**375.8**	405.6

Fixed deposits relate to deposits with financial institutions with maturities of three months or less with effective interest rates ranging from 0.05% to 5.84% (2022: 0.05% to 5.15%) per annum.

At the reporting date, cash and cash equivalents held by the Company included $227.2 million (2022: $183.9 million) cash pooled together from a subsidiary and managed centrally by the Company as part of the Group's cash management and treasury activities.

Impairment on cash and cash equivalents are measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on external credit ratings of counterparties. The amount of allowance on cash and cash equivalents was negligible.

Restricted cash and fixed deposits were set aside for performance bonds with customers.

15 TRADE AND OTHER PAYABLES

	2023 $m	2022 $m	Company 2023 $m	Company 2022 $m
Current				
Trade payables	**167.1**	265.7	**88.5**	162.8
Accruals	**524.4**	490.7	**202.3**	196.9
Other deferred income	**1.0**	1.3	**0.1**	–
Deposits from customers	**14.6**	15.2	**7.3**	8.0
Contingent consideration	**–**	46.2	**–**	–
Forward exchange contracts	**2.0**	4.6	**2.0**	4.4
	709.1	823.7	**300.2**	372.1
Non-current				
Accruals	**35.2**	43.0	**24.2**	26.8
Other deferred income	**1.4**	1.9	**–**	–
Other non-trade payables	**–**	2.7	**–**	–
Energy contract	**0.2**	–	**0.2**	–
Forward liability to acquire non-controlling interests	**13.3**	12.8	**–**	–
	50.1	60.4	**24.4**	26.8

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

15 TRADE AND OTHER PAYABLES (CONTINUED)

At 31 December 2022, included in trade payables were bills payable with a vendor of $62.0 million, which were unsecured, payable within 61-90 days, and bore an extension fee ranging from 4.36% to 4.93% per annum. There was no such balance as at 31 December 2023.

The Group also participates in a supply chain finance programme ("SCF") under which its suppliers may elect to receive early payment of their invoice from a bank by factoring their receivable from the Group. Under the arrangement, a bank agrees to pay amounts to a participating supplier in respect of invoices owed by the Group and receives settlement from the Group at a later date. As at 31 December 2023, trade payables under the SCF programme is $6.4 million (2022: $2.2 million).

The Group does not derecognise the original liabilities to which these arrangements apply. These arrangements do not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating. The Group discloses these amounts within trade payables because the nature and function of the financial liabilities remained the same. The payments to the bank and vendor are included within operating cashflows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating.

16. BORROWINGS

	Note	Group 2023 $m	Group 2022 $m	Company 2023 $m	Company 2022 $m
Current					
Bank loans	16.1	**11.2**	135.1	**–**	120.0
Bank overdraft	14	**–**	1.5	**–**	–
		11.2	136.6	**–**	120.0
Non-current					
Bank loans	16.1	**628.3**	513.8	**554.2**	435.1
Medium term notes	16.2	**499.9**	499.8	**499.9**	499.8
		1,128.2	1,013.6	**1,054.1**	934.9

Reconciliation of movements of borrowings to cash flows arising from financing activities:

	Group 2023 $m	Group 2022 $m
At 1 January	**1,150.2**	1,364.7
Changes from financing cash flows		
Proceeds from borrowings	**19.5**	29.5
Repayment of borrowings	**(22.6)**	(240.1)
Interest paid	**(33.6)**	(38.4)
Total changes from financing cash flows	**(36.7)**	(249.0)
Total liability-related other changes	**31.5**	40.0
Effects of foreign exchange rate	**(5.6)**	(5.5)
At 31 December	**1,139.4**	1,150.2

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

16 BORROWINGS (CONTINUED)

16.1 Bank loans

At 31 December 2023, the fair value of the Group's and Company's bank loans are $628.8 million and $544.2 million (2022: $618.8 million and $526.6 million) respectively.

The Group's bank loans comprise secured bank loans of $11.2 million (2022: $3.9 million) which are secured over fixed deposits and bear interest at rates ranging from 5.27% to 7.40% (2022: 4.07% and 8.40%) per annum. The remaining unsecured bank loans bear interest at rates ranging from 1.30% to 4.66% (2022: 1.30% to 7.14%) per annum.

The Company's bank loans of $554.2 million are unsecured and bear interest at rates ranging from 1.30% to 4.66% (2022: 1.30% to 7.14%) per annum.

At the reporting date, the Company has provided a financial guarantee for a sustainability-linked loan of $74.2 million (2022: $79.1 million) drawn down under a loan facility entered by a subsidiary. The guarantee is accounted for in accordance with SFRS(I) 9 *Financial Instruments*.

16.2 Medium term notes

The Company had established in September 2011 a multicurrency medium term note programme with a maximum aggregate principal amount of $1,000.0 million.

In September 2012, the Company issued a $220.0 million 10-year medium term note which bore interest rate of 3.08% per annum. The amount was repaid in September 2022.

In June 2016, the Company issued a $300.0 million 10-year medium term note which bears interest of 3.55% per annum and is repayable in June 2026.

On 29 May 2017, the Company updated and amended its $1,000.0 million multicurrency medium term note programme to a $2,000.0 million multicurrency debt issuance programme with the inclusion of the mechanism for the issuance of, and the terms and conditions of, perpetual securities. The amendments do not affect the validity of the existing term notes issued by the Company under the original programme.

In January 2021, the Company issued a $200.0 million 10-year medium term note which bears interest of 2.48% per annum and is repayable in January 2031.

As at 31 December 2023, the fair value of the medium term notes are $465.6 million (2022: $461.1 million).

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2023

17 LEASE LIABILITIES

	Group		Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Current	**32.8**	31.8	**16.5**	17.0
Non-current	**71.7**	86.9	**56.8**	65.0
	104.5	118.7	**73.3**	82.0

Reconciliation of movements of lease liabilities to cash flows arising from financing activities:

	Note	Group	
		2023 $m	2022 $m
At 1 January		**118.7**	132.0
Changes from financing cash flows			
Payment of lease liabilities		**(37.2)**	(38.3)
Interest paid		**(4.8)**	(5.1)
Total changes from financing cash flows		**(42.0)**	(43.4)
Other changes			
New leases and modifications		**27.3**	18.5
Interest expense		**4.8**	5.1
Termination of lease		**(1.2)**	(3.1)
Acquisition through business combination	35	**–**	9.6
Reclassified to assets held for sale	19	**(3.1)**	–
Total other changes		**27.8**	30.1
At 31 December		**104.5**	118.7

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

18. DEFERRED TAX ASSETS AND LIABILITIES

Movements in deferred tax assets/(liabilities) during the year are as follows:

Group	At 1 January $m	Recognised in income statement (Note 29) $m	Recognised in other comprehensive income $m	Recognised in equity $m	Transfer to asset held for sale (Note 19) $m	Acquired in business combination (Note 35) $m	Translation $m	At 31 December $m
2023								
Property, plant and equipment and intangible assets	**(98.6)**	**13.5**	**–**	**–**	**(0.4)**	**–**	**1.5**	**(84.0)**
Right-of-use assets	**(7.8)**	**(4.7)**	**–**	**–**	**–**	**–**	**(0.3)**	**(12.8)**
Lease liabilities	**9.4**	**3.5**	**–**	**–**	**–**	**–**	**0.3**	**13.2**
Other payables and accruals	**10.4**	**2.2**	**–**	**–**	**–**	**–**	**(0.9)**	**11.7**
Contract assets	**1.0**	**(0.1)**	**–**	**–**	**–**	**–**	**–**	**0.9**
Contract costs	**(2.8)**	**0.3**	**–**	**–**	**–**	**–**	**–**	**(2.5)**
Derivatives	**0.8**	**(0.8)**	**0.3**	**–**	**–**	**–**	**–**	**0.3**
Share-based payment transactions	**0.8**	**0.6**	**–**	**(0.4)**	**–**	**–**	**–**	**1.0**
	(86.8)	**14.5**	**0.3**	**(0.4)**	**(0.4)**	**–**	**0.6**	**(72.2)**
2022								
Property, plant and equipment and intangible assets	(101.0)	13.0	–	–	–	(11.1)	0.5	(98.6)
Right-of-use assets	(3.0)	(4.8)	–	–	–	–	–	(7.8)
Lease liabilities	5.0	4.4	–	–	–	–	–	9.4
Other payables and accruals	8.5	1.7	–	–	–	–	0.2	10.4
Contract assets	1.0	–	–	–	–	–	–	1.0
Contract costs	(2.5)	(0.3)	–	–	–	–	–	(2.8)
Derivatives	–	–	0.8	–	–	–	–	0.8
Share-based payment transactions	0.3	0.1	–	0.4	–	–	–	0.8
	(91.7)	14.1	0.8	0.4	–	(11.1)	0.7	(86.8)

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

18 DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

Unrecognised deferred tax assets

Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.

Deferred tax assets have not been recognised in respect of the following items:

	Group 2023 $m	2022 $m
Tax losses	**29.6**	30.8

The Group has not recognised deferred tax assets in respect of the above tax losses as the Group does not expect to recover these potential deferred tax assets in the foreseeable future. The Group reassesses the recovery of these potential deferred tax assets annually.

The tax losses include $8.1 million (2022: $3.6 million) which can be carried forward up to financial years 2028 to 2031 (2022: 2028 to 2031) subject to different jurisdiction requirements by those companies with unrecognised tax losses in their respective country of incorporation. The remaining tax losses do not expire under current tax legislation.

Company	At 1 January $m	Recognised in income statement $m	Recognised in equity $m	At 31 December $m
2023				
Deferred tax (liabilities)/assets				
Property, plant and equipment and intangible assets	**(57.8)**	**8.1**	**–**	**(49.7)**
Right-of-use assets	**(5.1)**	**(3.8)**	**–**	**(8.9)**
Lease liabilities	**5.9**	**3.1**	**–**	**9.0**
Other payables and accruals	**3.7**	**(1.8)**	**–**	**1.9**
Contract asset	**0.2**	**–**	**–**	**0.2**
Contract cost	**(0.3)**	**–**	**–**	**(0.3)**
Share-based payment transactions	**0.8**	**–**	**0.3**	**1.1**
	(52.6)	**5.6**	**0.3**	**(46.7)**
2022				
Deferred tax (liabilities)/assets				
Property, plant and equipment and intangible assets	(61.5)	3.7	–	(57.8)
Right-of-use assets	(1.4)	(3.7)	–	(5.1)
Lease liabilities	2.7	3.2	–	5.9
Other payables and accruals	5.8	(2.1)	–	3.7
Contract asset	–	0.2	–	0.2
Contract cost	(0.3)	–	–	(0.3)
Share-based payment transactions	0.3	0.1	0.4	0.8
	(54.4)	1.4	0.4	(52.6)

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

19 DISPOSAL GROUP HELD FOR SALE

In 2023, Ensign entered into an agreement for the sale of its subsidiary, D'Crypt Pte Ltd. Accordingly, the subsidiary's assets and liabilities are presented as a disposal group held for sale. The sale was completed on 29 February 2024.

Impairment loss relating to the disposal group

Impairment losses of $16.6 million for write-downs of the disposal group to the lower of its carrying amount and its fair value less costs to sell have been included in 'Non-operating expense' (see Note 28). The impairment losses have been applied to reduce the carrying amount of goodwill within the disposal group.

Assets and liabilities of disposal group held for sale

At 31 December 2023, the disposal group was stated at fair value less costs to sell and comprised the following assets and liabilities:

	2023 $m
Property, plant and equipment	5.5
Intangible assets	13.3
Right-of-use assets	3.1
Inventories	10.6
Trade and other receivables	17.7
Cash and cash equivalents	23.3
Contract assets	19.1
Assets held for sale	92.6
Trade and other payables	(10.3)
Lease liabilities	(3.1)
Provision for taxation	(1.4)
Deferred tax liabilities	(0.4)
Contract liabilities	(16.1)
Other long-term liabilities	(0.3)
Liabilities held for sale	(31.6)

Cumulative income or expense recognised in OCI

There are no cumulative income or expenses included in OCI relating to the disposal group.

Measurement of fair values

Fair value hierarchy

The non-recurring fair value measurement for the disposal group has been categorised as a level 3 fair value and was determined based on consideration for the sale shares.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

20 SHARE CAPITAL

Group and Company	2023 Number of shares '000	2023 $m	2022 Number of shares '000	2022 $m
Issued and fully paid ordinary shares:				
At beginning and end of year	**1,731,651**	**299.7**	1,731,651	299.7

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

21 RESERVES

	Group		Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Treasury shares	**(18.6)**	(4.8)	**(18.6)**	(4.8)
Capital reserve	**(9.2)**	(4.4)	**–**	–
Fair value reserve	**(37.1)**	(35.5)	**(37.1)**	(35.5)
Goodwill written off	**(276.3)**	(276.3)	**–**	–
Share-based payments reserve	**9.4**	9.1	**9.4**	9.1
Hedging reserve	**(0.7)**	(1.9)	**(0.2)**	–
Translation reserve	**0.4**	–	**–**	–
Retained profits	**401.3**	344.6	**2,012.8**	2,125.5
	69.2	30.8	**1,966.3**	2,094.3

Treasury shares

Treasury shares comprise the cost of the Company's shares held by the Company. As at year-end, 17,633,301 (2022: 4,363,994) treasury shares were held by the Company. During the year, 3,460,393 (2022: 3,527,184) treasury shares were transferred to share-based payments reserve.

Capital reserve

The capital reserve comprises:

- acquisitions and disposals of interests with non-controlling interests that did not result in a change in control; and
- present value of a forward contract issued to a non-controlling interest shareholder.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity investments designated at FVOCI.

Goodwill written off

The goodwill written off represents the excess of consideration paid on the acquisition of subsidiaries prior to 1 January 2001 over the Group's share of the fair value of net assets acquired.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

21 RESERVES (CONTINUED)

Share-based payments reserve

The share-based payments reserve comprises the cumulative value of services received from employees and directors recorded in respect of the grant of share options and share awards.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions.

Translation reserve

The translation reserve comprises all foreign currency translation differences arising from the translation of the financial statements of foreign operations.

22 PERPETUAL CAPITAL SECURITIES

On 16 June 2017, the Company issued subordinated perpetual securities (the "perpetual securities") with an aggregate principal amount of $200.0 million. Incremental costs incurred amounting to $0.4 million was recognised in equity as a deduction from the proceeds. Such perpetual securities bear distributions at a rate of 3.95% per annum, payable semi-annually. Subject to the relevant terms and conditions in the offering memorandum, the Company may elect to defer making distributions on the perpetual securities and is not subject to any limits as to the number of times a distribution can be deferred. As a result, the perpetual securities do not meet the definition for classification as a financial liability under SFRS(I) 1-32 *Financial Instruments: Presentation*. The whole instrument is presented within equity, and distributions are treated as dividends.

During the year, distributions amounting to $7.9 million (2022: $7.9 million) were accrued and paid to perpetual security holders.

23 NON-CONTROLLING INTERESTS

The following subsidiaries have material non-controlling interests to the Group:

Name of company	Principal activities	Country of incorporation/ Principal place of business	Effective ownership interest held by NCI 2023 %	Effective ownership interest held by NCI 2022 %
Ensign InfoSecurity Pte. Ltd. ("Ensign")	Provision of computer systems integration activities, other professional, scientific and technical activities	Singapore	**44.27**[(1)]	44.27[(1)]
MyRepublic Broadband Pte. Ltd. ("MR Broadband")	Provider of broadband internet access	Singapore	**49.90**	49.90

(1) *At the date of acquisition, the non-controlling interest shareholder assigned to the Company 20% of its rights, benefits and interests in Ensign.*

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

23 NON-CONTROLLING INTERESTS (CONTINUED)

The following summarised financial information for the non-controlling interests of Ensign and MR Broadband are prepared in accordance with SFRS(I) and modified for fair value adjustments on acquisition.

	2023		2022	
	$m Ensign	$m MR Broadband	$m Ensign	$m MR Broadband
Revenue	**352.1**	**76.3**	303.3	53.0
(Loss)/Profit from continuing operations	**(16.0)**	**10.5**	9.9	7.0
Total comprehensive income	**(16.0)**	**10.5**	9.9	7.0
Attributable to NCI:				
(Loss)/Profit from continuing operations	**(7.1)**	**5.2**	4.4	3.5
Total comprehensive income	**(7.1)**	**5.2**	4.4	3.5
Non-current assets	**51.1**	**61.2**	118.4	59.4
Current assets	**423.0**	**16.7**	338.0	14.2
Non-current liabilities	**(8.0)**	**(8.1)**	(10.7)	(9.0)
Current liabilities	**(207.8)**	**(31.3)**	(171.1)	(22.4)
Net assets	**258.3**	**38.5**	274.6	42.2
Net assets attributable to NCI	**114.3**	**19.2**	121.6	21.0
Cash flows from operating activities	**3.2**	**24.8**	10.7	18.0
Cash flows from investing activities	**(14.4)**	**(6.5)**	(12.9)	(4.1)
Cash flows from financing activities	**(4.1)**	**(17.7)**	24.7	(11.6)
Cash in assets held for sale	**(23.3)**	**–**	–	–
Net change in cash and cash equivalents	**(38.6)**	**0.6**	22.5	2.3

Dilution of equity interest in Ensign Group

In 2022, the non-controlling interest shareholder increased its capital contribution in Ensign, decreasing the Group's ownership from 56.86% to 55.73%. The following summarises the effect of change in Group's ownership interest on the equity attributable to owners of the Company.

	2022 $m
Capital contribution from non-controlling interest shareholder	17.7
Net increase in non-controlling interests	(15.4)
Net increase in capital reserve attributable to owners of the Company	2.3

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

24 REVENUE

	Group 2023 $m	Group 2022 $m
Disaggregation of revenue from contracts with customers		
Mobile revenue	**609.0**	564.4
Entertainment revenue	**228.0**	216.3
Broadband revenue	**248.7**	242.4
Enterprise Business revenue	**905.9**	865.5
Total service and contract revenue	**1,991.6**	1,888.6
Sales of equipment	**381.5**	438.7
	2,373.1	2,327.3

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that have not been fulfilled at the reporting date:

Group	2024 $m	2025 $m	2026 $m	2027 $m	2028 onwards $m	Total $m
2023						
Mobile revenue	**89.1**	**27.1**	**1.3**	**0.1**	**0.5**	**118.1**
Entertainment revenue	**50.0**	**26.5**	**–**	**–**	**–**	**76.5**
Broadband revenue	**116.4**	**49.4**	**0.8**	**–**	**–**	**166.6**
Enterprise Business revenue	**284.0**	**121.2**	**47.1**	**29.5**	**150.2**	**632.0**
Total	**539.5**	**224.2**	**49.2**	**29.6**	**150.7**	**993.2**

Group	2023 $m	2024 $m	2025 $m	2026 $m	2027 onwards $m	Total $m
2022						
Mobile revenue	114.3	35.8	1.1	0.1	0.6	151.9
Entertainment revenue	35.1	10.1	–	–	–	45.2
Broadband revenue	123.5	40.5	0.3	–	–	164.3
Enterprise Business revenue	433.9	181.8	50.7	17.2	31.6	715.2
Total	706.8	268.2	52.1	17.3	32.2	1,076.6

Variable consideration that is constrained and therefore not included in the transaction price is excluded in the amounts presented above.

The Group applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if the performance obligations is part of a contract that has an original expected duration of one year or less. In addition, amounts that are not contractually committed are excluded.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

25 OPERATING EXPENSES

	Note	Group 2023 $m	Group 2022 $m
Cost of equipment sold		**345.9**	401.1
Cost of services		**757.4**	709.5
Traffic expenses		**46.1**	43.9
Customer acquisition costs		**29.4**	36.2
Depreciation and amortisation	25.1	**241.1**	266.5
Loss allowances of:			
– Contract assets		**8.0**	9.0
– Trade receivables		**17.3**	10.6
Marketing and promotions		**26.5**	29.4
Staff costs	25.2	**373.9**	344.0
Repairs and maintenance		**119.8**	117.1
Short-term lease expenses		**9.2**	7.7
Other expenses	25.3	**174.6**	206.1
		2,149.2	2,181.1

25.1 Depreciation and amortisation

Depreciation and amortisation expenses comprise the following:

	Group 2023 $m	Group 2022 $m
Depreciation of property, plant and equipment	**137.2**	158.3
Amortisation of intangible assets	**69.0**	71.7
Depreciation of right-of-use assets	**34.9**	36.5
	241.1	266.5

25.2 Staff costs

The following are included in staff costs:

	Group 2023 $m	Group 2022 $m
Defined contribution plans	**32.2**	30.1
Share-based payments	**4.3**	4.7
Government grants	**–**	(1.1)

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

25 OPERATING EXPENSES (CONTINUED)

25.2 Staff costs (continued)

25.2.1 Key management personnel compensation

	Group	
	2023 $m	2022 $m
Directors' fees	**1.5**	1.7
Short-term employee benefits	**9.8**	10.5
Share-based payments	**2.5**	2.6
	13.8	14.8

Key management personnel also participate in the StarHub Performance Share Plans and the StarHub Restricted Stock Plans. The short-term benefits include the Group balanced scorecard incentive programme to reward employees for achieving or exceeding performance targets.

During the year, conditional awards of shares of 1,813,000 (2022: 1,648,000) shares under the StarHub Performance Share Plans and conditional awards of shares of 1,826,000 (2022: 1,433,000) shares under the StarHub Restricted Stock Plans were granted to the key management personnel of the Group during the year. These represent the number of shares to be delivered when performance targets at "on-target" level are achieved, or as the case may be when the time-based service conditions are completed.

During the year, awards of 484,000 (2022: 417,600) shares under the StarHub Restricted Stock Plans were vested and delivered to certain non-executive directors of the Group as part of their non-executive directors' remuneration, without performance or vesting conditions attached.

Based on the actual level of achievement of the pre-determined performance targets over the 2020 performance period, final awards comprising 224,892 (2022: 237,060) shares were delivered to key management personnel of the Group during the year under the 2020 conditional awards granted to the key management personnel of the Group in March 2020 pursuant to the StarHub Restricted Stock Plans.

Based on the actual level of achievement of the pre-determined performance targets over the 2021 performance period, final awards comprising 352,669 (2022: 315,756) shares were delivered to key management personnel of the Group during the year under the 2021 conditional awards granted to the key management personnel of the Group in March 2021 pursuant to the StarHub Restricted Stock Plans.

Based on the actual level of achievement of the pre-determined performance targets over the 2022 performance period, final awards comprising 412,669 (2022: 448,004) shares were delivered to key management personnel of the Group during the year under the 2022 conditional awards granted to the key management personnel of the Group in June 2022 pursuant to the StarHub Restricted Stock Plans.

All conditional share awards (except for the time-based restricted share awards) granted to the key management personnel of the Group were on the same terms and conditions as those offered to other employees of the Group. As at 31 December 2023, 4,487,111 (2022: 3,465,111) of the conditional awards of shares under the StarHub Performance Share Plans, and 2,817,661 (2022: 2,375,788) of the conditional awards of shares under the StarHub Restricted Stock Plans granted to the key management personnel were outstanding.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

25 OPERATING EXPENSES (CONTINUED)

25.2 Staff costs (continued)

25.2.2 Share-based Payments

StarHub Performance Share Plans

Under the StarHub PSP 2014 ("StarHub Performance Share Plans"), conditional awards of shares are granted. Awards represent the right of a participant to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, upon the participant achieving prescribed performance targets set based on medium-term corporate objectives. Awards are released once the Company's Organisation Development and Compensation Committee is satisfied that the prescribed performance targets have been achieved. There are no vesting periods beyond the performance achievement periods.

The movements of the number of shares under the StarHub Performance Share Plans, the fair values of the grant at measurement date and the assumptions of the fair value model for the grants of the Company are as follows:

Company	Balance outstanding at 1 January '000	Number of performance shares granted '000	Number of performance shares vested '000	Number of performance shares forfeited '000	Balance outstanding at 31 December '000
2023					
Date of grant					
28 December 2020	**433**	**–**	**(125)**	**(308)**	**–**
16 August 2021	**1,474**	**–**	**–**	**(178)**	**1,296**
10 June 2022	**1,558**	**–**	**–**	**(180)**	**1,378**
5 September 2023	**–**	**1,813**	**–**	**–**	**1,813**
Total	**3,465**	**1,813**	**(125)**	**(666)**	**4,487**
2022					
Date of grant					
1 October 2019	1,206	–	(603)	(603)	–
28 December 2020	522	–	–	(89)	433
16 August 2021	1,726	–	–	(252)	1,474
10 June 2022	–	1,648	–	(90)	1,558
Total	3,454	1,648	(603)	(1,034)	3,465

The fair value of the shares is estimated using a Monte-Carlo simulation methodology at the measurement dates, which are grant dates of the share awards. The assumptions under the model used for the grants in 2023 and 2022 are as follows:

	Year of grant 2023	Year of grant 2022
Fair value	**$0.75**	$0.95
Share price	**$1.04**	$1.25
Expected volatility of the Company's shares	**17.41%**	18.77%
Expected dividend yield	**5.76%**	4.81%
Risk-free interest rates	**3.36%**	2.49%

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

25 OPERATING EXPENSES (CONTINUED)

25.2 Staff costs (continued)

25.2.2 Share-based Payments (continued)

StarHub Restricted Stock Plans

Under the StarHub RSP Plan 2014 ("StarHub Restricted Stock Plans"), awards granted vest only after the satisfactory completion of time-based service conditions (time-based restricted awards) or where the award is performance-related after a further period of service beyond the performance targets completion date (performance-based restricted awards).

During the year, conditional grants of 4,475,400 (2022: 4,146,700) shares under the StarHub Restricted Stock Plans were made to key employees of the Group. These represent the number of shares to be delivered when performance targets at "on-target" level are achieved, or as the case may be when the time-based service conditions are completed.

The movements of the number of shares for key employees under the StarHub Restricted Stock Plans, the fair values of the grant at measurement date and the assumptions of the fair value model for the grants of the Company are as follows:

Date of grant	Balance outstanding at 1 January '000	Number of restricted shares granted '000	Number of restricted shares vested '000	Number of restricted shares forfeited '000	Balance outstanding at 31 December '000
2023					
26 March 2020	**606**	**–**	**(562)**	**(44)**	**–**
31 March 2021	**1,903**	**–**	**(943)**	**(211)**	**749**
10 June 2022	**3,990**	**–**	**(1,251)**	**(591)**	**2,148**
8 March 2023	**–**	**286**	**(95)**	**–**	**191**
5 September 2023	**–**	**4,189**	**–**	**(93)**	**4,096**
Total	**6,499**	**4,475**	**(2,851)**	**(939)**	**7,184**
2022					
3 July 2019	473	–	(473)	–	–
1 October 2019	168	–	(146)	(22)	–
26 March 2020	1,487	–	(779)	(102)	606
31 March 2021	3,252	–	(1,109)	(240)	1,903
10 June 2022	–	4,147	–	(157)	3,990
Total	5,380	4,147	(2,507)	(521)	6,499

The fair value of the share awards is estimated using a Monte-Carlo simulation methodology at the measurement dates, which are grant dates of the share awards.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

25 OPERATING EXPENSES (CONTINUED)

25.2 Staff costs (continued)

25.2.2 Share-based Payments (continued)

StarHub Restricted Stock Plans (continued)

The assumptions under the model used for the grants in 2023 and 2022 are as follows:

	Year of grant	
	2023	2022
Fair value	**$0.96 – $1.01**	$1.11 – $1.21
Share price	**$1.04**	$1.25
Expected volatility of the Company's shares	**17.41%**	18.77%
Expected dividend yield	**5.76%**	4.81%
Risk-free interest rates	**3.39% – 3.64%**	1.98% – 2.48%

25.3 Other expenses

Included in other expenses are the following:

	Group	
	2023 $m	2022 $m
Audit fees paid to:		
– Auditors of the Company	**0.8**	0.9
– Other firms affiliated with KPMG International Limited	**0.2**	0.2
– Other auditors of the Group	**0.5**	0.5
Non-audit fees paid to:		
– Auditors of the Company and other firms affiliated with KPMG International Limited#	**0.3**	0.4
– Other auditors of the Group	**2.2**	1.3
Foreign currency exchange loss, net	**0.3**	0.5

\# Non-audit fees paid to auditors of the Company and other firms affiliated with KPMG International Limited include audit-related services of $0.1 million (2022: $0.1 million).

26 OTHER INCOME

	Group	
	2023 $m	2022 $m
Special project related income	**0.8**	0.9
Income related grants	**1.5**	7.4
Deferred grants accreted to the income statement	**0.2**	0.2
	2.5	8.5

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

27 NET FINANCE COSTS

	Group 2023 $m	Group 2022 $m
Interest income:		
– Bank deposits	**14.8**	5.5
– Loan to an external party	**2.2**	2.7
Finance income	**17.0**	8.2
Interest expense:		
– Bank loans	**18.3**	17.5
– Medium term notes	**15.6**	20.3
Interest on borrowings	**33.9**	37.8
Interest on lease liabilities	**4.8**	5.1
Other financing charges	**2.3**	2.3
Finance expenses	**41.0**	45.2

28 NON-OPERATING INCOME/EXPENSE

	Note	Group 2023 $m	Group 2022 $m
Income			
Fair value gain of forward liability to acquire non-controlling interest		**–**	22.5
Fair value gain on contingent consideration		**7.2**	8.5
Others		**–**	0.4
Non-operating income		**7.2**	31.4
Expenses			
Impairment loss of property, plant and equipment		**–**	38.5
Impairment loss of intangible assets		**–**	21.6
Impairment loss on remeasurement of disposal group	19	**16.6**	–
Non-operating expenses		**16.6**	60.1

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

29 TAXATION

	Group 2023 $m	Group 2022 $m
Current tax		
Current income tax	**58.8**	36.0
Underprovision in prior year	**6.5**	1.4
	65.3	37.4
Deferred tax		
Reversal and origination of temporary differences	**(15.4)**	(13.6)
Recognition of previously unrecognised temporary differences	**1.3**	(1.6)
(Over)/Underprovision in prior year	**(0.4)**	1.1
	(14.5)	(14.1)
Total income tax in the income statement	**50.8**	23.3

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December is as follows:

	Group 2023 $m	Group 2022 $m
Profit before taxation	**196.6**	93.1
Income tax using Singapore tax rate of 17% (2022: 17%)	**33.4**	15.8
Income not subject to tax	**(2.3)**	(2.3)
Non-deductible expenses	**12.8**	11.8
Tax incentives	**(0.9)**	(1.8)
Effect of tax rates in foreign jurisdiction	**0.1**	(1.0)
Recognition of previously unrecognised temporary differences	**1.3**	(1.6)
Under provision in prior year, net	**6.1**	2.5
Others	**0.3**	(0.1)
Total income tax in the income statement	**50.8**	23.3

Income tax recognised in other comprehensive income for the years ended 31 December are as follows:

	Group 2023 $m	Group 2022 $m
Cash flow hedge, before taxation	**2.6**	(4.5)
Taxation	**(0.5)**	0.8
Effective portion of changes in fair value of cash flow hedge	**2.1**	(3.7)

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

29 TAXATION (CONTINUED)

Global minimum top-up tax

The Group operates in Republic of Singapore, Malaysia, People's Republic of China, Thailand, Netherlands and United States, which some have enacted new legislation to implement the global minimum top-up tax.

The Group is in the process of assessing the exposure to the Pillar Two income taxes arising from the legislation. Based on Group's preliminary assessment, the average effective tax rates calculated based on the accounting tax expense and the accounting profits in all countries exceed 15%. Despite the higher accounting average effective tax rates, the Group acknowledges that these entities may still be exposed to Pillar Two income taxes. Due to the complex nature of the legislation and the calculations including the determination of the adjustments required under the Pillar Two legislation, the Group assessed that the quantitative impact of the potential top-up tax arising from the enacted/substantively enacted legislation is not yet reasonably estimable. The Group continues to assess the impact of the Pillar Two legislation on its financials.

30 EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the adjusted profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding (excluding treasury shares) during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding (excluding treasury shares), for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees under the StarHub share plans.

	Group	
	2023 $m	2022 $m
Profit attributable to owners of the Company	**149.6**	62.2
Less: Perpetual capital securities distribution	**(7.9)**	(7.9)
Adjusted profit attributable to owners of the Company	**141.7**	54.3

	Number of shares	
	2023 '000	2022 '000
Weighted average number of ordinary shares (basic) during the year#	**1,724,640**	1,730,468
Adjustment for dilutive effect of share plans	**8,515**	8,384
Weighted average number of ordinary shares (diluted) during the year	**1,733,155**	1,738,852

Excludes treasury shares.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

31 EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION

The earnings before interest, taxation, depreciation and amortisation ("EBITDA") is a supplementary indicator of performance used by the Group. The measurement of EBITDA is not governed by SFRS(I).

The Group defines EBITDA as follows:

	Group	
	2023 $m	2022 $m
Profit before taxation	**196.6**	93.1
Adjustments for:		
Depreciation and amortisation	**241.1**	262.3*
Finance income	**(17.0)**	(8.2)
Finance expense	**41.0**	45.2
Non-operating income	**(7.2)**	(31.4)
Non-operating expense	**16.6**	60.1
Share of results of associate (net of tax)	**(1.0)**	(0.6)
Share of results of joint venture (net of tax)	**(2.6)**	(3.5)
EBITDA	**467.5**	417.0

* *Excludes $4.2 million of depreciation of certain assets.*

32 RELATED PARTY TRANSACTIONS

The Company has entered into contractual agreements on behalf of its subsidiaries, and recharges its subsidiaries based on terms agreed between the parties involved.

In the normal course of business, the Group purchases and sells info-communications services to related companies. The related party transactions are carried out on terms negotiated between the parties which are intended to reflect competitive terms.

Other than disclosed above and elsewhere in the financial statements, significant transactions of the Group with related parties during the financial year were as follows:

	Group	
	2023 $m	2022 $m
Ultimate holding company		
Sales	**–**	0.1
Associate		
Other income	**–**	0.3
Leases of premises	**2.8**	2.8
Purchase of services	**5.2**	13.9
Related corporations		
Sales	**47.3**	58.8
Purchase of property, plant and equipment	**7.1**	2.2
Leases of infrastructure and equipment	**0.7**	3.1
Purchase of services	**46.1**	18.0
Purchase of inventories	**1.3**	1.2

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

33 DIVIDENDS

	Group and Company	
	2023	2022
	$m	$m
Paid by the Company to owners of the Company		
Final dividend of $0.025 (2022: $0.039) per share (1-tier tax exempt) paid in respect of the previous financial year	**43.2**	67.5
Interim dividends of $0.025 (2022: $0.025) per share (1-tier tax exempt) paid in respect of the current financial year	**43.2**	43.3
	86.4	110.8
Paid by a subsidiary to NCI		
Interim dividends of $3.262 (2022: $2.504) per share (1-tier tax exempt) paid in respect of the current financial year	**7.1**	5.4
	7.1	5.4

34 SEGMENT REPORTING

Segment information is presented based on the information reviewed by the chief operating decision makers ("CODM") for performance assessment and resource allocation. The CODM assesses the Group's financial performance using performance indicators which include revenue, EBITDA (see Note 31), capital expenditure and cash flow of the Group.

The Group has two reportable segments, which are Telecommunications and Cybersecurity segments.

(i) Telecommunications segment comprises the Group's Mobile, Entertainment, Broadband, Enterprise Business and equipment sales on a fully integrated network that has a centralised customer service, sales, marketing and administration support. In addition, it includes Regional ICT, MyRepublic Broadband and JOS entities as the CODM determined that they exhibit similar economic characteristics to the Telecommunications segment. In making this judgement, the CODM has considered the enterprise digital services and products offering and the customer base.

(ii) Cybersecurity segment was formed by aggregating with high security assurance product segment, which was determined by the CODM to exhibit similar economic characteristics. The principal activities of this segment, include provision of systems integration activities and supply of high security assurance products and technology.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

34 SEGMENT REPORTING (CONTINUED)

The Group operates primarily in Singapore and has a large and diversified customer base consisting of individuals and corporations. There was no single customer that contributed to 10% or more of the Group's revenue.

The Group's reportable segment information is as follows:

	Telecommunications 2023 $m	Cybersecurity 2023 $m	Elimination of intersegment transactions 2023 $m	Group 2023 $m
Mobile revenue	609.3	–	(0.3)	609.0
Entertainment revenue	228.0	–	–	228.0
Broadband revenue	248.7	–	–	248.7
Enterprise Business revenue	555.5	352.1	(1.7)	905.9
Sales of equipment	381.5	–	–	381.5
Total revenue	2,023.0	352.1	(2.0)	2,373.1
EBITDA	465.8	1.7	–	467.5
Depreciation and amortisation	(224.3)	(16.8)	–	(241.1)
Finance income	15.1	1.9	–	17.0
Finance expense	(39.6)	(1.4)	–	(41.0)
Non-operating income	7.2	–	–	7.2
Non-operating expenses	–	(16.6)	–	(16.6)
Share of profit of associate (net of tax)	1.0	–	–	1.0
Share of profit of joint venture (net of tax)	2.6	–	–	2.6
Profit before taxation	227.8	(31.2)	–	196.6
Taxation	(49.3)	(1.5)	–	(50.8)
Profit/(Loss) for the year	178.5	(32.7)	–	145.8
Assets and liabilities				
Segment assets	2,481.5	512.3	(5.7)	2,988.1
Equity-accounted investees	47.0	–	–	47.0
Total assets	2,528.5	512.3	(5.7)	3,035.1
Segment liabilities	990.3	205.6	(5.7)	1,190.2
Borrowings	1,139.4	–	–	1,139.4
Total liabilities	2,129.7	205.6	(5.7)	2,329.6
Other information				
Capital expenditure*	163.1	5.3	–	168.4

* *Segment capital expenditure is the total costs incurred during the year to acquire property, plant and equipment and intangible assets.*

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

34 SEGMENT REPORTING (CONTINUED)

	Telecommunications 2022 $m	Cybersecurity 2022 $m	Elimination of intersegment transactions 2022 $m	Group 2022 $m
Mobile revenue	564.9	–	(0.5)	564.4
Entertainment revenue	216.3	–	–	216.3
Broadband revenue	242.4	–	–	242.4
Enterprise Business revenue	564.5	303.3	(2.3)	865.5
Sales of equipment	438.7	–	–	438.7
Total revenue	2,026.8	303.3	(2.8)	2,327.3
EBITDA	386.2	30.8	–	417.0
Depreciation and amortisation	(245.6)	(16.7)	–	(262.3)
Finance income	8.2	–	–	8.2
Finance expense	(43.5)	(1.7)	–	(45.2)
Non-operating income	31.4	–	–	31.4
Non-operating expenses	(60.1)	–	–	(60.1)
Share of profit of associate (net of tax)	0.6	–	–	0.6
Share of profit of joint venture (net of tax)	3.5	–	–	3.5
Profit before taxation	80.7	12.4	–	93.1
Taxation	(20.8)	(2.5)	–	(23.3)
Profit for the year	59.9	9.9	–	69.8
Assets and liabilities				
Segment assets	2,593.7	498.7	(1.8)	3,090.6
Equity-accounted investees	43.3	–	–	43.3
Total assets	2,637.0	498.7	(1.8)	3,133.9
Segment liabilities	1,122.1	179.6	(1.8)	1,299.9
Borrowings	1,150.2	–	–	1,150.2
Total liabilities	2,272.3	179.6	(1.8)	2,450.1
Other information				
Capital expenditure*	157.7	3.8	–	161.5

* *Segment capital expenditure is the total costs incurred during the year to acquire property, plant and equipment and intangible assets.*

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

35 BUSINESS COMBINATIONS

35.1 JOS (SG) Pte. Ltd. and JOS (Malaysia) Sdn. Bhd. ("JOS Entities")

In the prior year, the Group completed the acquisitions of 60% equity interest in JOS (SG) Pte. Ltd. ("JOS SG") and JOS (Malaysia) Sdn. Bhd. ("JOS MY"), collectively known as "JOS Entities", for a total consideration of $12.9 million.

The business of JOS Entities is the provision of end-user computing, IT maintenance and infrastructure support services. The acquisition will allow the Group to strengthen the Group's Information and Communication Technology ("ICT") capabilities, enterprise solution offerings and customer footprint across Singapore and Malaysia.

Since the acquisition date to 31 December 2022, JOS Entities contributed revenue of $119.5 million and profit after tax of $2.7 million to the Group's results. If the acquisition had occurred on 1 January 2022, management estimated that the Group's consolidated revenue and consolidated profit for the year would not be materially different. In determining these amounts, management assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

Acquisition-related costs

In 2022, the Group incurred acquisition-related costs of $0.1 million on legal fees and due diligence costs. These costs have been included in other expenses.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	2022 $m
Property, plant and equipment	0.8
Brand, customer relationships and other intangible asset	7.2
Right-of-use assets	6.8
Other net assets	10.5
Provision for taxation	(0.2)
Lease liabilities	(8.3)
Deferred tax liabilities	(1.5)
Total identifiable net assets	15.3

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation techniques
Intangible assets (Brands)	*Relief from royalty method*: The relief from royalty method estimates the value of an intangible asset by calculating the fair value of the registered trademarks in their respective territories.
Intangible assets (Customer relationships)	*Multi-period excess earnings method*: The multi-period excess earnings method estimates the value of an intangible asset as the present value of the excess cash flows attributable to the intangible asset.

Trade receivables comprise gross contractual amounts due of $12.8 million, of which $0.5 million was expected to be uncollectible at the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

35 BUSINESS COMBINATIONS (CONTINUED)

35.1 JOS (SG) Pte. Ltd. and JOS (Malaysia) Sdn. Bhd. ("JOS Entities") (continued)

Goodwill

Goodwill arising from the acquisitions have been recognised as follows:

	2022 $m
Total purchase consideration	12.9
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	6.1
Fair value of identifiable net assets	(15.3)
Goodwill	3.7

The goodwill is attributable mainly to synergies expected to be achieved from integrating the subsidiaries into the Group's existing operations. None of the goodwill recognised is expected to be deductible for tax purposes.

35.2 MyRepublic Broadband Pte. Ltd. ("MR Broadband")

In the prior year, the Group completed the acquisition of 50.1% equity interest in MR Broadband, which provides broadband services in Singapore for residential and enterprise customers, for a total consideration of $117.8 million. This acquisition will consolidate and strengthen the Group's position in the Singapore broadband market to steer long-term business growth. Consideration for the acquisition of MR Broadband comprised an initial consideration of $71.6 million and contingent consideration estimated at present value of $46.2 million.

Since the acquisition date to 31 December 2022, MR Broadband contributed revenue of $53.0 million and profit after tax of $7.0 million to the Group's results. If the acquisition had occurred on 1 January 2022, management estimated that the Group's consolidated revenue would have increased by $16.9 million, and consolidated profit for the year increased by $4.0 million. In determining these amounts, management assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred:

	2022 $m
Total purchase consideration	117.8
Less: Contingent consideration	(46.2)
Less: Cash and cash equivalents in subsidiary acquired	(1.9)
Less: Net settlement of loans to MR HoldCo (Note 13)	(30.8)
Net cash outflow on acquisition	38.9

Contingent consideration

The contingent consideration to be paid is derived on a formula that is dependent on the future results of MR Broadband and is capped at a maximum of $92.0 million. The Group has included $46.2 million as contingent consideration related to the additional consideration, which represents its fair value at the date of acquisition, using a risk-adjusted discount rate of 2.6%.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

35 BUSINESS COMBINATIONS (CONTINUED)

35.2 MyRepublic Broadband Pte. Ltd. ("MR Broadband") (continued)

Acquisition-related costs

The Group incurred acquisition-related costs of $0.4 million on legal fees and due diligence costs. These costs have been included in other expenses.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	2022 $m
Property, plant and equipment	7.0
Brand and customer base	56.6
Right-of-use assets	1.2
Other net liabilities	(9.8)
Cash and cash equivalents	1.9
Lease liabilities	(1.3)
Deferred tax liabilities	(9.6)
Total identifiable net assets	46.0

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation techniques
Intangible assets (Brands)	*Relief from royalty method*: The relief from royalty method estimates the value of an intangible asset by calculating the fair value of the Right of Use of the Brand, incorporating the key parameters such as estimated royalty rate and the useful life of the right of use of brands.
Intangible assets (Customer base)	*Multi-period excess earnings method*: The multi-period excess earnings method estimates the value of an intangible asset as the present value of the excess cash flows attributable to the intangible asset.

Trade receivables comprise gross contractual amounts due of $1.5 million, of which $0.3 million was expected to be uncollectible at the date of acquisition.

Goodwill

Goodwill arising from the acquisition had been recognised as follows:

	2022 $m
Total purchase consideration	117.8
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	23.0
Fair value of identifiable net assets	(46.0)
Goodwill	94.8

The goodwill is attributable mainly to synergies expected to be achieved from integrating the subsidiary into the Group's existing operations. None of the goodwill recognised is expected to be deductible for tax purposes.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

36 FINANCIAL RISK MANAGEMENT

Overview

Exposure to credit, liquidity, interest risk, foreign exchange and market risks arises in the normal course of the Group's business.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk and Sustainability Committee, which in turn is assisted by the Management Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The Management Risk Committee reports to the Risk and Sustainability Committee on a regular basis. The Risk and Sustainability Committee reports to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group from both an operational and execution basis. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to promote a culture of risk management which entails awareness, accountability and ownership in all employees.

Derivative financial instruments are used to reduce exposure to fluctuations in foreign exchange rates, where appropriate. While these are subject to the risk of market rates changing subsequent to acquisition, such changes are generally offset by opposite effects on the items being hedged.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Periodic review of credit policy and counterparty credit limits are also practised.

The Group has no significant concentration of credit risk from trade receivables due to its large diversified customer base. Credit evaluations are performed on corporate customers requiring credit. Identification documents are obtained from retail customers. Deposits are obtained for certain categories of higher risk customers.

Counterparty risk arising from cash and cash equivalents and treasury transactions is managed by dealing mainly with high credit quality counterparties, which have a minimum rating of A/A1 based on Standard & Poor or Moody's ratings.

The maximum credit risk exposure is represented by the carrying value of each financial asset in the statement of financial position less collaterals held. Collaterals in the form of cash or bank guarantees are obtained from counterparties where appropriate.

Liquidity risk

Liquidity risk is the risk that the Group and Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

36 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

The Group and Company actively monitors its liquidity risk and manages its operating cash flows, debt maturity profile, availability of funding, and reviews compliance with loan covenants. The Group and Company maintain sufficient level of cash and cash equivalents, expects to generate sufficient cash flows from its operation, and has available funding through diverse sources of committed and uncommitted credit facilities from banks and the capital market through its multicurrency debt issuance programme to ensure that there are adequate credit facilities which may be utilised when the need arises to meet its working capital requirements.

Management assessed that with these available facilities and positive cash flows from the Group's operations, the Group and Company will be able to pay its liabilities as and when they are due.

The following are the remaining contractual undiscounted cash outflows (including interest payments) of financial liabilities:

		Contractual cash flows			
	Carrying amount $m	Total $m	Within 1 year $m	After 1 year but within 5 years $m	After 5 years $m
Group					
2023					
Non-derivative financial liabilities					
Borrowings	**1,139.4**	**(1,746.5)**	**(51.4)**	**(1,482.7)**	**(212.4)**
Trade and other payables^	**618.2**	**(668.0)**	**(652.5)**	**(12.0)**	**(3.5)**
Amounts due to related parties	**34.4**	**(34.4)**	**(34.4)**	**–**	**–**
Lease liabilities	**104.5**	**(131.3)**	**(33.1)**	**(45.1)**	**(53.1)**
	1,896.5	**(2,580.2)**	**(771.4)**	**(1,539.8)**	**(269.0)**
Derivative financial liabilities					
Forward exchange contracts used for hedging	**2.0**				
– Outflow		**(96.6)**	**(96.6)**	**–**	**–**
– Inflow		**94.6**	**94.6**	**–**	**–**
Energy contract	**0.2**				
– Outflow		**(2.1)**	**–**	**(0.1)**	**(2.0)**
– Inflow		**0.3**	**0.2**	**0.1**	**–**
	2.2	**(3.8)**	**(1.8)**	**–**	**(2.0)**
2022					
Non-derivative financial liabilities					
Borrowings	1,150.2	(1,257.4)	(157.6)	(882.4)	(217.4)
Trade and other payables^	742.9	(746.9)	(728.8)	(14.6)	(3.5)
Amounts due to related parties	42.3	(42.3)	(42.3)	–	–
Lease liabilities	118.7	(156.0)	(37.9)	(56.0)	(62.1)
	2,054.1	(2,202.6)	(966.6)	(953.0)	(283.0)
Derivative financial liabilities					
Forward exchange contracts used for hedging	4.6				
– Outflow		(143.8)	(143.8)	–	–
– Inflow		139.2	139.2	–	–
	4.6	(4.6)	(4.6)	–	–

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

36 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

		Contractual cash flows			
	Carrying amount $m	Total $m	Within 1 year $m	After 1 year but within 5 years $m	After 5 years $m
Company					
2023					
Non-derivative financial liabilities					
Borrowings	**1,054.1**	**(1,661.0)**	**(40.1)**	**(1,408.5)**	**(212.4)**
Trade and other payables^	**226.5**	**(226.5)**	**(226.5)**	**–**	**–**
Amounts due to related parties	**640.2**	**(640.2)**	**(640.2)**	**–**	**–**
Lease liabilities	**73.3**	**(73.3)**	**(16.5)**	**(13.2)**	**(43.6)**
	1,994.1	**(2,601.0)**	**(923.3)**	**(1,421.7)**	**(256.0)**
Derivative financial liabilities					
Forward exchange contracts	**2.0**				
– Outflow		**(96.6)**	**(96.6)**	**–**	**–**
– Inflow		**94.6**	**94.6**	**–**	**–**
Energy contract	**0.2**				
– Outflow		**(2.1)**	**–**	**(0.1)**	**(2.0)**
– Inflow		**0.3**	**0.2**	**0.1**	**–**
	2.2	**(3.8)**	**(1.8)**	**–**	**(2.0)**
2022					
Non-derivative financial liabilities					
Borrowings	1,054.9	(1,161.7)	(141.0)	(803.3)	(217.4)
Trade and other payables^	309.1	(309.1)	(309.1)	–	–
Amounts due to related parties	394.5	(394.5)	(394.5)	–	–
Lease liabilities	82.0	(101.9)	(19.9)	(35.6)	(46.4)
	1,840.5	(1,967.2)	(864.5)	(838.9)	(263.8)
Derivative financial liabilities					
Forward exchange contracts	4.4				
– Outflow		(154.6)	(154.6)	–	–
– Inflow		150.2	150.2	–	–
	4.4	(4.4)	(4.4)	–	–

^ *The carrying amount of trade and other payables disclosed in the table excludes deferred income, forward exchange contracts, net GST payable and employee benefits.*

The maturity analysis shows the contractual undiscounted cash flows of the Group and the Company's derivative financial instruments on the basis of their earliest possible contractual maturity. The cash inflows/(outflows) disclosed relate to those instruments held for risk management purposes and which are usually not closed out prior to contractual maturity. In addition to the above, the interest payments on the Group's sustainability-linked loan takes into consideration the Group's expectation of its ability to meet the sustainability-linked performance targets, and may change if the Group expects that it can no longer meet this target.

It is not expected that the cash flows included in the maturity analysis above could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

36 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group's exposure to equity price is not significant.

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. Generally, the Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

(i) Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations. The Group adopts a policy of ensuring that at least 50 percent of its exposure to changes in interest rates on long-term borrowings is on a fixed rate basis.

Exposure to interest rate risk

At the reporting date, the interest rate profile of interest-bearing financial instruments, as reported to management, was as follows:

	Group Nominal amount		Company Nominal amount	
	2023 $m	2022 $m	2023 $m	2022 $m
Fixed rate instruments				
Fixed deposits	**293.1**	325.2	**288.5**	318.1
Borrowings	**1,008.2**	1,137.8	**934.1**	1,054.9
Variable rate instrument				
Borrowings	**131.2**	12.4	**120.0**	–
Amount due to subsidiaries	**–**	–	**227.2**	183.9

(ii) Foreign currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings, that are denominated in a currency other than the respective functional currencies of the Group entities. The currency giving rise to this risk is primarily the United States Dollar ("USD").

In respect of other monetary liabilities held in foreign currencies, the Group ensures that the net exposure is kept to an acceptable level by buying foreign currencies at spot rates where necessary to address any shortfalls.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2023

36 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

(ii) Foreign currency risk (continued)

The Group's and the Company's exposures to United States Dollar is as follows:

	Group		Company	
	2023	2023	2022	2022
	$m	$m	$m	$m
Contract assets	**1.4**	**0.1**	–	0.1
Trade and other receivables	**34.2**	**22.2**	3.3	2.8
Cash and cash equivalents	**34.6**	**63.2**	26.7	38.2
Trade and other payables	**(78.1)**	**(58.7)**	(70.3)	(56.2)
	(7.9)	**26.8**	(40.3)	(15.1)

For operations with significant expenditure denominated in foreign currencies, forward exchange contracts are entered into to hedge the foreign currency risk exposure on committed payment obligations. At 31 December 2023, the Group and Company have outstanding forward exchange contracts with notional principal amounts of approximately $109.6 million (2022: Group: $157.2 million; Company: $154.6 million). Certain forward exchange contracts are entered into by the Company on behalf of a subsidiary.

Sensitivity analysis

The Group and Company had assessed that a reasonable change in the exchange rate would not result in a material impact on the Group's and Company's results.

(iii) Hedge accounting

Cash flow hedges

The Group held the following instruments to hedge exposures to changes in foreign currency and electricity prices.

	Maturity	
	< 1 year	> 1 year
2023		
Forward exchange contracts		
Net exposure (in millions of SGD)	**1.8**	**–**
Average SGD: USD forward contract rate	**1.3085 – 1.3531**	**–**
Energy contract		
Net exposure (in millions of SGD)	**–**	**0.2**
Average energy price (SGD/MWh)	**–**	**$181.95**
2022		
Forward exchange contracts		
Net exposure (in millions of SGD)	4.6	–
Average SGD: USD forward contract rate	1.3438 – 1.3860	–

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

36 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

(iii) Hedge accounting (continued)

Cash flow hedges (continued)

The amounts at the reporting date relating to items designated as hedged items are as follows:

Group	Change in value used for calculating hedge ineffective hedge ineffectiveness $m	Cash flow hedge reserve $m	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied $m
2023			
Foreign currency risk			
Trade and other payables	**–**	**(1.8)**	**–**
Commodity price risk			
Electricity cost	**–**	**(0.2)**	**–**
2022			
Foreign currency risk			
Other receivables	–	(4.6)	–
Commodity price risk			
Electricity cost	–	–	–

The amounts relating to items designated as hedging instruments are as follows:

Group	2023				During the year – 2023
	Nominal amount $m	Carrying amount – assets $m	Carrying amount – liabilities $m	Line item in the statement of financial position where the hedging instrument is included $m	Changes in the value of the hedging instrument recognised in OCI $m
Foreign currency risk					
Forward exchange contracts	**109.6**	**–**	**(1.8)**	**Trade and other payables**	**(1.8)**
Commodity price risk					
Energy contract	**(1.0)**	**–**	**(0.2)**	**Trade and other payables**	**(0.2)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

36 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

(iii) Hedge accounting (continued)

Cash flow hedges (continued)

	2022				During the year – 2022
Group	Nominal amount $m	Carrying amount – assets $m	Carrying amount – liabilities $m	Line item in the statement of financial position where the hedging instrument is included $m	Changes in the value of the hedging instrument recognised in OCI $m
Foreign currency risk					
Forward exchange contracts	157.2	–	(4.6)	Trade and other payables	(4.7)

Master netting or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association ("ISDA") master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances – e.g. when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The Group enters into forward exchange contracts to hedge the foreign currency risk on committed payment obligations.

The Group designates the spot element of forward foreign exchange contracts to hedge its currency risk and applies a hedge ratio of 1:1. Most of these contracts have a maturity of less than one year from the reporting date. The Group's policy is for the critical terms of the forward exchange contracts to align with the hedged item.

At the reporting date, there were no financial instruments which meet the criteria for offsetting in the statement of financial position.

In 2022, the Group entered into a virtual power purchase agreement ("VPPA") and accounted for it as a derivative measured at fair value with effective changes recognised in other comprehensive income under management's elected cash flow hedging model and applies a hedge ratio of 1:1.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the market price and timing of its respective cash flow. No significant sources of ineffectiveness are identified in this hedge as at 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

36 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

(iii) Hedge accounting (continued)

Accounting classification of financial instruments

The carrying amounts of financial instruments are as follows.

	Group		Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Financial assets at amortised cost				
Cash and cash equivalents	**502.2**	573.6	**375.8**	405.6
Trade receivables	**278.3**	242.8	**186.2**	159.7
Other receivables#	**104.8**	105.6	**9.9**	4.0
Amounts due from related parties	**19.2**	17.8	**190.9**	161.0
	904.5	939.8	**762.8**	730.3
Financial assets at fair value				
Forward exchange contracts used for hedging (derivative asset)	**0.1**	–	**0.1**	–
Financial assets at FVOCI				
Quoted equity security	**3.5**	5.1	**3.5**	5.1
Financial liabilities at amortised cost				
Trade and other payables^	**(604.9)**	(683.9)	**(226.5)**	(309.1)
Amounts due to related parties	**(34.4)**	(42.3)	**(640.2)**	(394.5)
Borrowings	**(1,139.4)**	(1,150.2)	**(1,054.1)**	(1,054.9)
Lease liabilities	**(104.5)**	(118.7)	**(73.3)**	(82.0)
	(1,883.2)	(1,995.1)	**(1,994.1)**	(1,840.5)

	Group		Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Financial liabilities at fair value				
Forward liability to acquire non-controlling interests	**(13.3)**	(12.8)	**–**	–
Contingent consideration	**–**	(46.2)	**–**	–
Forward exchange contracts used for hedging (derivative liability)	**(2.0)**	(4.6)	**(2.0)**	(4.4)
Energy contract used for hedging (derivative liability)	**(0.2)**	–	**(0.2)**	–
	(15.5)	(63.6)	**(2.2)**	(4.4)

Excludes prepayments, grant receivables and forward exchange contracts.

^ *Excludes deferred income, forward exchange contracts, forward liability to acquire non-controlling interests, contingent consideration, net GST payable and employee benefits.*

36 FINANCIAL RISK MANAGEMENT (CONTINUED)

Accounting classification of financial instruments (continued)

Measurement of fair values

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

Derivatives

The Group assessed whether VPPA, the derivative designated as the hedging instrument in the hedging relationship, is expected to be effective in offsetting changes in cashflows of the hedged item using the hypothetical derivative method. Valuation of VPPA includes unobservable inputs such as forecasted energy prices and forecasted energy output to be generated from the facility.

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.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values.

The fair values of non-current other financial assets and financial liabilities are calculated using the discounted cash flow model based on the present value of expected cashflow at the market rates at the reporting date. The carrying amounts approximate their fair values.

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).

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

36 FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value hierarchy (continued)

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

	Fair value level	2023 $m	2022 $m
Group			
Financial assets			
Other investment	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	**2.0**	4.6
– Energy contract	3	**0.2**	–
Forward liability to acquire non-controlling interests	3	**13.3**	12.8
Contingent consideration	3	**–**	46.2
Company			
Financial assets			
Other investment	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	**2.0**	4.4
– Energy contract	3	**0.2**	–

There were no transfers between levels 1 and 2 in 2023 and 2022.

The following shows the Group's valuation technique used in measuring the fair value of forward liability, as well as the significant unobservable inputs used.

	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Forward liability	*Discounted cash flow:* The valuation model considers the present value of the net cash flows expected to be generated from the subsidiary discounted using WACC.	• Terminal growth rates 0% (2022: 0%) • Pre-tax discount rates 14.4% (2022: 16.4%)	The estimated fair value would change increase (decrease) if: • there is an increase (decrease) in terminal growth rates; or • there is a decrease (increase) in discount rates.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

36 FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value hierarchy (continued)

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

	Group				
	Forward liability to acquire non-controlling interests 2023 $m	Forward liability to acquire non-controlling interests 2022 $m	Energy contract 2023 $m	Contingent consideration 2023 $m	Contingent consideration 2022 $m
At 1 January	**12.8**	37.3	**–**	**46.2**	39.0
Arising from business combination	**–**	–	**–**	**–**	46.2
Total fair value changes recognised in income statement	**–**	(23.1)	**–**	**(7.2)**	(8.5)
Total realised loss/(gain) recognised in income statement	**–**	–	**–**	**0.6**	(0.5)
Total fair value changes recognised in other comprehensive income	**–**	–	**0.2**	**–**	–
Settlements during the year	**–**	–	**–**	**(39.6)**	(30.9)
Translation differences	**0.5**	(1.4)	**–**	**–**	0.9
At 31 December	**13.3**	12.8	**0.2**	**–**	46.2

The fair value of the energy contract is estimated based on the present value of all future expected cash to be paid/received at every settlement date till the end of the contract discounted using the credit risk adjusted risk-free discount rate.

In 2022, apart from contingent consideration which arose from MR Broadband acquisition that will change by $6.5 million from a 5% movement in future results, changes in other significant unobservable inputs used to reasonably estimate possible alternative assumptions would have no significant impact on the fair value of the contingent consideration.

37 CAPITAL MANAGEMENT

The Group regularly reviews its financial position, capital structure and use of capital, with the objective of achieving long-term capital efficiency, optimum shareholders' total returns, including the level of dividends, and appropriate strategic positioning.

From time to time, the Group may purchase its own shares on the market; the timing of these purchases depends on market prices. Such share purchases are intended to be used for issuing shares under the StarHub Performance Share Plan and StarHub Restricted Stock Plan programmes. Other than for such specific purposes, the Group does not have a defined share buy-back plan.

The Group manages the use of capital centrally and all borrowings to fund the operations of the subsidiaries are managed by the Company. The capital employed by the Company consists of equity attributable to shareholders, bank borrowings from financial institutions and medium term notes issued. There were no changes in the Group's approach to capital management during the year. The Group is not subject to any externally imposed capital requirement.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2023

38 COMMITMENTS

	Group		Company	
	2023 $m	2022 $m	2023 $m	2022 $m
Contracted and not provided for in the financial statements:				
– Capital expenditures	**497.6**	430.0	**150.0**	80.8
– Other operating expenditures	**22.4**	26.8	**–**	–
	520.0	456.8	**150.0**	80.8

As at 31 December 2023, the Group has capital expenditure and other financial commitments with related companies amounting to $16.1 million (2022: $9.0 million), which has been included above.

39 SUBSEQUENT EVENT

The directors have proposed a final dividend of $0.042 per share, tax exempt (one tier), totalling $72.0 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.