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STARHUB LTD

Announcement of Unaudited Results for the Full Year ended 31 December 2020

StarHub is pleased to announce the unaudited results for the full year ended 31 December 2020.

Results for the Fourth Quarter and Full Year ended 31 December 2020

1. GROUP INCOME AND COMPREHENSIVE INCOME STATEMENTS

1.1 GROUP INCOME STATEMENT

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2020 S\$m	2019 S\$m	Incr / (Decr) S\$m	%	2020 S\$m	2019 S\$m	Incr/ (Decr) S\$m	%
Total revenue	579.5	608.4	(28.9)	(4.8)	2,028.8	2,330.6	(301.8)	(13.0)
Operating expenses	(537.1)	(563.8)	(26.7)	(4.7)	(1,838.9)	(2,085.8)	(246.9)	(11.8)
Other income	13.4	1.9	11.4	nm	41.4	11.0	30.3	nm
Profit from operations	55.7	46.5	9.3	19.9	231.3	255.9	(24.6)	(9.6)
Finance income	0.5	0.5	0.1	11.1	1.9	1.6	0.3	17.2
Finance expense ⁽¹⁾	(11.4)	(8.8)	2.6	29.6	(40.8)	(38.3)	2.5	6.6
	44.8	38.1	6.7	17.6	192.3	219.1	(26.8)	(12.3)
Share of (loss)/gain of associate, net of tax	(0.0)	(0.4)	(0.3)	(89.1)	0.6	(0.5)	1.2	nm
Share of loss of joint ventures, net of tax	(0.1)	-	(0.1)	-	(0.1)	-	(0.1)	-
Profit before taxation	44.7	37.8	6.9	18.3	192.8	218.6	(25.8)	(11.8)
Taxation	(6.1)	(4.5)	1.6	34.4	(32.7)	(40.0)	(7.3)	(18.2)
Profit for the period	38.6	33.3	5.4	16.2	160.1	178.6	(18.5)	(10.4)
Attributable to:								
Owners of the Company	36.1	34.9	1.2	3.5	157.9	186.3	(28.4)	(15.2)
Non-controlling interests	2.6	(1.6)	4.2	nm	2.1	(7.8)	9.9	nm
	38.6	33.3	5.4	16.2	160.1	178.6	(18.5)	(10.4)
EBITDA	129.3	138.4	(9.1)	(6.6)	537.8	617.1	(79.3)	(12.9)
Service EBITDA ⁽²⁾	119.3	115.5	3.8	3.3	494.6	558.7	(64.1)	(11.5)
Service EBITDA as % of service revenue	28.4%	26.0%	2.4% pts		31.1%	31.7%	-0.6% pts	
Free Cash Flow ⁽³⁾	37.5	35.7	1.7	4.9	387.7	218.6	169.0	77.3
<i>Profit from operations is arrived after charging the following:</i>								
Loss allowances of trade receivables	4.4	2.9	1.5	51.4	13.6	18.0	(4.3)	(24.1)
Depreciation and amortisation	73.6	91.9	(18.3)	(19.9)	306.5	361.2	(54.7)	(15.1)
Foreign exchange loss/ (gain)	0.1	(0.8)	0.9	nm	4.5	(0.2)	4.7	nm
(Gain)/ loss on disposal of property, plant and equipment	0.0	(0.2)	0.2	nm	0.0	1.4	(1.4)	(97.9)
Allowance for stock obsolescence	(0.3)	0.3	(0.6)	nm	2.3	2.6	(0.3)	(11.8)

nm – Not meaningful

Notes:

- (1) Finance expense includes interest on borrowings and lease liabilities and other financing charges
- (2) Service EBITDA refers to EBITDA less equipment margin (sales of equipment less cost of equipment)
- (3) Free Cash Flow refers to net cash from operating activities less purchase of property, plant and equipment and intangible assets in the cash flow statement
- (4) The financial statements include the consolidation of newly acquired subsidiary, Strateq Sdn. Bhd. ("Strateq"), following completion of the acquisition on 30 July 2020
- (5) Numbers in all tables may not exactly add up due to rounding

1.2 GROUP COMPREHENSIVE INCOME STATEMENT

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2020 S\$m	2019 S\$m	Incr / (Decr) S\$m	%	2020 S\$m	2019 S\$m	Incr / (Decr) S\$m	%
Profit for the period	38.6	33.3	5.4	16.2	160.1	178.6	(18.5)	(10.4)
Other comprehensive income								
Items that will not be reclassified to profit or loss:								
Net change in fair value of equity investments at fair value through other comprehensive income ("FVOCI"), net of taxation	(3.4)	9.1	(12.6)	nm	(17.1)	(1.7)	15.4	nm
Items that are or may be reclassified subsequently to profit or loss:								
Foreign currency translation differences	(0.3)	0.0	(0.3)	nm	(0.8)	0.0	(0.8)	nm
Effective portion of changes in fair value of cash flow hedges, net of taxation	(1.5)	(2.3)	(0.8)	(36.7)	(0.1)	(1.8)	(1.7)	(95.1)
Share of other comprehensive income of associates and joint ventures	0.1	(0.0)	0.1	nm	0.1	(0.1)	0.2	nm
Other comprehensive (loss)/ income for the period, net of taxation	(5.1)	6.8	(11.9)	nm	(17.9)	(3.6)	14.3	nm
Total comprehensive income for the period	33.6	40.1	(6.5)	(16.3)	142.2	175.0	(32.8)	(18.7)
Attributable to:								
Owners of the Company	31.0	41.7	(10.7)	(25.7)	140.1	182.7	(42.7)	(23.4)
Non-controlling interests	2.6	(1.6)	4.2	nm	2.1	(7.8)	9.9	nm
Total comprehensive income for the period	33.6	40.1	(6.5)	(16.3)	142.2	175.0	(32.8)	(18.7)

nm – Not meaningful

1.3 GROUP PERFORMANCE REVIEW FOR THE PERIOD ENDED 31 DECEMBER 2020

(A) Revenue

Revenue	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2020 S\$m	2019 S\$m	Incr / (Decr) S\$m %		2020 S\$m	2019 S\$m	Incr/ (Decr) S\$m %	
Mobile	138.6	190.9	(52.3)	(27.4)	579.7	765.5	(185.8)	(24.3)
Pay TV	47.1	56.5	(9.4)	(16.6)	187.9	248.0	(60.1)	(24.2)
Broadband	45.7	41.0	4.6	11.3	176.1	176.4	(0.3)	(0.1)
Enterprise Business	188.0	155.3	32.7	21.1	645.5	575.2	70.4	12.2
- Network solutions ⁽¹⁾	99.9	110.9	(11.0)	(9.9)	391.6	429.5	(37.9)	(8.8)
- Cyber security services ⁽²⁾	72.6	44.4	28.2	63.4	220.7	145.7	75.0	51.4
- Regional ICT services ⁽³⁾	15.6	-	15.6	nm	33.2	-	33.2	nm
Service revenue	419.4	443.7	(24.3)	(5.5)	1,589.2	1,765.1	(175.9)	(10.0)
Sales of equipment	160.1	164.7	(4.6)	(2.8)	439.6	565.5	(125.9)	(22.3)
Total revenue	579.5	608.4	(28.9)	(4.8)	2,028.8	2,330.6	(301.8)	(13.0)

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

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

(3) Includes service revenue from Strateq

The Group's 4Q2020 total revenue of S\$579.5 million was S\$28.9 million or 4.8% lower year-on-year ("YoY"), mainly due to lower contributions from Mobile, Pay TV and Sales of Equipment, partially offset by higher revenues from Broadband and Enterprise Business. The Group's total revenue for the full year of S\$2,028.8 million was S\$301.8 million or 13.0% lower YoY, mainly due to lower contributions from Mobile, Pay TV and Sales of Equipment, partially offset by higher revenues from Enterprise Business.

Against the corresponding periods last year, Mobile service revenues in 4Q2020 and the full year were 27.4% and 24.3% lower, respectively, due to lower postpaid and prepaid revenues. The decrease in postpaid revenues was mainly due to lower IDD, lower excess data usage, lower voice usage, lower VAS (value-added services) revenues and lower roaming due to ongoing global travel restrictions resulting from COVID-19, partially offset by the increase in SMS usage and higher plan subscriptions. The decrease in prepaid revenues was mainly due to lower inbound and outbound travel as a result of tightened border controls resulting from COVID-19, lower data subscriptions, prepaid expired credit and IDD.

Pay TV service revenue decreased 16.6% YoY in 4Q2020 and 24.2% YoY in the full year, mainly due to a lower subscriber base, the cable-to-fibre migration in the prior year as well as the impact from COVID-19 on commercial TV revenue and lower spending on advertising on the back of a more cautious business outlook by Enterprise customers.

Broadband service revenue increased 11.3% YoY in 4Q2020, mainly due to higher ARPU's from reduced subscription discounts. Service revenue of S\$176.1 million in the full year was 0.1% lower YoY, mainly due to a one-time 20% rebate on Home Broadband monthly fee extended to customers as a result of a service disruption in April 2020, partially offset by overall higher ARPU's. Excluding the one-time rebate, revenue would have been \$1.2 million or 0.7% higher YoY in the full year.

Enterprise Business revenue increased 21.1% YoY in 4Q2020 and 12.2% in the full year, respectively, mainly due to higher revenues from Cyber security services and the consolidation of Strateq under Regional ICT services, following the completion of the acquisition on 30 July 2020. This was partially offset by lower revenues from data and internet, managed services and voice services.

Revenue from Sales of Equipment decreased YoY by 2.8% in 4Q2020 and 22.3% in the full year, mainly due to lower volume of handsets sold and delays in the launch of new premium handset models.

(B) Operating expenses

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2020 S\$m	2019 S\$m	Incr / (Decr) S\$m	%	2020 S\$m	2019 S\$m	Incr/ (Decr) S\$m	%
Operating expenses								
Cost of sales ⁽¹⁾	252.4	279.7	(27.2)	(9.7)	847.7	1,058.3	(210.7)	(19.9)
Other operating expenses ⁽¹⁾	199.5	232.0	(32.6)	(14.0)	733.0	858.0	(125.0)	(14.6)
Cyber security services ⁽²⁾	69.2	52.1	17.1	32.7	224.7	169.4	55.3	32.6
Regional ICT services ⁽³⁾	16.0	-	16.0	nm	33.4	-	33.4	nm
Total	537.1	563.8	(26.7)	(4.7)	1,838.9	2,085.8	(246.9)	(11.8)

⁽¹⁾ customer acquisition costs reclassified from marketing and promotions under other operating expenses to cost of sales

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

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

The Group's total operating expenses for 4Q2020 and the full year were lower YoY by S\$26.7 million and S\$246.9 million, respectively. The decrease was due to lower cost of sales and other operating expenses, partially offset by the increase in operating expenses relating to Cyber security services and the consolidation of Strateq under Regional ICT services.

As a percentage of the Group's total revenue, total operating expenses for 4Q2020 and the full year were at 92.7% and 90.6%, respectively, compared to 92.7% and 89.5% in the corresponding periods last year.

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2020 S\$m	2019 S\$m	Incr / (Decr) S\$m	%	2020 S\$m	2019 S\$m	Incr/ (Decr) S\$m	%
Cyber security services ⁽¹⁾								
Cost of sales	44.4	27.2	17.2	63.1	123.4	78.5	44.9	57.3
Other operating expenses	24.8	24.9	(0.1)	(0.4)	101.3	91.0	10.4	11.4
Total	69.2	52.1	17.1	32.7	224.7	169.4	55.3	32.6

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

As a percentage of Cyber security services revenue, Cyber security services' operating expenses for 4Q2020 and the full year were at 95.3% and 101.8%, respectively, compared to 117.4% and 116.3% in the corresponding periods last year.

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2020 S\$m	2019 S\$m	Incr / (Decr) S\$m	%	2020 S\$m	2019 S\$m	Incr/ (Decr) S\$m	%
Regional ICT services ⁽¹⁾								
Cost of sales	5.5	-	5.5	nm	15.9	-	15.9	nm
Other operating expenses	10.5	-	10.5	nm	17.6	-	17.6	nm
Total	16.0	-	16.0	nm	33.4	-	33.4	nm

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

As a percentage of Regional ICT services revenue, Regional ICT services' operating expenses for 4Q2020 and the full year were at 102.6% and 100.5%, respectively, which includes the one-off M&A transaction costs for the acquisition of Strateq in 3Q2020. Excluding the above, the operating expenses as a percentage of revenue for the full year would have been 97.3%.

A breakdown of total operating expenses is as follows:

(i) Cost of sales

Cost of sales	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2020 S\$m	2019 S\$m	Incr / (Decr) S\$m	%	2020 S\$m	2019 S\$m	Incr/ (Decr) S\$m	%
Cost of equipment sold	150.1	141.9	8.2	5.8	396.4	507.1	(110.7)	(21.8)
Cost of services	84.7	100.3	(15.6)	(15.5)	361.3	403.0	(41.7)	(10.4)
Traffic expenses	11.0	20.5	(9.5)	(46.3)	54.8	85.2	(30.4)	(35.7)
Customer acquisition costs ⁽¹⁾	6.6	16.9	(10.3)	(61.1)	35.2	63.1	(27.8)	(44.1)
Cost of sales (excluding Cyber security services and Regional ICT services)	252.4	279.7	(27.2)	(9.7)	847.7	1,058.3	(210.7)	(19.9)
Cost of sales (Cyber security services)	44.4	27.2	17.2	63.1	123.4	78.5	44.9	57.3
Cost of sales (Regional ICT services)	5.5	-	5.5	nm	15.9	-	15.9	nm
Total	302.3	306.9	(4.5)	(1.5)	987.0	1,136.8	(149.8)	(13.2)

(1) customer acquisition costs reclassified from marketing and promotions under other operating expenses to cost of sales

Cost of Sales (excluding Cyber security services and Regional ICT services)

Cost of sales for 4Q2020 decreased YoY by S\$27.2 million, mainly due to lower cost of services, lower traffic expenses and lower customer acquisition costs, partially offset by higher cost of equipment sold. Cost of sales for the full year decreased YoY by S\$210.7 million, mainly due to lower cost of equipment sold, lower cost of services, lower traffic expenses and lower customer acquisition costs.

Cost of equipment sold increased 5.8% YoY in 4Q2020, mainly due to higher cost of 5G handset models despite lower volumes sold. Cost of equipment sold decreased 21.8% YoY in the full year, primarily due to lower volume of handsets sold.

The 15.5% YoY decrease in cost of services in 4Q2020 was mainly due to the absence of a one-off cable-to-fibre migration cost incurred in the prior year, lower Pay TV advertising and content costs, partially offset by higher postpaid Mobile costs. The 10.4% YoY decrease in cost of services in the full year was mainly due to lower prepaid Mobile costs, lower Broadband costs, the absence of a one-off cable-to-fibre migration cost incurred in the prior year, lower Network Solutions business costs and lower Pay TV advertising and content costs. Excluding the one-off cable-to-fibre migration costs of S\$10.6 million incurred in the prior year, cost of services for the full year would have decreased 7.9% YoY.

The YoY decreases of 46.3% and 35.7% for traffic expenses in 4Q2020 and the full year were mainly due to lower domestic and international traffic volumes, coupled with lower roaming cost in line with lower roaming revenue.

The YoY decreases of 61.1% and 44.1% for customer acquisition costs in 4Q2020 and the full year, were mainly due to lower dealer commission as a result of lower commission rates and higher sales transacted online for postpaid Mobile, coupled with lower prepaid Mobile revenues.

Cost of Sales (Cyber security services)

The increase in cost of sales was in line with higher cyber security services revenue generated.

Cost of Sales (Regional ICT services)

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

(ii) Other operating expenses

Other operating expenses	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2020 S\$m	2019 S\$m	Incr / (Decr) S\$m	%	2020 S\$m	2019 S\$m	Incr/ (Decr) S\$m	%
Staff costs	45.0	59.7	(14.7)	(24.6)	185.3	224.1	(38.8)	(17.3)
Operating leases	8.1	7.4	0.7	8.8	26.0	35.8	(9.8)	(27.4)
Marketing and promotions ⁽¹⁾	6.8	11.6	(4.8)	(41.4)	23.2	34.7	(11.5)	(33.2)
Loss allowance for trade receivables	4.2	2.9	1.4	47.0	13.1	17.8	(4.7)	(26.6)
Repairs and maintenance	35.1	42.9	(7.8)	(18.2)	106.8	113.6	(6.9)	(6.0)
Other expenses	34.8	18.4	16.4	88.8	97.5	89.3	8.1	9.1
Depreciation and amortisation	65.4	89.1	(23.7)	(26.6)	281.2	342.6	(61.3)	(17.9)
Other operating expenses (excluding Cyber security services and Regional ICT services)	199.5	232.0	(32.6)	(14.0)	733.0	858.0	(125.0)	(14.6)
Other operating expenses (Cyber security services)	24.8	24.9	(0.1)	(0.4)	101.3	91.0	10.4	11.4
Other operating expenses (Regional ICT services)	10.5	-	10.5	nm	17.6	-	17.6	nm
Total	234.8	257.0	(22.2)	(8.6)	851.9	949.0	(97.0)	(10.2)

(1) customer acquisition costs reclassified from marketing and promotions under other operating expenses to cost of sales

The Group's total other operating expenses for 4Q2020 was S\$22.2 million lower YoY. As a percentage of total revenue, other operating expenses was lower at 40.5% in 4Q2020, compared to 42.2% in the corresponding period last year.

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

Other operating expenses (excluding Cyber security services and Regional ICT services)

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

Staff costs

Staff costs was 24.6% and 17.3% lower YoY in 4Q2020 and the full year respectively, mainly due to the reversal of provisions for certain staff compensation and restructuring costs relating to the IT transformation that are no longer required. Excluding the reversals, staff costs would have been S\$6.9 million or 12.9% lower YoY in 4Q2020 and S\$15.0 million or 6.9% lower in the full year, due to lower headcount.

Operating leases

Operating leases was 8.8% higher YoY in 4Q2020, primarily due to more renewals of short-term base station lease rental contracts, partially offset by the rental rebates received for qualifying commercial and industrial properties under the COVID-19 stimulus package and reversal of base station lease rental accruals that are no longer required. Excluding the above rental rebates and reversal of rental accruals, operating leases would have been S\$1.5m or 20.3% higher YoY in 4Q2020. Operating leases was 27.4% lower YoY in the full year, mainly due to rental rebates received for qualifying commercial and industrial properties under the COVID-19 stimulus package, reversal of base station rental accruals that are no longer required and a one-off refund from a landlord for previous overbilling. Excluding the above, operating leases would have been S\$4.4 million or 12.2% lower in the full year due to lower shared underground base stations facilities, capacity and circuit leases.

Marketing and promotions

Marketing and promotions expenses were 41.4% and 33.2% lower YoY in 4Q2020 and the full year, respectively, as a result of more targeted promotional efforts.

Loss allowance for trade receivables

Loss allowance for trade receivables was 47.0% higher YoY in 4Q2020 due to higher bad debt written off. Loss allowance for trade receivables was 26.6% lower YoY in the full year, mainly due to a decrease in general allowance as a result of lower trade receivables and lower bad debt written off.

Repairs and maintenance

Repairs and maintenance expense was 18.2% and 6.0% lower YoY in 4Q2020 and the full year, respectively, mainly due to lower maintenance costs for network infrastructure and novation of certain IS contracts to PCCW, following the commencement of the IS Transformation in 3Q2020. A provision for contracted maintenance costs for submarine cables that are no longer in use, was further increased by S\$9.4 million from S\$10.9 million last year as a result of more current information. Excluding this provision, repairs and maintenance expense would have been lower YoY by 21.5% in 4Q2020 and 5.2% in the full year.

Other expenses

Other expenses for 4Q2020 and the full year were S\$16.4 million and S\$8.1 million higher YoY mainly due to higher licence fees, higher IT outsourcing costs, including manpower and repairs and maintenance expense that were previously classified under staff costs and repairs and maintenance expense categories, higher foreign exchange loss and higher impairment of contract asset, partially offset by lower professional services fees, lower occupancy costs and higher miscellaneous income.

Depreciation and amortisation

Depreciation and amortisation expense was S\$23.7 million and S\$61.3 million lower YoY in 4Q2020 and the full year, respectively, mainly due to lower depreciation of ROU assets due to cessation of a large domestic wholesale network leasing agreement in 4Q2019 and cable duct lease contract in 1Q2020, coupled with lower depreciation of property, plant and equipment (PPE) due to shutdown of the HFC network in 3Q2019, partially offset by higher amortisation of intangible assets.

Other operating expenses (Cyber security services)

The other operating expenses in 4Q2020 was stable, compared to the corresponding period last year. The YoY increase in other operating expenses in the full year was primarily due to higher staff costs and higher depreciation and amortisation, partially offset by lower other expenses for Cyber security services.

Other operating expenses (Regional ICT services)

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

(C) Other income

Other income increased YoY in 4Q2020 and the full year, mainly due to the Job Support Scheme (JSS) payouts recognised since 2Q2020 and higher income grant, partially offset by lower recovery of tunnel fees from TPG. The JSS payouts recognised in 4Q2020 and the full year were S\$11.3 million and S\$34.0 million respectively.

(D) Profitability

Profit from operations in 4Q2020 increased S\$9.3 million YoY to S\$55.7 million. Operating profits from Cyber security services reached S\$6.4 million in 4Q2020, a S\$12.2 million improvement compared to the corresponding period last year. Operating loss from Regional ICT services was S\$0.4 million in 4Q2020 due to the consolidation of Strateq. Excluding Cyber security services and Regional ICT services, profit from operations would have been S\$49.7 million, which is S\$2.5 million or 4.9% lower YoY. This is due to lower revenues from Mobile, Pay TV and Network Solutions and lower margin from Sales of Equipment, partially mitigated by higher Broadband revenue, lower operating expenses and higher other income mainly due to higher JSS payouts recognised and higher TPG tunnel fees cost recovery.

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

Service EBITDA margin for 4Q2020 at 28.4% was 2.4% points higher, compared to the corresponding period last year. Service EBITDA margin for the full year at 31.1% was 0.6% points lower, compared to the corresponding period last year.

Finance income was stable in both 4Q2020 and the full year, compared to the corresponding periods last year. Finance expenses was higher YoY in both 4Q2020 and the full year, mainly due to interest on higher borrowings and higher finance cost on financial liabilities measured at amortised cost with the consolidation of Strateq.

Share of results of associate decreased YoY in 4Q2020. Share of results of associate was a gain in the full year compared to a loss in the corresponding period last year.

Share of results of joint venture was a loss in 4Q2020 and in the full year, primarily due to the incorporation of a new JV company, Antina Pte. Ltd., on 3 September 2020 with another MNO.

Profit before taxation of S\$44.7 million in 4Q2020 was S\$6.9 million higher YoY as a result of higher profit from operations. Taxation expenses was correspondingly higher at S\$6.1 million.

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

Profit after taxation for the period in 4Q2020 and the full year was S\$38.6 million and S\$160.1 million respectively.

2. BUSINESS REVIEW

Mobile Services

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2020	2019	Incr / (Decr)		2020	2019	Incr/ (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Mobile revenue	138.6	190.9	(52.3)	(27.4)	579.7	765.5	(185.8)	(24.3)

	Quarter ended / As of			Full Year ended / As of		YoY
	31 Dec 2020	30 Sep 2020	31 Dec 2019	31 Dec 2020	2019	Incr / (Decr) %
Mobile operating statistics						
Number of registered subscribers (in thousands)						
Postpaid	1,414	1,454	1,451	1,414	1,451	(2.6)
Prepaid	564	526	778	564	778	(27.5)
Total	1,978	1,980	2,229	1,978	2,229	(11.2)
ARPU with IDD included (S\$ per month)						
Postpaid	30	29	40	31	40	(21.7)
Prepaid	11	12	13	11	13	(14.9)
Average smartphone data usage (GB)	12.3	11.4	9.9	11.1	8.1	36.3
Average monthly churn rate (post-paid) ⁽¹⁾	1.2%	1.1%	1.1%	1.0%	1.3%	-
Singapore mobile penetration ⁽²⁾	151.8%	151.8%	159.1%	151.8%	159.1%	-
Market Share ⁽²⁾	22.9%	22.9%	24.6%	22.9%	24.6%	-

Note:

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

(2) Based on latest published statistics.

Mobile service revenues in 4Q2020 and the full year were 27.4% and 24.3% lower respectively due to lower postpaid and prepaid revenues. The decrease in postpaid revenues was mainly due to lower IDD, lower excess data usage, lower voice usage, lower VAS (value-added services) revenues and lower roaming due to ongoing global travel restrictions caused by COVID-19, partially offset by the increase in SMS usage and higher plan subscriptions. The decrease in prepaid revenues was mainly due to lower inbound and outbound travel as a result of tightened border controls resulting from COVID-19, lower data subscriptions, prepaid expired credit and IDD.

Postpaid mobile services

As of 31 December 2020, postpaid mobile subscriber base stood at 1,414,000 after the quarter's net churn of 40,000 subscribers. Compared to a year ago, the postpaid subscriber base decreased by 37,000 subscribers or 2.6%.

ARPU of S\$30 in 4Q2020 and S\$31 in the full year were S\$10 and S\$9 lower YoY, respectively, compared to the corresponding periods last year. This was mainly due to lower roaming, VAS and excess data usage revenues. The overall average smartphone data usage increased YoY for both 4Q2020 and the full year to 12.3 GB and 11.1 GB, respectively.

Average monthly churn rate was 1.2% for 4Q2020 and 1.0% for the full year.

Prepaid mobile services

As of 31 December 2020, the prepaid mobile customer base stood at 564,000 subscribers. Compared to a year ago, prepaid customer base decreased by 214,000 customers. The decline was mainly due to the impact from COVID-19 measures, which caused an overall decrease in tourist numbers.

ARPU was at S\$11 for both 4Q2020 and the full year respectively.

Pay TV Services

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2020	2019	Incr / (Decr)		2020	2019	Incr / (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Pay TV revenue	47.1	56.5	(9.4)	(16.6)	187.9	248.0	(60.1)	(24.2)

	Quarter ended / As of			Full Year ended / As of		YoY Incr / (Decr) %
	31 Dec 2020	30 Sep 2020	31 Dec 2019	31 Dec 2020	2019	
Pay TV operating statistics						
Number of residential Pay TV subscribers (in thousands)	314	321	329	314	329	(4.6)
ARPU (S\$ per month)	40	40	42	39	44	(10.3)
Average monthly churn rate	0.9%	0.7%	0.7%	0.6%	1.6%	-

Pay TV service revenue decreased 16.6% YoY in 4Q2020 and 24.2% YoY in the full year, mainly due to a lower subscriber base, the cable-to-fibre migration in the prior year as well as the impact from COVID-19 on commercial TV revenue and lower spending on advertising on the back of a more cautious business outlook by Enterprise customers.

As of 31 December 2020, Pay TV subscribers stood at 314,000 after the quarter's net churn of 7,000 subscribers. Compared to a year ago, Pay TV subscribers were lower by 15,000. However, since the completion of cable-to-fibre migration in September 2019, Pay TV subscribers were relatively stable and declined by 0.6% on average per month.

Average monthly churn rate was at 0.9% in 4Q2020 and 0.6% in the full year, respectively, after the completion of the cable-to-fibre migration in September 2019.

ARPU was S\$40 in 4Q2020 and S\$39 in the full year, which were S\$2 and S\$5 lower YoY, respectively, compared to the corresponding periods last year.

Broadband Services

	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2020	2019	Incr / (Decr)		2020	2019	Incr/ (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Broadband revenue	45.7	41.0	4.6	11.3	176.1	176.4	(0.3)	(0.1)

Broadband operating statistics	Quarter ended / As of			Full Year ended / As of		YoY Incr / (Decr) %
	31 Dec 2020	30 Sep 2020	31 Dec 2019	31 Dec 2020	2019	
Number of residential broadband subscribers - subscription-based (in thousands)	498	500	501	498	501	(0.6)
ARPU (S\$ per month)	30	30	27	29	29	0.9
Average monthly churn rate	0.7%	0.6%	0.5%	0.5%	0.8%	-

Broadband service revenue increased 11.3% YoY in 4Q2020, mainly due to higher ARPUs from reduced subscription discounts. Service revenue of S\$176.1 million in the full year was 0.1% lower YoY, mainly due a one-time 20% rebate on Home Broadband monthly fee extended to customers as a result of a service disruption in April 2020, partially offset by overall higher ARPUs. Excluding the one-time rebate, revenue would have been \$1.2 million or 0.7% higher YoY in the full year.

ARPU of S\$30 in 4Q2020 and S\$29 in the full year were stable, compared to the corresponding periods last year.

Average monthly churn rate was at 0.7% in 4Q2020 and 0.5% in the full year.

Enterprise Business

Enterprise Business revenue	Quarter ended 31 Dec				Full Year ended 31 Dec			
	2020 S\$m	2019 S\$m	Incr / (Decr) S\$m	%	2020 S\$m	2019 S\$m	Incr/ (Decr) S\$m	%
Data & Internet ⁽¹⁾	64.2	65.9	(1.7)	(2.6)	265.3	269.2	(4.0)	(1.5)
Managed services ⁽²⁾	27.1	33.7	(6.6)	(19.6)	87.8	111.2	(23.4)	(21.0)
Voice services ⁽¹⁾	8.6	11.3	(2.7)	(24.1)	38.5	49.1	(10.6)	(21.5)
Network solutions	99.9	110.9	(11.0)	(9.9)	391.6	429.5	(37.9)	(8.8)
Cyber security services ⁽³⁾	72.6	44.4	28.2	63.4	220.7	145.7	75.0	51.4
Regional ICT services ⁽⁴⁾	15.6	-	15.6	nm	33.2	-	33.2	nm
Total	188.0	155.3	32.7	21.1	645.5	575.2	70.4	12.2

(1) SmartUC and SIP Trunking have been reclassified from Data & Internet to Voice

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

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

(4) Includes service revenue from Strateq

Enterprise Business revenue increased 21.1% YoY in 4Q2020 and 12.2% in the full year, lifted mainly by higher contributions from cyber security services and the consolidation of Strateq, partially offset by lower revenues from data and internet, managed services and voice services.

Data & Internet service revenue in 4Q2020 was 2.6% lower YoY, mainly due to lower revenue from Nucleus Connect. Data & Internet service revenue in the full year was 1.5% lower YoY, mainly due to lower revenue from Nucleus Connect, partially offset by a one-off revenue earned of S\$10.0 million from the delivery of data transmission equipment in 2Q2020. Excluding this one-off revenue, data and internet service revenue would have been lower YoY by S\$13.9 million or 5.2% in the full year.

Managed services revenue for 4Q2020 and the full year were 19.6% and 21.0% lower YoY, respectively, due to fewer project completions during the quarter as well as delayed customer spending for network solutions, cryptographic and digital security projects due to the impact from COVID-19.

Voice services revenue in 4Q2020 and the full year were 24.1% and 21.5% lower YoY, respectively, mainly due to lower domestic voice and international voice traffic due to the impact from COVID-19.

Cyber security services revenue grew 63.4% and 51.4% in 4Q2020 and the full year, respectively, due to higher business demand.

The growth in Regional ICT services revenue in 4Q2020 and the full year, was mainly due to the consolidation of Strateq.

3. GROUP CASH FLOW STATEMENT

	Quarter ended 31 Dec		Full Year ended 31 Dec	
	2020 S\$m	2019 S\$m	2020 S\$m	2019 S\$m
Operating Activities				
Profit before taxation	44.7	37.8	192.8	218.6
Adjustments for :				
Depreciation and amortisation	73.6	91.9	306.5	361.2
Income related grants	-	(1.9)	-	(2.0)
Share-based payments	0.5	1.3	3.2	3.8
Net finance costs	10.9	8.3	39.0	36.7
Share of loss/(gain) of associate, net of tax	0.0	0.4	(0.6)	0.5
Share of loss of joint ventures, net of tax	0.1	-	0.1	-
Others	0.8	0.2	1.2	2.2
Operating cash flow before working capital changes	130.6	138.0	542.2	621.1
Changes in operating assets and liabilities	15.4	(31.4)	95.8	(101.1)
Income taxes paid	(27.9)	(5.9)	(59.1)	(71.9)
Net cash from operating activities	118.1	100.8	578.9	448.2
Investing Activities				
Interest received	1.6	0.4	2.7	1.3
Proceeds from disposal of property, plant and equipment and intangible assets	-	0.1	0.3	0.4
Purchase of property, plant and equipment and intangible assets	(80.6)	(65.1)	(191.2)	(229.5)
Acquisition of subsidiary, net of cash acquired	-	-	(74.0)	-
Repayment of loan from an associate	7.5	-	7.5	-
Proceeds from dilution of interest in subsidiary	-	-	-	5.0
Investment in joint venture	(2.0)	-	(2.0)	-
Net cash used in investing activities	(73.5)	(64.5)	(256.7)	(222.9)
Financing Activities				
Repayment of lease liabilities	(7.6)	(39.1)	(30.8)	(61.1)
Grants received	-	0.2	-	0.7
Dividend paid to owners of the Company	-	(39.0)	(82.2)	(186.1)
Perpetual capital securities distribution paid	(4.0)	(4.0)	(7.9)	(7.9)
Interest paid	(10.8)	(11.0)	(38.0)	(37.7)
Purchase of Treasury Shares	(1.9)	-	(5.1)	(1.5)
Proceeds from bank loans	-	20.0	344.6	70.0
Repayment of bank loans	(7.4)	-	(237.9)	(50.1)
Proceeds of capital contribution from a minority interest shareholder	10.7	-	21.9	-
Net cash used in financing activities	(20.9)	(72.9)	(35.4)	(273.7)
Net change in cash and cash equivalents	23.7	(36.7)	286.8	(48.4)
Cash and cash equivalents at beginning of the period	380.0	153.6	116.9	165.3
Cash and cash equivalents at end of the period	403.7	116.9	403.7	116.9
Cash and cash equivalents comprise:				
Cash and bank balances (Note 1)	414.1	117.6	414.1	117.6
Restricted cash	(10.4)	(0.7)	(10.4)	(0.7)
	403.7	116.9	403.7	116.9

Note 1: includes bank overdraft of S\$1.3 million classified under Current Borrowings on page 20.

The Group's 4Q2020 net cash from operating activities of S\$118.1 million was S\$17.3 million higher YoY. Net cash from operating activities for the full year of S\$578.9 million was S\$130.7 million higher YoY. The increase recorded in 4Q2020 was mainly due to lower working capital needs, partially offset by higher income tax paid as income tax instalment payments were deferred from 2Q2020 to 3Q2020 onwards as part of COVID-19 stimulus package and lower cash from operations. The increase recorded in the full year was mainly due to lower working capital needs and lower income tax paid due to the automatic three-month deferment of income tax payments granted by IRAS as part of COVID-19 stimulus package, partially offset by lower cash flow from operations.

The positive working capital changes of S\$15.4 million in 4Q2020 were due to lower contract costs, lower trade receivables, higher contract liabilities, higher trade payables and accruals and higher net balance due to related parties, partially offset by higher inventories, higher contract assets and higher other receivables, deposits and prepayments. The positive working capital changes of S\$95.8 million in the full year were primarily attributed to lower inventories, lower contract assets and lower trade receivables, partially offset by higher other receivables, deposits and prepayments, lower trade and other payables, lower contract liabilities and lower net balances due to related parties.

Net cash used in investing activities increased by S\$9.0 million to S\$73.5 million in 4Q2020, mainly due to higher CAPEX payments and investment in the 5G joint venture, partially offset by the repayment of loan from an associate and higher interest income earned. Net cash used in investing activities increased by S\$33.8 million to S\$256.7 million in the full year, mainly due to the acquisition of Strateq in July 2020, investment in the 5G joint venture and absence of net proceeds received from the dilution of interest in D'Crypt in September 2019, partially offset by lower CAPEX payments, repayment of loan from an associate and higher interest income earned.

The Group's CAPEX payments amounted to S\$80.6 million in 4Q2020 and S\$191.2 million in the full year, representing 13.9% and 9.4% of total revenue respectively. CAPEX payments were S\$15.5 million higher YoY in 4Q2020, mainly due to an increase in purchase of intangible assets, offset by a decrease in purchase of plant, property and equipment ("PPE"). CAPEX payments were S\$38.3 million lower in the full year, mainly due to a decrease in purchase of PPE, offset by an increase in intangible assets.

Free cash flow of S\$37.5 million in 4Q2020 was S\$1.7 million higher YoY, mainly due to higher cash from operating activities offset by higher CAPEX payments. Free cash flow of S\$387.7 million in the full year was S\$169.0 million higher YoY, primarily due to higher cash from operating activities coupled with lower CAPEX payments.

Net cash used in financing activities was lower at S\$20.9 million in 4Q2020, mainly due to lower repayment of lease liabilities, absence of dividends due to change in dividends pay-out basis from quarterly to semi-annual and proceeds of capital contribution from a minority shareholder in relation to Ensign investment, partially offset by higher repayment of bank loans, absence of loan drawdown and higher purchase of Treasury Shares. Net cash from financing activities was lower at S\$35.4 million in the full year, mainly due to lower repayment of lease liabilities, lower dividends declared and paid, proceeds of capital contribution from a minority shareholder in relation to Ensign investment and higher net proceeds from bank loans (after repayment of bank loans), partially offset by higher purchase of Treasury Shares.

The resulting net cash generated was a surplus of S\$23.7 million in 4Q2020 and a surplus of S\$286.8 million in the full year, leading to a higher cash and cash equivalents balance (excluding restricted cash) of S\$403.7 million as of 31 December 2020.

Capital expenditure commitments

As of 31 December 2020, the Group's total outstanding capital expenditure commitments amounted to S\$464.1 million, including the outstanding commitments for 4G spectrum rights of S\$282.0 million.

4. STATEMENT OF FINANCIAL POSITION

	Group		Company	
	31 Dec 20 S\$m	31 Dec 19 S\$m	31 Dec 20 S\$m	31 Dec 19 S\$m
Non-current assets				
Property, plant and equipment	755.0	820.2	392.1	421.0
Intangible assets	719.5	672.3	91.6	108.8
Right-of-use assets	150.1	150.0	99.7	116.7
Subsidiaries	-	-	3,272.8	3,256.0
Joint ventures	1.9	-	-	-
Associate	22.8	22.1	27.8	27.8
Investment in fair value through other comprehensive income	17.1	34.3	17.1	34.3
Amount due from related parties	-	8.5	-	8.5
Deferred tax assets	0.7	-	-	-
Contract assets	71.1	77.6	0.9	0.6
Contract costs	2.5	7.0	0.4	0.4
Prepayments	30.9	-	2.9	-
	1,771.7	1,792.1	3,905.3	3,974.1
Current assets				
Inventories	79.9	98.3	5.0	5.5
Contract assets	317.5	334.1	24.1	27.5
Contract costs	36.3	32.5	1.2	1.5
Trade receivables	192.8	248.7	146.4	198.0
Other receivables, deposits and prepayments	98.5	88.7	41.2	33.1
Amount due from related parties	19.3	21.9	13.9	15.4
Cash and bank balances	415.4	117.6	328.4	74.5
	1,159.6	941.8	560.3	355.5
Less:				
Current Liabilities				
Contract liabilities	64.4	69.4	21.2	18.1
Trade and other payables	555.1	539.5	283.4	308.7
Amount due to related parties	34.3	41.1	177.4	150.9
Borrowings	8.7	407.6	-	407.5
Lease liabilities	27.7	26.6	15.9	15.8
Provision for taxation	82.6	92.1	31.8	26.0
	772.9	1,176.3	529.7	927.0
Net current assets/ (liabilities)	386.7	(234.5)	30.6	(571.5)
Non-current liabilities				
Contract liabilities	31.6	36.2	31.6	36.2
Trade and other payables	94.0	43.6	10.8	10.9
Borrowings	1,163.7	640.8	1,077.5	640.0
Lease liabilities	130.0	128.9	85.9	100.4
Deferred income	1.5	6.6	0.0	0.0
Deferred tax liabilities	111.2	121.4	63.3	70.6
	1,532.0	977.5	1,269.1	858.1
Net assets	626.5	580.1	2,666.8	2,544.4
Shareholders' equity				
Share capital	299.7	299.7	299.7	299.7
Reserves	38.7	18.6	2,167.3	2,044.9
Perpetual Capital Securities	199.9	199.9	199.9	199.9
Equity attributable to owners and perpetual capital securities holders	538.3	518.1	2,666.8	2,544.4
Non-controlling interests	88.2	62.0	-	-
Total equity	626.5	580.1	2,666.8	2,544.4

GROUP BALANCE SHEET REVIEW

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

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

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

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

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

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

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

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

5. GROUP SECURED AND UNSECURED BORROWINGS

Secured and Unsecured borrowings	31 Dec 20 S\$m	31 Dec 19 S\$m
Amount repayable in one year or less		
Bank overdraft (secured)	1.3	-
Bankers' acceptance (secured)	1.0	-
Bank loans (secured)	6.4	0.1
Bank loans (unsecured)	-	407.5
Medium term notes (unsecured)	-	-
	8.7	407.6
Amount repayable after one year		
Bank loans (secured)	0.7	0.8
Bank loans (unsecured)	642.9	120.0
Medium term notes (unsecured)	520.0	520.0
	1,163.7	640.8
Total	1,172.4	1,048.4

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

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

6. STATEMENT OF CHANGES IN EQUITY

Group	Share capital S\$m	Treasury shares S\$m	Capital reserve S\$m	Goodwill written off S\$m	Share-based payments reserve S\$m	Fair value reserve S\$m	Hedging reserve S\$m	Translation reserve S\$m	Retained profits S\$m	Total reserves S\$m	Perpetual capital securities S\$m	Non-controlling interest S\$m	Total equity S\$m
At 1 Jan 2020	299.7	(0.1)	19.4	(276.3)	8.0	(7.5)	(2.1)	1.3	275.8	18.6	199.9	62.0	580.1
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	121.9	121.9	-	(0.4)	121.4
Other comprehensive income													
Foreign currency translation differences	-	-	-	-	-	-	-	(0.5)	-	(0.5)	-	(0.0)	(0.5)
Effective portion of changes in fair value of cash flow hedges, net of taxation	-	-	-	-	-	-	1.4	-	-	1.4	-	-	1.4
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	-	-	(13.7)	-	-	-	(13.7)	-	-	(13.7)
Total comprehensive income for the period	-	-	-	-	-	(13.7)	1.4	(0.5)	121.9	109.1	-	(0.4)	108.6
Transactions with equity holders of the Company, recognised directly in equity													
Contributions by and distributions to equity holders of the Company													
Share-based payments expenses	-	-	-	-	2.7	-	-	-	-	2.7	-	-	2.7
Accrued perpetual capital securities distribution	-	-	-	-	-	-	-	-	(5.6)	(5.6)	5.9	-	0.3
Perpetual capital securities distribution paid	-	-	-	-	-	-	-	-	0.7	0.7	(4.0)	-	(3.3)
Purchase of treasury shares	-	(3.2)	-	-	-	-	-	-	-	(3.2)	-	-	(3.2)
Issue of shares pursuant to share plans	-	3.3	-	-	(3.3)	-	-	-	-	-	-	-	-
Net changes in fair value of put liability to acquire non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax impact on transfer of treasury shares	-	-	-	-	(0.0)	-	-	-	-	(0.0)	-	-	(0.0)
Dividends paid	-	-	-	-	-	-	-	-	(82.3)	(82.3)	-	-	(82.3)
Net effect from business combinations	-	-	(29.8)	-	-	-	-	-	-	(29.8)	-	3.6	(26.2)
Net effect of dilution of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	11.2	11.2
Total transactions with equity holders of the Company	-	0.1	(29.8)	-	(0.6)	-	-	-	(87.2)	(117.5)	2.0	14.8	(100.8)
At 30 Sep 2020	299.7	(0.0)	(10.4)	(276.3)	7.5	(21.3)	(0.7)	0.9	310.5	10.2	201.9	76.3	587.9
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	36.1	36.1	-	2.6	38.6
Other comprehensive income													
Foreign currency translation differences	-	-	-	-	-	-	-	(0.2)	-	(0.2)	-	0.0	(0.2)
Effective portion of changes in fair value of cash flow hedges, net of taxation	-	-	-	-	-	-	(1.4)	-	-	(1.4)	-	-	(1.4)
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	-	-	(3.4)	-	-	-	(3.4)	-	-	(3.4)
Total comprehensive income for the period	-	-	-	-	-	(3.4)	(1.4)	(0.2)	36.1	31.1	-	2.6	33.7
Transactions with equity holders of the Company, recognised directly in equity													
Contributions by and distributions to equity holders of the Company													
Share-based payments expenses	-	-	-	-	0.5	-	-	-	-	0.5	-	-	0.5
Accrued perpetual capital securities	-	-	-	-	-	-	-	-	(2.3)	(2.3)	2.0	-	(0.3)
Perpetual capital securities distribution paid	-	-	-	-	-	-	-	-	0.7	0.7	(3.9)	-	(3.3)
Purchase of treasury shares	-	(1.9)	-	-	-	-	-	-	-	(1.9)	-	-	(1.9)
Tax impact on transfer of treasury shares	-	-	-	-	0.0	-	-	-	-	0.0	-	-	0.0
Net effect from business combinations	-	-	(2.9)	-	-	-	-	-	-	(2.9)	-	1.8	(1.1)
Net effect of dilution of a subsidiary	-	-	3.4	-	-	-	-	-	-	3.4	-	7.5	10.9
Total transactions with equity holders of the Company	-	(1.9)	0.5	-	0.5	-	-	-	(1.7)	(2.5)	(1.9)	9.4	4.9
At 31 Dec 2020	299.7	(1.9)	(9.9)	(276.3)	8.0	(24.7)	(2.1)	0.7	344.9	38.7	199.9	88.2	626.5

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

Group	Share capital S\$m	Treasury shares S\$m	Capital reserve S\$m	Goodwill		Share-based payments reserve S\$m	Fair value reserve S\$m	Hedging reserve S\$m	Translation reserve S\$m	Retained profits S\$m	Total reserves S\$m	Perpetual capital securities S\$m	Non-controlling interest S\$m	Total equity S\$m
				written off S\$m	reserve S\$m									
At 1 Jan 2019, as previously reported	299.7	(3.0)	21.7	(276.3)		8.8	(5.8)	(0.2)	1.3	282.1	28.6	199.9	59.9	588.1
Adjustment to opening balance	-	-	(20.1)	-		-	-	-	-	-	(20.1)	-	20.1	-
At 1 Jan 2019, as restated	299.7	(3.0)	1.7	(276.3)		8.8	(5.8)	(0.2)	1.3	282.1	8.6	199.9	80.0	588.1
Total comprehensive income for the period														
Profit for the period	-	-	-	-		-	-	-	-	151.5	151.5	-	(6.2)	145.3
Other comprehensive income														
Foreign currency translation differences	-	-	-	-		-	-	-	0.0	-	0.0	-	(0.0)	(0.0)
Effective portion of changes in fair value of cash flow hedges, net of taxation	-	-	-	-		-	-	0.4	-	-	0.4	-	-	0.4
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	-		-	(10.9)	-	-	-	(10.9)	-	-	(10.9)
Total comprehensive income for the period	-	-	-	-		-	(10.9)	0.4	0.0	151.5	141.0	-	(6.2)	134.9
Transactions with equity holders of the Company, recognised directly in equity														
<i>Contributions by and distributions to equity holders of the Company</i>														
Net changes in fair value of put liability to acquire non-controlling interests	-	-	(1.0)	-		-	-	-	-	-	(1.0)	-	-	(1.0)
Derecognition of put liability	-	-	34.0	-		-	-	-	-	-	34.0	-	-	34.0
Net effect from business combinations	-	-	(16.4)	-		-	-	-	-	-	(16.4)	-	(11.0)	(27.5)
Share-based payments expenses	-	-	-	-		2.4	-	-	-	-	2.4	-	-	2.4
Accrued perpetual capital securities distribution	-	-	-	-		-	-	-	-	(4.9)	(4.9)	-	-	1.0
Perpetual capital securities distribution paid	-	-	-	-		-	-	-	-	-	-	(3.9)	-	(3.9)
Issue of shares pursuant to share plans	-	4.2	-	-		(4.2)	-	-	-	-	(0.0)	-	-	(0.0)
Purchase of treasury shares	-	(1.5)	-	-		-	-	-	-	-	(1.5)	-	-	(1.5)
Tax impact on transfer of treasury shares	-	-	-	-		(0.1)	-	-	-	-	(0.1)	-	-	(0.1)
Dividends paid	-	-	-	-		-	-	-	-	(147.2)	(147.2)	-	-	(147.2)
Total transactions with equity holders of the Company	-	2.7	16.6	-		(1.8)	-	-	-	(152.1)	(134.7)	2.0	(11.0)	(143.7)
At 30 Sep 2019	299.7	(0.1)	18.2	(276.3)		6.7	(16.7)	0.2	1.3	281.5	14.9	201.9	62.7	579.2
Total comprehensive income for the period														
Profit for the period	-	-	-	-		-	-	-	-	34.9	34.9	-	(1.6)	33.3
Other comprehensive income														
Foreign currency translation differences	-	-	-	-		-	-	-	0.0	-	0.0	-	-	0.0
Effective portion of changes in fair value of cash flow hedges, net of taxation	-	-	-	-		-	(2.3)	-	-	-	(2.3)	-	-	(2.3)
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	-		-	9.1	-	-	-	9.1	-	-	9.1
Total comprehensive income for the period	-	-	-	-		-	9.1	(2.3)	0.0	34.9	41.7	-	(1.6)	40.1
Transactions with equity holders of the Company, recognised directly in equity														
<i>Contributions by and distributions to equity holders of the Company</i>														
Net effect from business combinations	-	-	1.2	-		-	-	-	-	-	1.2	-	0.8	2.0
Share-based payments expenses	-	-	-	-		1.3	-	-	-	-	1.3	-	-	1.3
Accrued perpetual capital securities	-	-	-	-		-	-	-	-	(3.0)	(3.0)	2.0	-	(1.0)
Perpetual capital securities distribution paid	-	-	-	-		-	-	-	-	1.3	1.3	(4.0)	-	(2.6)
Dividends paid	-	-	-	-		-	-	-	-	(39.0)	(39.0)	-	-	(39.0)
Total transactions with equity holders of the Company	-	-	1.2	-		1.3	-	-	-	(40.6)	(38.1)	(2.0)	0.8	(39.2)
At 31 Dec 2019	299.7	(0.1)	19.4	(276.3)		8.0	(7.5)	(2.1)	1.3	275.8	18.6	199.9	62.0	580.1

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

Company	Share capital S\$m	Treasury shares S\$m	Share-based payments reserve S\$m	Fair value reserve S\$m	Retained profits S\$m	Total reserves S\$m	Perpetual capital securities S\$m	Total equity S\$m
At 1 Jan 2020	299.7	(0.1)	8.0	(7.5)	2,044.5	2,044.9	199.9	2,544.4
Total comprehensive income for the period								
Profit for the period	-	-	-	-	188.7	188.7	-	188.7
Other comprehensive income								
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	(13.7)	-	(13.7)	-	(13.7)
Total comprehensive income for the period	-	-	-	(13.7)	188.7	175.0	-	175.0
<u>Transactions with equity holders of the Company, recognised directly in equity</u>								
<i>Contributions by and distributions to equity holders of the Company</i>								
Share-based payments expenses	-	-	2.7	-	-	2.7	-	2.7
Accrued perpetual capital securities distribution	-	-	-	-	(5.6)	(5.6)	5.9	0.3
Perpetual capital securities distribution paid	-	-	-	-	0.7	0.7	(4.0)	(3.3)
Purchase of treasury shares	-	(3.2)	-	-	-	(3.2)	-	(3.2)
Issue of shares pursuant to share plans	-	3.3	(3.3)	-	-	-	-	-
Tax impact on transfer of treasury shares	-	-	(0.0)	-	-	(0.0)	-	(0.0)
Dividends paid	-	-	-	-	(82.2)	(82.2)	-	(82.2)
Total transactions with equity holders of the Company	-	0.1	(0.6)	-	(87.2)	(87.7)	2.0	(85.7)
At 30 Sep 2020	299.7	(0.0)	7.5	(21.3)	2,146.0	2,132.2	201.9	2,633.7
Total comprehensive income for the period								
Profit for the period	-	-	-	-	41.6	41.6	-	41.6
Other comprehensive income								
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	(3.4)	-	(3.4)	-	(3.4)
Total comprehensive income for the period	-	-	-	(3.4)	41.6	38.1	-	38.1
<u>Transactions with equity holders of the Company, recognised directly in equity</u>								
<i>Contributions by and distributions to equity holders of the Company</i>								
Share-based payments expenses	-	-	0.5	-	-	0.5	-	0.5
Accrued perpetual capital securities distribution	-	-	-	-	(2.3)	(2.3)	2.0	(0.3)
Perpetual capital securities distribution paid	-	-	-	-	0.7	0.7	(4.0)	(3.3)
Purchase of treasury shares	-	(1.9)	-	-	-	(1.9)	-	(1.9)
Tax impact on transfer of treasury shares	-	-	0.0	-	-	0.0	-	0.0
Total transactions with equity holders of the Company	-	(1.9)	0.5	-	(1.7)	(3.0)	(2.0)	(5.0)
At 31 Dec 2020	299.7	(1.9)	8.0	(24.7)	2,185.9	2,167.3	199.9	2,666.8

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

Company	Share capital S\$m	Treasury shares S\$m	Share-based payments reserve S\$m	Fair value reserve S\$m	Retained profits S\$m	Total reserves S\$m	Perpetual capital securities S\$m	Total equity S\$m
At 1 Jan 2019	299.7	(3.0)	8.8	(5.8)	2,117.9	2,117.9	199.9	2,617.4
Total comprehensive income for the period								
Profit for the period	-	-	-	-	161.4	161.4	-	161.4
Other comprehensive income								
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	(10.9)	-	(10.9)	-	(10.9)
Total comprehensive income for the period	-	-	-	(10.9)	161.4	150.5	-	150.5
Transactions with equity holders of the Company, recognised directly in equity								
<i>Contributions by and distributions to equity holders of the Company</i>								
Share-based payments expenses	-	-	2.4	-	-	2.4	-	2.4
Accrued perpetual capital securities distribution	-	-	-	-	(4.9)	(4.9)	5.9	1.0
Perpetual capital securities distribution paid	-	-	-	-	-	-	(3.9)	(3.9)
Purchase of treasury shares	-	(1.5)	-	-	-	(1.5)	-	(1.5)
Issue of shares pursuant to share plans	-	4.4	(4.4)	-	-	-	-	-
Tax impact on transfer of treasury shares	-	-	(0.1)	-	-	(0.1)	-	(0.1)
Dividends paid	-	-	-	-	(147.2)	(147.2)	-	(147.2)
Total transactions with equity holders of the Company	-	2.9	(2.1)	-	(152.1)	(151.2)	2.0	(149.3)
At 30 Sep 2019	299.7	(0.1)	6.7	(16.7)	2,127.3	2,117.2	201.9	2,618.7
Total comprehensive income for the period								
Loss for the period	-	-	-	-	(42.2)	(42.2)	-	(42.2)
Other comprehensive income								
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	9.1	-	9.1	-	9.1
Total comprehensive income for the period	-	-	-	9.1	(42.2)	(33.1)	-	(33.1)
Transactions with equity holders of the Company, recognised directly in equity								
<i>Contributions by and distributions to equity holders of the Company</i>								
Share-based payments expenses	-	-	1.3	-	-	1.3	-	1.3
Accrued perpetual capital securities	-	-	-	-	(3.0)	(3.0)	2.0	(1.0)
Perpetual capital securities distribution paid	-	-	-	-	1.3	1.3	(4.0)	(2.6)
Dividends paid	-	-	-	-	(39.0)	(39.0)	-	(39.0)
Total transactions with equity holders of the Company	-	-	1.3	-	(40.6)	(39.3)	(2.0)	(41.2)
At 31 Dec 2019	299.7	(0.1)	8.0	(7.5)	2,044.5	2,044.9	199.9	2,544.4

7. CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

As of 31 December 2020, the share capital of the Company was at S\$299.7 million (31 December 2019: S\$299.7 million) comprising 1,730,153,520 (31 December 2019: 1,731,614,890) issued ordinary shares (excluding treasury shares).

Treasury Shares

For the quarter ended 30 September 2020, the Company transferred 319,300 treasury shares to participants of the Company's share plans.

For the quarter ended 31 December 2020, the Company bought 1,492,200 ordinary shares from the market at a consideration of S\$1.9 million.

The treasury share balance as at 31 December 2020 was S\$1.9 million (31 December 2019: S\$0.1 million) comprising 1,497,923 (31 December 2019: 36,553) ordinary shares.

Issue of new shares

For 2H2020, there was no issue of new ordinary shares.

Subsidiary holdings

As at 31 December 2020, none of the Company's subsidiaries held any shares in the Company (31 December 2019: Nil).

Perpetual Capital Securities

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

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

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

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

Outstanding Shares – Share-Based Plans

Performance Share Plans

As of 31 December 2020, the outstanding balance of conditional awards under the Performance Share Plans was 2,165,133 (31 December 2019: 3,114,020) ordinary shares.

Restricted Stock Plans

As of 31 December 2020, the outstanding balance of conditional awards under the Restricted Stock Plans was 4,372,705 (31 December 2019: 4,124,587) ordinary shares.

8. AUDIT

The financial statements have not been audited or reviewed.

9. AUDITORS' REPORT

Not applicable.

10. ACCOUNTING POLICIES

The Group and Company have applied the same accounting policies and methods of computation in the financial statements for the current financial period consistent with those of the audited financial statements for the year ended 31 December 2019.

In the current financial period, the Group and the Company have adopted all applicable new and revised Singapore Financial Reporting Standards (International), ("SFRS(I)") and Interpretations of SFRS(I) ("INT SFRS(I)") that are relevant to its operations and effective for annual periods beginning on 1 January 2020.

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

11. CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

Please refer to Note 10.

12. GROUP EARNINGS PER ORDINARY SHARE

	Quarter ended 31 Dec		Full Year ended 31 Dec	
	2020	2019	2020	2019
Basic				
Earnings per share	2.0 cents	1.9 cents	8.7 cents	10.3 cents
Weighted average number of shares ('000)	1,731,283	1,731,615	1,731,327	1,731,136
Diluted				
Earnings per share	2.0 cents	1.9 cents	8.6 cents	10.3 cents
Weighted average number of shares ('000)	1,737,821	1,738,853	1,739,222	1,736,054

13. NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Net asset value per share	31.1 cents	29.9 cents	154.1 cents	146.9 cents

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

Due to the COVID-19 crisis, the Group had withdrawn all guidance for FY2020 as announced in our 1Q2020 Business Performance Update and provided an updated guidance for FY2020 in our 2Q2020 Management Discussion & Analysis on 7 August 2020.

The Group's service revenue was 10.0% lower YoY for the full year, which was within our full year guidance of 10% to 12% YoY decline in service revenue.

The Group's service EBITDA margin for the full year was 31.1% of service revenue, which exceeded our full year guidance of between 27% to 29% of service EBITDA margin.

Total CAPEX commitment entered in the full year amounted to S\$88.7 million or 4.4% of total revenue. This was below our guidance for 2020 CAPEX commitment at 6% to 8% of total revenue (excluding spectrum right, 5G capex and IS transformation capex).

15. GROUP OUTLOOK

In 4Q2020, the Group has seen modest signs of recovery from the impact of COVID-19 on its Consumer segment. However, the Mobile segment in the areas of roaming, IDD and prepaid mobile revenues continue to be impacted due to ongoing strict border controls instituted since late-March 2020. The Group recorded an uptick in Broadband revenue and Sales of Equipment while Pay TV revenues remained stable. The Group continues to progress on its Pay TV cost transformation efforts while driving an elevated experience for customers through the new StarHub TV+ offering. StarHub had in 4Q2020 added Hotstar and iQiYi to its portfolio of OTT applications, as well as secured exclusive distributorship for the highly-anticipated Disney+ in January 2021, and will carry on to enhance the variety and depth of premium content available on its new hybrid platform. Migration to online touchpoints was further accelerated in 4Q2020, driven by StarHub being the only carrier in Singapore to launch end-to-end online pre-sales of the new iPhone 12.

For the Enterprise segment, the Group expects a gradual resumption of business activities following Singapore's commencement of its Phase Three reopening, but maintains a cautious outlook to growth due to global uncertainties. Managed Services saw a recovery in order book as some Enterprise customers commit to strategic initiatives in FY2021 and beyond. The Group continues to see accelerated demand from enterprises for digitalisation and multi-cloud strategies, and is well-placed to meet demand with the addition of the Group's latest Hyperscale Data Centre @ Loyang located in the AirTrunk SGP1 campus. The Group continues to establish partnerships

with solution partners adjacent to its network offerings to augment and provide a comprehensive suite of network services for customers.

On StarHub's 5G initiatives, the Group has continued to see accelerated demand for its experiential Mobile+ plans for consumers and the 5G Biz+ mobile plans for enterprises, driven by the recent launches of premium 5G handsets. While the Consumer business continues to seek more partnerships to differentiate its 5G offerings through the integration of gaming and OTT content, the Enterprise segment has observed increasing interest in early adopters of 5G solution trials alongside the rollout of StarHub's Standalone ("SA") network in 2021. StarHub has recently signed Memorandum of Understanding (MoU) with companies in the Education and Events sectors to develop 5G use cases, as the Enterprise segment continues to work closely with industry partners and solution providers to develop 5G solutions that will enable enterprises to operate, manage and monitor digital assets more efficiently.

Meanwhile, the Group continues to drive further cost and operational efficiencies as it continues to execute the D.A.R.E. transformation programme. The three-year programme ending FY2021 had identified over \$210.0 million in cost savings, of which 82% was executed as at FY2020. The Group is accelerating and investing in its IT Transformation that commenced in 3Q2020. The streamlining, consolidation and refresh of StarHub's technology stack is intended to lay a strong foundation for StarHub's digital initiatives to ensure the Group's agility and competitiveness in an increasingly digitalised environment.

While the COVID-19 situation remains uncertain, the Board and Management has over the past year gained greater understanding and visibility on the business and financial impact brought about by the global pandemic. Coupled with due consideration given to prevailing operating trends, StarHub's ongoing transformation efforts and impending investments including the 5G rollout, the Board and Management offers the following guidance for FY2021:

Based on the current business conditions, we expect the Group's FY2021 service revenue to remain stable YoY, due to higher contributions expected from Cyber security services and Regional ICT services due to the full year consolidation of Strateq. This is offset by lower service revenue expected from Network Solutions, lower Mobile service revenue due to the ongoing travel restrictions resulting from COVID-19 and lower Pay TV service revenue due to a decrease in subscriber base and TV advertising revenue.

Group service EBITDA margin is expected to be between 24% and 26% due to a change in revenue mix, lower JSS payouts, and initial investments to be made relating to the IT transformation, 5G infrastructure and Data Center rollouts. The Group remains committed and confident in driving cost transformation to achieve returns on its investments as well as to stabilise and improve margins going forward. In FY2021, CAPEX commitment – excluding 5G capex and spectrum right – is expected to be 9% to 11% of total revenue.

Taking into consideration short-to-mid term business conditions (including COVID-19 impacts), cash flow and investment requirements, as well as results reaped and expected from the ongoing business transformation initiatives, the Group is proposing a final dividend of 2.5 cents per ordinary share. Together with the interim dividend of 2.5 cents per ordinary share, the total dividend for the full year ended 31 December 2020 would be 5.0 cents per ordinary share, representing a payout ratio of 80% of the Group's

FY2020 net profit attributable to shareholders, adjusted for JSS payouts recognised, one-off rental and property tax rebates, and reversals of restructuring provisions.

The Group remains committed to its dividend policy to distribute at least 80% of net profit attributable to shareholders (adjusted for one-off, non-recurring items), payable on a semi-annual basis. With respect to the dividend guidance for FY2021, the Board has taken into consideration the ongoing effects of COVID-19, the Group's ongoing investments in, and returns from transformation initiatives, and expects to distribute the higher of 5.0 cents per ordinary share or as per the Group's aforesaid dividend policy.

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

16. DIVIDENDS

- (a) Current financial period reported on

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

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

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

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

Name of Dividend	Proposed Final and Interim
Dividend Type	Cash; Tax exempt (1-tier) dividend
Dividend Amount	S\$0.045 per ordinary share, comprising S\$0.0225 per ordinary share declared for 3Q (interim) and 4Q (final) each
Tax Rate	Exempt (1-tier)

- (c) Date payable

The Directors have proposed a final dividend of S\$0.025 per ordinary share, tax-exempt (1-tier) for shareholders' approval at the forthcoming annual general meeting to be convened. Details on payments of dividends will be announced in due course.

- (d) Record date

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

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

Not applicable

18. INTERESTED PERSON TRANSACTIONS

	Nature of Relationship	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than S\$100,000)* 1 January 2020 to 31 December 2020 S\$m	Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual) 1 January 2020 to 31 December 2020 S\$m
Transactions for the Sale of Goods & Services			
Capitaland Limited & its associates		3.6	-
SembCorp Industries Ltd & its associates		0.6	-
Singapore Technologies Telemedia Pte Ltd & its associates	Associates of StarHub Ltd 's controlling shareholder	16.9	-
Singapore Airlines Limited & its associates		1.4	-
Singapore Power Limited & its associates		0.8	-
Singapore Telecommunications Limited & its associates		12.2	-
Temasek Holdings (Private) Limited and its associates (other than those disclosed above)		Controlling shareholder of StarHub Ltd and its associates	15.9
		51.5	-
Transactions for the Purchase of Goods & Services			
SembCorp Industries Ltd & its associates		3.3	-
Singapore Technologies Engineering Ltd & its associates	Associates of StarHub Ltd 's controlling shareholder	0.4	-
Singapore Telecommunications Limited & its associates		21.6	-
Singapore Technologies Telemedia Pte Ltd & its associates		29.1	-
Temasek Holdings (Private) Limited and its associates (other than those disclosed above)		Controlling shareholder of StarHub Ltd and its associates	2.3
		56.8	-
Capital call for capability funding and working capital			
Ensign Technologies Pte. Ltd.(f.k.a. Leone Investments Pte. Ltd.) and Ensign InfoSecurity Pte. Ltd.	Associates of StarHub Ltd 's controlling shareholder	-	20.0
		-	20.0
Capital call for subscription of preference shares in the capital of Keele Investments Pte. Ltd.			
Ensign Technologies Pte. Ltd.(f.k.a. Leone Investments Pte. Ltd.) and Ensign InfoSecurity Pte. Ltd.	Associates of StarHub Ltd 's controlling shareholder	-	6.6
		-	6.6

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

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

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

1. SEGMENT REPORTING

	Telecommunications ⁽¹⁾	Cyber Security ⁽²⁾	Total	Telecommunications ⁽¹⁾	Cyber Security ⁽²⁾	Total
	2020	2020	2020	2019	2019	2019
	S\$m	S\$m	S\$m	S\$m	S\$m	S\$m
Mobile	579.7	-	579.7	765.5	-	765.5
Pay TV	187.9	-	187.9	248.0	-	248.0
Broadband	176.1	-	176.1	176.4	-	176.4
Enterprise Fixed	424.9	220.7	645.5	429.5	145.7	575.2
Sales of equipment	439.6	-	439.6	565.5	-	565.5
Total revenue	1,808.1	220.7	2,028.8	2,184.9	145.7	2,330.6
EBITDA	510.3	27.5	537.8	620.3	(3.2)	617.1
Depreciation & amortisation	(286.2)	(20.3)	(306.5)	(342.6)	(18.7)	(361.2)
Finance income	1.8	0.0	1.9	1.6	0.0	1.6
Finance expense	(39.0)	(1.8)	(40.8)	(38.0)	(0.4)	(38.3)
Share of gain/(loss) of associate (net of tax)	0.6	-	0.6	(0.5)	-	(0.5)
Share of loss of joint venture (net of tax)	(0.1)	-	(0.1)	-	-	-
Profit before taxation	187.5	5.3	192.8	240.7	(22.2)	218.6
Taxation	(30.7)	(2.0)	(32.7)	(41.7)	1.7	(40.0)
Profit for the year	156.8	3.3	160.1	199.0	(20.4)	178.6
Assets and liabilities						
Non-current assets	1,580.2	191.5	1,771.7	1,585.0	207.1	1,792.1
Current assets	975.2	184.4	1,159.6	833.3	108.4	941.8
Total assets	2,555.4	376.0	2,931.3	2,418.3	315.5	2,733.9
Borrowings	1,171.6	0.8	1,172.4	1,047.5	0.9	1,048.4
Other non-current liabilities	335.0	33.3	368.3	290.7	46.1	336.7
Current liabilities	666.6	97.6	764.2	700.5	68.3	768.7
Total liabilities	2,173.3	131.6	2,304.9	2,038.6	115.2	2,153.8
Other information						
Capital expenditure	151.2	4.1	155.3	222.0	19.9	241.9
Free cash flow ⁽³⁾	402.7	(15.0)	387.7	223.0	(4.3)	218.6

Note:

(1) Telecommunications refers to the Group including Strateq which was acquired in 3Q2020

(2) Cyber Security refers to Ensign and D'Crypt

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

2. SEGMENT PERFORMANCE

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

3. BREAKDOWN OF SALES

	2020	2019	Incr / (Decr)	
	S\$m	S\$m	S\$m	%
Total revenue reported for first half year	959.6	1,149.6	(190.0)	(16.5)
Operating profit after tax before deducting non-controlling interests reported for first half year	75.9	88.7	(12.8)	(14.4)
Total revenue reported for second half year	1,069.2	1,181.0	(111.9)	(9.5)
Operating profit after tax before deducting non-controlling interests reported for second half year	84.1	89.9	(5.7)	(6.4)

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

	Full Year ended 31 Dec	
	2020	2019
	S\$m	S\$m
Ordinary shares (tax exempt 1-tier)		
Interim	43.3	116.9
Final (Proposed)	43.3	39.1
Total Annual Dividend	86.6	156.0

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

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