

# IN DISCUSSION WITH SENIOR EXECUTIVES



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## IN DISCUSSION WITH SENIOR EXECUTIVES

(Cont'd)



**Peter Kaliaropoulos**  
CEO

**Q With your appointment as CEO of StarHub, what immediate changes have you made to the company, and what direction do you expect StarHub to steer towards going into 2019?**

**A** I joined StarHub because I passionately believe that our brand heralds change, innovation and better customer experiences. We live in an ever-increasing digital world and we need to inspire people around us to enjoy life and work smarter than ever before and embrace the benefits that the digital era offers to all of us.

StarHub has a leading role in enabling digital transformation at personal and corporate levels. We in StarHub have to challenge ourselves and embrace more than ever before digitisation, customer-centricity, employee engagement and smarter operating models.

Under the theme "DARE to be different and better" we introduced a transformation programme to challenge and improve the way we conduct business. Our industry in Singapore is facing unprecedented challenges with the entry of another infrastructure-based operator and multiple new virtual mobile operators.

A number of global content providers have also begun to serve customers directly and global solutions organisations are formidable operators in the corporate segment. New entrants, new technologies such as 5G, cyber security advancements are some of the driving forces of change that StarHub has to successfully address.

Our DARE strategic priorities – improved customer experience, growth from existing and new initiatives, operational efficiency and digital transformation – are clear and execution in the market will be the key differentiator.

Within our strategic pillar of growing via new initiatives, we took a major step in September 2018 and created a significant cyber security company together with Temasek Holdings to focus on the growing demands of corporate and government clients to prevent and defend their operations and their clients' information from cyber-attacks.

Addressing customers' experiences, we launched simplified mobile pricing plans, offering better value and innovation including unlimited local calls for prepaid customers and unlimited weekend data for our postpaid customers. Migration from "old" HFC cable to advanced fibre technology is underway to enable our StarHub TV customers to enjoy best resolution and digital delivery of services.

**We will continue to challenge conventional business practices, unfollow the competition and redefine the way we work.**

We also replenished our content with new channels such as CuriosityStream HD, Gusto TV HD, HITS MOVIES HD, Makeful HD and PeopleTV HD, whilst renewing our key partnerships with HBO, iQiyi, TVB and other leading content providers.

StarHub accelerated our wireless 4G LTE-Advanced infrastructure together with Nokia and through carrier aggregation technology, deliver 1Gbps speeds for customer to enjoy much smoother surfing and streaming even in high-traffic locations. Such customer focused investments resulted in us being rated by globally respected OpenSignal as the fastest 4G and 3G mobile network in Singapore on a few occasions.

As the evolution of our operating model is a key strategic pillar, a leaner organisational structure has been introduced. We will miss the contributions from all the impacted employees who were affected by the operational efficiency programme in October 2018 to improve productivity. We have unreservedly thanked them for their past, valuable contributions to our business.

On the infrastructure side, the intense competitiveness of the market, new entrants, declining voice revenues, high content costs and high market penetration, mean that it is not feasible to continue building or maintain existing telecom infrastructure in isolation. We are exploring sharing network models with various interested parties, but it is too early for any tangible agreements.

Consistent with our DARE strategy, we have launched our trio of simplified and unique SIM Only plans and the "Hello Change" campaign. We have also introduced several digital services including HR Payroll, Accounting, Digital Marketing and Cyber Security offerings in a simple and affordable manner to SMEs as part of the "Digital Start" initiative with IMDA and other partners.

We are addressing the realities of our pay TV business which will necessitate a refresh of our content strategy. While we continue to commit to our pay TV services, we will reshape the current business models and move towards a variable cost model. This is especially important in the face of the rapid adoption of online streaming, digital downloads and OTT services.

You have seen some initial changes to our pay TV plans like our improved HBO offerings in late 2018, which give more value back to our customers. We will continue in this journey to provide premium content while managing costs.

## IN DISCUSSION WITH SENIOR EXECUTIVES

(Cont'd)



**Encouraging  
inroads made  
in 2018 will be  
accelerated in 2019**

Over the last few years, our enterprise business continues to grow from strength to strength, and this is where much of our energy and resources are being invested.

In 2018, we completed our joint venture company exercise with Temasek Holdings to launch one of Asia's largest cyber security ventures – Ensign InfoSecurity. We have also boosted our enterprise solutioning to focus on creating better core data and connectivity products and services. We believe this will allow us to compete credibly as a key player in the growing cyber security space and more.

Simultaneously, we will concentrate on entering or expanding several adjacent areas of growth – IoT, AI, data analytics and digital platforms. These ventures will be selective, based on potential growth and opportunity costs, but we expect new revenue streams to be borne out of this in the short term.

Encouraging inroads have been made in 2018 which we will accelerate in 2019. We have also forged and strengthened partnerships in areas like Smart Retail where we have been appointed by the government to support digital transformation at Kampong Glam and to offer IoT Connected Vehicle Solutions to SBS Transit to improve passenger experiences across the island.

Ultimately, customer experience remains the cornerstone of our business transformation. We will continue to challenge conventional business practices, unfollow the competition and redefine the way we work. The introduction of our simple and greater value SIM Only mobile plans is our first step in this transformation.

With you, our customers and employees in mind, we plan to make 2019 – 'the Year of the Customer'!



**Dennis Chia**  
Finance

**Q StarHub's inorganic journey continued in 2018 when you announced the joint venture company with Temasek Holdings (via Leone Investments) on Ensign InfoSecurity. What is in store for 2019?**

**Our inorganic journey will continue in 2019 as we keep our sights open for potential acquisitions which complement and strengthen our existing consumer and enterprise offerings.**

**A** Our investors would have noted that since 2016, we have prioritised inorganic growth to bolster our skill sets and capabilities. These include a 9.8% stake in mm2 Asia, the 100% acquisition of Accel Systems & Technologies (ASTL) and our taking of a majority 65% stake in D'Crypt.

In September 2018, we formed a joint venture company, Ensign InfoSecurity with Temasek, where StarHub holds 40% equity interest, with an additional assigned economic interest of 20%. This arrangement for the assigned rights will expire from three to five years and automatically after five years. A fair market value consideration will be determined at that time of expiration.

StarHub will, for the medium term, retain a significant strategic interest in Ensign. We intend to support Ensign's growth and maximise its market value.

The new entity, which merges StarHub's cyber security Centre of Excellence, ASTL and Quann, will become one of Asia's largest pure-play cyber security providers. Cyber security is one of the major growth areas that StarHub has been investing in over the last few years. It is a US\$111 billion industry globally and is expected to grow to US\$240 billion in 10 years' time. Singapore's market is estimated to be worth around S\$900 million by 2020.

We are, thus, well placed to leverage our strong capabilities in cyber security offerings to compete effectively with local, regional and global players to provide 24/7, deep expertise, advanced threat monitoring and detection services.

Our inorganic journey will continue in 2019 as we keep our sights open for potential acquisitions which complement and strengthen our existing consumer and enterprise offerings.

## IN DISCUSSION WITH SENIOR EXECUTIVES

(Cont'd)



**Dennis Chia (Cont'd)**

Finance

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**Q** What kind of savings do you expect from the Strategic Transformation programme?

**A** The Strategic Transformation programme is expected to realise \$210 million in gross savings over a three-year period from 2019.

In broad buckets, StarHub is targeting savings in procurement activities, leasing costs, rationalising spending in network and systems repairs and maintenance and overall sales and distribution expenses. As resources will be directed to fund growth opportunities, lower net savings will be realised.

In October 2018, we initiated an operational efficiency programme to improve productivity, improve speed in decision making and lower operating expenditure across the board. The strategic review process, unfortunately, resulted in the reduction of workforce.

A one-off staff restructuring cost of approximately \$25 million which includes funding to support outplacement, training and coaching was incurred. As provisions for the cost were made in prior years, there was no impact on StarHub's guidance for FY2018.

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**Q** What potential CAPEX commitments do you have in 2019 and will this affect your dividend payments?

**A** Our balance sheet remains healthy, with our net debt to EBITDA ratio at 1.52x as at FY2018. We have further liquidity and leverage capacity to fund our future growth plans.

The 700 MHz spectrum that we were awarded in the 2017 spectrum auction is still pending release for use by the regulator. Six months prior to its release, we will need to pay the licensing fee of \$282 million.

On dividend, the Board takes a holistic view of considerations, including a forward view of our earnings, free cash flow, growth prospects, investment needs and an optimal balance sheet. After careful deliberation, the Board has recommended to pay 2.25 cents per quarter per ordinary share for FY2019.

Going forward, the Group intends to pay-out at least 80% of net profit attributable to shareholders as dividend.





**Dr Chong Yoke Sin**  
Enterprise

**Q The Enterprise business has grown significantly over the last year. What have you done right and what are you planning for 2019?**

#### Enterprise Business Activities

**Our success is largely attributed to our focus in shoring up our Managed Services portfolio and expanding that into new growth areas.**

**A** We have always believed that our Enterprise business is the 'growth performer' of the company. And in 2018, we have seen this star shine in strong performance. We expect to capture even more good opportunities in 2019, building upon what we have done so far.

Our success is largely attributed to our focus in shoring up our Managed Services portfolio and expanding that into new growth areas. In 2018, we significantly boosted our capabilities in cyber security, cloud, cryptography and digital security solutions, while also invested in adjacent areas such as digital platforms, IoT, AI, amongst others.

The dangers of cyber-attacks in Singapore and around the world is a real one, and enterprises have often demanded from us effective solutions that protect them against these threats. Since we started our cyber security team two years ago, we have made major advancements. Of note - the formation of the joint venture company with Temasek Holdings via Leone on Ensign, which merges our Cyber Security Centre of Excellence, ASTL and Quann.

Ensign's unique telco-centric and network-based security monitoring capabilities will be critical to providing enhanced security for enterprises and critical infrastructure. It boasts a team of about 500 cyber analysts, consultants and researchers, and operate out of Singapore, where their enhanced Security Operations Centres are located.

Ensign will focus on the Government and Enterprise sectors with a combination of cyber security solutions, systems integration and managed services. StarHub will work closely with Ensign, to provide end-to-end bespoke enterprise solutions for our customers that will combine connectivity, solutions and cyber security.

Besides cyber security, we have made inroads into areas we think will have significant potential in the future. We believe that the future is digital and that we can be a true enabler by harnessing the power of connected solutions differentiated by AI.

In addition, we have continued to look into various new growth opportunities. Examples of some of these opportunities include:

- Smart Retail - where we are proud to be the service provider appointed by the government to support digital transformation at Kampong Glam;
- Robotics - where we have successfully made inroads at a number of hotels and the MICE (Meetings, Incentives, Conferences and Exhibitions) industry in Singapore;
- Eldercare Solutions - where, in partnership with Orange Valley Nursing Homes, we are testing several aged-care technologies with our clients in this space; and
- IoT Connected Vehicles Solution - where we are working with SBS Transit to improve passenger experiences across the island.

## IN DISCUSSION WITH SENIOR EXECUTIVES

(Cont'd)



**Johan Buse**  
Consumer

**Q How has your approach to StarHub's brand and marketing been different in 2018 and beyond?**

**A** For almost two decades, StarHub's brand has always been one that resonated with Singaporeans across all our products, services and campaigns. Moving ahead, we aim to work even harder to not just be another local brand but to become the local's brand.

To achieve that, we must be single-minded and focus on just one single brand promise – to put customers first in everything we do. As simple as it sounds, it is a lot harder to achieve.

Customers have a lot of negative sentiments towards telcos and we need to understand why and address these concerns immediately. We want to re-ignite our challenger spirit and do our best for them.

When we launched "Hello Change" as a brand promise to our customers, we had to make sure we delivered on that promise. The all-new mobile plans that was launched in December was the first step.

Focused on simplicity, these plans have no contracts and no hidden charges such as the standard one-time administration, activation and SIM card fees. Customers can also add on a plan to enjoy free data usage of many popular social and video apps.

Indeed, we understand the need for a seamless customer experience; hence through our *MyStarHub* app, we have empowered our customers to decide how they want to personalise their own plans to fit their daily consumption. We intend to keep improving our digital innovation with more features that provides further convenience for them.

The next step of "Hello Change" continued on the TV front with the inaugural 'StarHub Night of Stars' held in December. This star-studded event celebrated the best of Asian entertainment on StarHub TV with the attendance of over 30 celebrities across Asia.

Our customers were entertained by artistes such as Korean sensation Lee Joon Gi (Lawless Lawyer) and Chinese actress Qin Lan (Story of Yan Xi Palace) and we are confident to say that it was a night to remember for many.

For our ardent fans of English entertainment, we made subscription fees for one of our most popular content providers – HBO – that much sweeter. Starting from 31 January 2019, The HBO PAK will have two additional channels - CINEMAX and RED BY HBO – packaged for a lower subscription price. Supreme Box Office Pack customers will also enjoy RED BY HBO at a lower subscription price.

This is just a start of our journey of change, with more exciting initiatives planned in 2019. We will continue to say 'goodbye to business as usual and hello to change'. Ultimately, we want StarHub to be more than just a company that people expect; we want StarHub to become a brand that our customers deserve.



**Say goodbye to business as usual and hello to change**





**Chong Siew Loong**  
Network

## Q How have StarHub's networks evolved in 2018?

**A** The demand for mobile data is insatiable, especially given the industry's move to digital and the wide spread adoption of streaming and cloud computing. To meet this demand, we have constantly upgraded our mobile and fixed networks to ensure seamless, uninterrupted connectivity for our customers.

In 2018, StarHub was the first operator in Singapore to upgrade our mobile network to deliver peak 4G speeds of 1Gbps. We were thrilled that the initial rollout was at the August National Day Parade 2017 at The Float@Marina Bay, utilising our 2.5GHz TDD-LTE spectrum.

We have since expanded our gigabit network to cover the Central Business District as well as key shopping areas, transport hubs and heartland town centres, including Bedok, Bishan, Chinatown, Clarke Quay, Clementi, Orchard Road and Tampines.

In anticipation of greater adoption of IoT devices across Singapore, we have modernised our network to support NB-IoT. We believe these devices will help furnish critical data which the government and enterprises can use, to improve operational efficiency and facilitate their long-term planning. IoT will also advance our daily lives with connected Wearables and Smart Homes; leading towards a Smart Nation.

We are pleased to have successfully completed the first outdoor pilot of 5G New Radio on 3.5GHz spectrum with Nokia, where we showcased some industrial and consumer applications over 'live' 5G base stations and core network technology.

This included an industrial application in a manufacturing environment, demonstrating how businesses can use 5G-enabled video analytics to enhance efficiency and minimise production errors. The over-the-air pilot leveraged on 5G architecture to deliver impressive speeds and capacity required to support enhanced mobile broadband services.

For TV, we have unveiled the world first Operator Tier version of Android TV Oreo, the *StarHub Go Streaming Box*. The box featured a customised user interface with content optimised for the big screen. It is also integrated into the *StarHub Go* ecosystem, allowing customers to seamlessly switch viewing between their TV set and smart devices.

Moving on to our fixed networks, we have ceased further rollout of our HFC network. Instead, we will enhance our efforts on using our own fibre network as well as leverage the NBN to deliver fibre broadband and TV services to our customers. This will allow our customers to enjoy the latest services, technology, content and digital innovation over fibre.

We also continued on our network virtualisation journey to take advantage of the efficiencies and agility of software-based compute and storage resources. This allows for better responses to network demands and new business requirements.



**1<sup>st</sup> in Singapore to successfully complete 5G New Radio outdoor pilot on 3.5GHz spectrum**

## SENIOR EXECUTIVES' PROFILES

### Peter Kaliaropoulos

Chief Executive

With over 35 years of experience in the global information and communication technologies (ICT) sector, Peter is responsible, together with the Executive team, for leading StarHub's transformation and competitiveness and creating value for all stakeholders.

Prior to joining StarHub, Peter held C-level roles with BT, Batelco, Clear, Ooredoo, Optus, Telstra and Zain. He has led a number of mergers and acquisitions and served as Board Director to numerous telecommunications companies and ICT start-ups in Australia, North America, Singapore, India, and the Middle East.

Peter holds a Master of Business Administration from Macquarie University, Australia and a Bachelor of Engineering, Electrical Engineering from the University of New South Wales, Australia.

### Dennis Chia

Finance

Dennis oversees StarHub's financial health, develops and executes strategies through financial management and ensures that business decisions are financially sound. He is also responsible for driving merger and acquisition activities as well as procurement, supply chain and enterprise risk management.

Prior to joining StarHub, Dennis was the Senior Vice President and Chief Financial Officer (CFO) of STATS ChipPAC (Worldwide), a leading provider of advanced semiconductor packaging and test services. He was also with Lear Corporation as its Vice President of Finance, Asia Pacific Operations and CFO of Behringer Corporation and Frontline Technologies Corporation.

Dennis is a Chartered Accountant and currently a council member with the Institute of Singapore Chartered Accountants. He holds a Bachelor of Accountancy (Honours) from the National University of Singapore and a Master of Business Administration from the University of Hull, United Kingdom.

### Dr Chong Yoke Sin

Enterprise

Yoke Sin leads the enterprise business group which serves the needs of enterprise and government sector clients, ranging from SMEs to multinational corporations.

Prior to joining StarHub, Yoke Sin was the Chief Executive Officer of Integrated Health Information Systems. With more than 30 years of experience in the IT industry, Yoke Sin was also the Chair of the Healthcare Information and Management Systems Society Asia Pacific Governing Council.

Yoke Sin is Vice President of the Singapore Computer Society. She currently sits on the Boards of the Singapore Land Authority, SG Enable, Republic Polytechnic and the National Kidney Foundation. Yoke Sin holds a PhD in Chemistry from the National University of Singapore and attended the Advanced Management Programme at Harvard University.

## Johan Buse

### Consumer

Johan leads the consumer business group and is responsible for the development, marketing and delivery of consumer-market mobile and fixed products and services including pay TV. He also charts StarHub's brand evolution.

Prior to joining StarHub, Johan's 19 years of experience in the telecommunications industry has brought him across Europe, Asia and the Middle East. Most recently, he was the Chief Commercial Officer of Ooredoo Oman, where he was responsible for marketing, sales and customer experience for mobile, fixed and new businesses. Before that, he held senior positions in Deutsche Telekom (T-Mobile), Axis (STC) and Singtel.

Johan was recognised by Forbes as one of the world's 50 most influential CMOs in 2014. He holds a Bachelor of Science, Commercial Economics - Communications from Hogeschool Breda, Netherlands.

## Veronica Lai

### Corporate Services

Veronica is responsible for StarHub's Corporate Communications, Investor Relations, Legal, Corporate Secretariat, Regulatory and Sustainability functions.

Prior to this role, Veronica was the Group's General Counsel and Company Secretary. Before joining StarHub, she practised law at Rajah and Tann for six years.

Veronica is a member of the Management Committee of the Global Compact Network Singapore. She was listed in Legal 500's GC Powerlist for 2017, 2018 and 2019. She also received the Asian Company Secretary 2013 Award for Singapore by Corporate Governance Asia and was recognised as one of Asia Legal Business' Top 25 in-house counsels in Asia for 2010. Veronica holds a Bachelor of Laws (Honours) from the National University of Singapore.

## Chong Siew Loong

### Network

Siew Loong provides leadership to maintain a robust and efficient network to support StarHub's multiple lines of business. He is also responsible for establishing the company's technical vision and leading all aspects of technology development.

Siew Loong was one of the pioneers in StarHub's formative years when the company won the licence to operate as a telco in 1998. He also set up and managed the Network and Systems Division at StarHub's wholly-owned subsidiary Nucleus Connect.

Siew Loong received the 40 Under 40 award from the Global Telecoms Business in 2011. He holds a Bachelor of Electronics Engineering from the University of Southampton, United Kingdom.

## SENIOR EXECUTIVES' PROFILES

(Cont'd)

### Kee Yaw Yee

Information Services

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Yaw Yee is responsible for the Information Technology (IT) strategy, IT infrastructure, systems and applications required to support StarHub's business growth and customer goals.

Prior to joining StarHub, Yaw Yee has held leadership roles in multinational companies like Accenture, Hewlett-Packard and AsialInfo. With over 24 years of experience in IT and management consulting, he has consistently delivered large-scale transformational programmes for local and regional clients, using different methodologies and technology solutions.

Yaw Yee holds a Bachelor (Honours) of Electrical Engineering and Electronics from the University of Manchester, Institute of Science and Technology in the United Kingdom. He has a Performers' Diploma in piano from the Trinity College of Music, London.

### Chris Lipman

Customer Experience

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Chris leads the company's end-to-end customer experience, to drive StarHub's transformation to a consistently customer-centric brand.

Prior to joining StarHub, Chris was Vice President for Customer Experience, Insights & Operations (Southeast Asia) at HOOQ Digital, where he set the overall strategic direction of the customer experience team, managed vendor partnerships and built a pipeline of customer insights to assist the business. Before HOOQ Digital, Chris was Head of Customer Service & Experience at Globe Telecom, Philippines. Chris has also held similar senior roles in Telstra, Optus and Virgin Mobile.

Chris holds a Bachelor of Applied Science, Land Economics from the University of Technology Sydney, Australia.

### Catherine Chia

Human Resource

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Catherine leads the overall human resource strategy, programmes and services, to accelerate the growth and performance of StarHub.

Prior to joining StarHub, Catherine was Vice President of People Operations & Development at LEGO. Catherine has extensive human resource experience in organisations spanning multiple industries and geographies, such as Dell, GE and United Overseas Bank. In her previous roles, Catherine has implemented organisational change and transformation initiatives as well as developed leadership capabilities through robust talent management programmes.

Catherine holds a Bachelor of Social Science (Honours) from the National University of Singapore.

## Anubhav Kela

### Transformation

Anubhav is responsible for driving and executing the organisation-wide transformation agenda, including key business, digital and people initiatives. He also oversees the execution of strategy, partnering business leaders to champion strategic initiatives.

Prior to joining StarHub, Anubhav was the Chief Financial Officer for Global Customer Services & Service Transformation (London) at BT Global Services. He brings along more than 26 years of international experience in finance, operations and strategy across a range of Fortune 500 to FTSE 100 and CAC 40 companies.

Anubhav holds a Master of Science in Finance from Babson College – F.W. Olin Graduate School of Business, USA, and a Master of Business Administration in Finance from the University of Lucknow, India.

## Tim Goodchild

### Government & Strategic Affairs

Tim is responsible for managing StarHub's relationship with the regulators, and for providing regulatory support to StarHub's lines of business. He has close to 30 years' experience in telco regulatory issues.

Prior to joining StarHub, Tim's career has given him exposure to regulatory regimes throughout the Asia-Pacific region. This has included time with Telecom New Zealand, the Telecommunications Authority of Singapore (now the Infocomm Media Development Authority of Singapore), Millicom International Cellular, and Equant Singapore.

Tim holds a Bachelor of Economics (Honours) from Victoria University of Wellington, New Zealand.