



Full Year 2016 Financial Statement Announcement

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Notes:

(1) Numbers in all tables may not exactly add due to rounding.



1(a) Consolidated Statement of Comprehensive Income for:

	Note	4Q2016		4Q2015		Year Ended 31 Dec		
		S\$'m	S\$'m	Change	2016 S\$'m	2015 S\$'m	Change	
Operating revenue	(i)	313.9	307.9	1.9%	1,060.9	1,157.2	-8.3%	
Operating expenses	(ii)	(276.7)	(255.2)	8.5%	(880.9)	(940.0)	-6.3%	
Other revenue		1.5	3.1	-52.7%	5.3	6.2	-13.5%	
Finance costs		(2.0)	(1.3)	51.2%	(6.7)	(4.9)	37.2%	
Profit before tax		36.6	54.6	-32.9%	178.6	218.4	-18.2%	
Taxation	(iii)	(4.8)	(11.0)	-56.0%	(28.9)	(39.9)	-27.7%	
Net profit		31.8	43.6	-27.1%	149.7	178.5	-16.1%	
Other comprehensive income		0.2	-	-	0.2	-	-	
Total comprehensive income for the period		32.0	43.6	-26.6%	149.9	178.5	-16.0%	
Earnings per share (cents)								
Basic		3.4	4.7	-26.5%	16.1	19.1	-15.7%	
Diluted		3.4	4.6	-26.5%	16.1	19.0	-15.6%	
EBITDA (S\$'m)		72.1	88.2	-18.3%	312.1	341.8	-8.7%	

The net profit included the following:

	4Q2016		4Q2015		Year Ended 31 Dec	
	S\$'m	S\$'m	S\$'m	S\$'m	2016 S\$'m	2015 S\$'m
Other revenue including interest income	(1.5)	(3.1)	(5.3)	(6.2)		
Interest on borrowings	2.0	1.3	6.7	4.9		
Depreciation and amortisation	33.4	32.3	126.8	118.4		
Allowance for doubtful debts and bad debts written off	2.2	2.6	8.4	8.9		
Foreign exchange (gain)/loss, net	(0.2)	0.3	(*)	(0.2)		
Adjustments for under/(over) provision of tax in respect of prior years	(4.0)	nil	(4.0)	nil		
(Gain)/loss on disposal of fixed assets	(*)	(*)	*	(0.1)		
Share of loss of associate	*	nil	*	nil		

* Denotes less than S\$0.05 million



1(b) Statements of Financial Position as at:

	Note	Group		Company	
		31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
		S\$'m	S\$'m	S\$'m	S\$'m
Non-current assets:					
Fixed assets		742.0	713.9	725.2	697.3
Licences and spectrum rights		139.0	89.1	139.0	89.1
Other intangibles		14.3	13.8	-	0.1
Staff loans		0.3	0.2	0.3	0.2
Long-term investments		20.6	8.5	-	-
Investment in associate		3.0	-	-	-
Interest in subsidiaries		-	-	7.1	7.1
Due from subsidiaries		-	-	40.2	25.4
		<u>919.2</u>	<u>825.5</u>	<u>911.8</u>	<u>819.2</u>
Current assets:					
Inventories		23.0	51.5	0.1	*
Trade receivables	(iv)	165.6	165.9	159.4	161.7
Other receivables		14.1	20.5	9.5	15.0
Prepayments		12.4	12.4	11.9	12.0
Due from related companies		1.4	0.2	1.4	0.7
Cash and cash equivalents	(v)	11.0	10.0	10.1	9.2
		<u>227.4</u>	<u>260.5</u>	<u>192.4</u>	<u>198.6</u>
Current liabilities:					
Creditors and accruals		(165.5)	(145.5)	(119.8)	(110.7)
Unearned revenue		(32.8)	(25.5)	(30.1)	(23.1)
Due to related companies		(0.5)	(0.2)	(55.2)	(0.1)
Borrowings	(vi)	(151.0)	(353.8)	(151.0)	(353.8)
Taxation		(25.5)	(36.8)	(23.6)	(33.4)
		<u>(375.2)</u>	<u>(561.8)</u>	<u>(379.8)</u>	<u>(521.2)</u>
Net current liabilities		(147.8)	(301.3)	(187.4)	(322.6)
Non-current liabilities:					
Borrowings	(vi)	(250.0)	-	(250.0)	-
Deferred tax liabilities		(118.0)	(110.9)	(115.7)	(111.4)
Net assets		<u>403.4</u>	<u>413.2</u>	<u>358.8</u>	<u>385.2</u>
Represented by:					
Share capital		217.2	217.1	217.2	217.1
Share option reserve		6.7	5.6	6.7	5.6
Treasury Shares		(18.6)	-	(18.6)	-
Fair value adjustment reserve		0.2	-	-	-
Retained profits		198.0	190.5	153.6	162.6
Total shareholders' equity		<u>403.4</u>	<u>413.2</u>	<u>358.8</u>	<u>385.2</u>

* Denotes less than S\$0.05 million



1(c) Consolidated Cash Flow Statement for:

	4Q2016	4Q2015	2016	2015
	S\$'m	S\$'m	S\$'m	S\$'m
Cash flows from operating activities:				
Profit before tax	36.6	54.6	178.6	218.4
Adjustments for:				
Share option expenses	0.3	0.5	1.2	2.1
Depreciation of fixed assets	29.8	28.7	112.4	105.4
(Gain)/loss on disposal of fixed assets	(*)	(*)	*	(0.1)
Amortisation	3.6	3.6	14.4	13.0
Interest income	(0.1)	(*)	(0.2)	(*)
Interest on borrowings	2.0	1.3	6.7	4.9
Share of loss of associate	*	-	*	-
Operating cash flows before working capital changes	72.3	88.7	313.1	343.7
Changes in:				
Inventories	5.9	(12.0)	28.5	(21.2)
Trade receivables	(16.5)	(11.0)	0.3	(16.2)
Other receivables	2.0	(2.3)	6.4	(6.6)
Prepayments	(1.3)	(2.1)	(*)	(3.6)
Non-current staff loans	*	(0.1)	(0.1)	(0.1)
Creditors and accruals	(7.7)	(29.7)	19.7	(11.8)
Unearned revenue	2.9	1.7	7.3	(1.0)
Related companies	(1.1)	0.1	(0.9)	0.4
Changes in working capital	(15.7)	(55.2)	61.3	(60.1)
Interest received	0.1	*	0.2	*
Interest paid	(3.7)	(2.3)	(6.5)	(4.9)
Payment of tax	(2.7)	0.2	(33.2)	(39.6)
Net cash flows from operating activities	50.3	31.4	334.9	239.1
Cash flows from investing activities:				
Purchase of fixed assets	(41.4)	(42.0)	(140.5)	(133.5)
Purchase of intangible assets	-	-	(0.7)	-
Purchase of spectrum rights	-	-	(64.1)	-
Purchase of long-term investments	(4.2)	(8.5)	(11.9)	(8.5)
Acquisition in associated company	(3.0)	-	(3.0)	-
Proceeds from disposal of fixed assets	*	*	*	0.1
Net cash flows used in investing activities	(48.6)	(50.5)	(220.2)	(141.8)
Cash flows from financing activities:				
Proceeds from loans	6.5	19.6	152.4	171.1
Repayment of term loans	(6.8)	(16.9)	(105.2)	(119.3)
Purchase of treasury shares	-	-	(19.3)	-
Proceeds from issuance of ordinary shares on exercise of employee share options	-	0.3	0.7	15.1
Dividends paid to shareholders	-	-	(142.3)	(177.0)
Net cash flows used in financing activities	(0.3)	3.0	(113.7)	(110.1)
Net changes in cash and cash equivalents	1.3	(16.1)	1.0	(12.8)
Cash and cash equivalents at beginning of financial period	9.7	26.1	10.0	22.8
Cash and cash equivalents at end of financial period	11.0	10.0	11.0	10.0

* Denotes less than S\$0.05 million



1(d) (i) Statements of Changes in Equity:

Group	Attributable to Equity Holders of the Company					
	Share Capital S\$'m	Share Option Reserve S\$'m	Treasury Shares S\$'m	Fair Value Adjustment Reserve S\$'m	Retained Profits S\$'m	Total S\$'m
As at 1 January 2016	217.1	5.6	-	-	190.5	413.2
Total comprehensive income for the period	-	-	-	-	42.5	42.5
Issuance of ordinary shares on exercise						
of employee share options	0.1	-	-	-	-	0.1
Expenses on share options	-	0.2	-	-	-	0.2
Purchase of treasury shares	-	-	(19.3)	-	-	(19.3)
As at 31 March 2016	217.2	5.8	(19.3)	-	233.1	436.7
Total comprehensive income for the period	-	-	-	-	41.0	41.0
Issuance of ordinary shares on exercise						
of employee share options	(*)	(*)	-	-	-	(*)
Expenses on share options	-	0.4	-	-	-	0.4
Treasury shares transferred pursuant to share option plans	-	-	*	-	-	*
Dividends	-	-	-	-	(77.2)	(77.2)
As at 30 June 2016	217.2	6.1	(19.3)	-	196.9	400.9
Total comprehensive income for the period	-	-	-	-	34.4	34.4
Issuance of ordinary shares on exercise						
of employee share options	0.7	(0.1)	-	-	-	0.6
Expenses on share options	-	0.2	-	-	-	0.2
Treasury shares transferred pursuant to share option plans	(0.7)	-	0.7	-	-	-
Dividends	-	-	-	-	(65.1)	(65.1)
As at 30 September 2016	217.2	6.3	(18.6)	-	166.2	371.1
Net profit	-	-	-	-	31.8	31.8
<u>Other comprehensive income</u>						
Net gain on fair value changes of available for sale financial assets	-	-	-	0.2	-	0.2
Total comprehensive income for the period	-	-	-	0.2	31.8	32.0
Expenses on share options	-	0.3	-	-	-	0.3
As at 31 December 2016	217.2	6.7	(18.6)	0.2	198.0	403.4

* Denotes less than S\$0.05 million



Group

	Attributable to Equity Holders of the Company			
	Share Capital	Share Option Reserve	Retained Profits	Total
	S\$'m	S\$'m	S\$'m	S\$'m
As at 1 January 2015	200.6	4.9	189.1	394.6
Total comprehensive income for the period	-	-	45.7	45.7
Issuance of ordinary shares on exercise				
of employee share options	10.3	(0.8)	-	9.5
Expenses on share options	-	0.5	-	0.5
As at 31 March 2015	210.9	4.6	234.7	450.3
Total comprehensive income for the period	-	-	44.3	44.3
Issuance of ordinary shares on exercise				
of employee share options	5.5	(0.5)	-	5.1
Expenses on share options	-	0.5	-	0.5
Dividends	-	-	(111.4)	(111.4)
As at 30 June 2015	216.4	4.7	167.6	388.8
Total comprehensive income for the period	-	-	44.9	44.9
Issuance of ordinary shares on exercise				
of employee share options	0.3	(*)	-	0.3
Expenses on share options	-	0.5	-	0.5
Dividends	-	-	(65.6)	(65.6)
As at 30 September 2015	216.8	5.1	146.9	368.8
Total comprehensive income for the period	-	-	43.6	43.6
Issuance of ordinary shares on exercise				
of employee share options	0.3	(*)	-	0.3
Expenses on share options	-	0.5	-	0.5
As at 31 December 2015	217.1	5.6	190.5	413.2

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Company	Attributable to Equity Holders of the Company				
	Share Capital S\$'m	Share Option Reserve S\$'m	Treasury Shares S\$'m	Retained Profits S\$'m	Total S\$'m
As at 1 January 2016	217.1	5.6	-	162.6	385.2
Total comprehensive income for the period	-	-	-	39.8	39.8
Issuance of ordinary shares on exercise of employee share options	0.1	-	-	-	0.1
Expenses on share options	-	0.2	-	-	0.2
Purchase of treasury shares	-	-	(19.3)	-	(19.3)
As at 31 March 2016	217.2	5.8	(19.3)	202.4	406.0
Total comprehensive income for the period	-	-	-	38.7	38.7
Issuance of ordinary shares on exercise of employee share options	(*)	(*)	-	-	(*)
Expenses on share options	-	0.4	-	-	0.4
Treasury shares transferred pursuant to share option plans	-	-	*	-	*
Dividends	-	-	-	(77.2)	(77.2)
As at 30 June 2016	217.2	6.1	(19.3)	163.9	367.9
Total comprehensive income for the period	-	-	-	29.3	29.3
Issuance of ordinary shares on exercise of employee share options	0.7	(0.1)	-	-	0.6
Expenses on share options	-	0.2	-	-	0.2
Treasury shares transferred pursuant to share option plans	(0.7)	-	0.7	-	-
Dividends	-	-	-	(65.1)	(65.1)
As at 30 September 2016	217.2	6.3	(18.6)	128.1	333.0
Total comprehensive income for the period	-	-	-	25.4	25.4
Expenses on share options	-	0.3	-	-	0.3
As at 31 December 2016	217.2	6.7	(18.6)	153.6	358.8

* Denotes less than S\$0.05 million



Company

	Attributable to Equity Holders of the Company			
	Share Capital	Share Option Reserve	Retained Profits	Total
	S\$'m	S\$'m	S\$'m	S\$'m
As at 1 January 2015	200.6	4.9	176.8	382.3
Total comprehensive income for the period	-	-	48.7	48.7
Issuance of ordinary shares on exercise of employee share options	10.3	(0.8)	-	9.5
Expenses on share options	-	0.5	-	0.5
As at 31 March 2015	210.9	4.6	225.5	441.0
Total comprehensive income for the period	-	-	47.8	47.8
Issuance of ordinary shares on exercise of employee share options	5.5	(0.5)	-	5.1
Expenses on share options	-	0.5	-	0.5
Dividends	-	-	(111.4)	(111.4)
As at 30 June 2015	216.4	4.7	161.9	383.0
Total comprehensive income for the period	-	-	28.3	28.3
Issuance of ordinary shares on exercise of employee share options	0.3	(*)	-	0.3
Expenses on share options	-	0.5	-	0.5
Dividends	-	-	(65.6)	(65.6)
As at 30 September 2015	216.8	5.1	124.7	346.6
Total comprehensive income for the period	-	-	37.9	37.9
Issuance of ordinary shares on exercise of employee share options	0.3	(*)	-	0.3
Expenses on share options	-	0.5	-	0.5
As at 31 December 2015	217.1	5.6	162.6	385.2

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1(d) (ii) Changes in Company's share capital

	Share options		Ordinary shares		Treasury shares	
	Year Ended 31 Dec		Year Ended 31 Dec		Year Ended 31 Dec	
	2016	2015	2016	2015	2016	2015
As at 1 January	29,822,700	26,958,200	937,187,782	931,327,282	-	-
Purchase of treasury shares	-	-	(7,500,000)	-	7,500,000	-
Options granted during the financial period (\$2.48/\$3.64)	9,500,000	9,230,000	-	-	-	-
Exercised during the financial period	(335,000)	(5,860,500)	335,000	5,860,500	-	-
Cancelled during the financial period	(1,780,000)	(505,000)	-	-	-	-
Treasury shares transferred pursuant to share option plans	-	-	-	-	(285,000)	-
As at 31 December	37,207,700	29,822,700	930,022,782	937,187,782	7,215,000	-

1(e) Notes to Financial Statements

(i) Operating Revenue

	Group		Group	
	4Q2016	4Q2015	2016	2015
	S\$'m	S\$'m	S\$'m	S\$'m
Operating revenue				
Mobile telecommunications services	158.4	168.4	640.0	667.7
International call services	15.5	16.0	61.3	68.7
Fixed services	27.2	24.7	104.2	85.9
Total service revenue	201.0	209.1	805.5	822.3
Handset sales	112.8	98.8	255.4	334.9
Total	313.9	307.9	1,060.9	1,157.2

(ii) Operating Expenses

	Group		Group	
	4Q2016	4Q2015	2016	2015
	S\$'m	S\$'m	S\$'m	S\$'m
Cost of sales	166.9	149.9	461.5	530.8
Staff costs	29.5	28.5	115.0	118.2
Advertising and promotion expenses	6.3	6.9	22.1	24.3
Depreciation and amortisation	33.4	32.3	126.8	118.4
Allowance for doubtful debts	2.2	2.6	8.4	8.9
Facilities expenses	22.5	19.5	86.4	82.1
Leased circuit costs	8.0	7.8	31.5	31.7
Licence fees	1.2	0.6	4.2	2.2
Other general and administrative expenses	6.9	6.7	25.0	23.7
Foreign exchange (gain)/loss	(0.2)	0.3	*	(0.2)
Total	276.7	255.2	880.9	940.0

* Denotes less than S\$0.05 million



(iii) Taxation

Major components of income tax expense for the periods ended 31 December were:

	Group		Group	
	4Q2016	4Q2015	2016	2015
	S\$'m	S\$'m	S\$'m	S\$'m
Current tax				
- Current provision	2.7	11.1	27.3	37.8
- (Over)/under provision in prior year	(0.9)	-	(4.0)	-
Deferred tax				
- Under provision in prior year	-	-	-	-
- Movement in temporary differences	3.0	(0.1)	5.6	2.2
Income tax expense	4.8	11.0	28.9	39.9

(iv) Trade receivables

	Group		Company	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	S\$'m	S\$'m	S\$'m	S\$'m
Mobile and fixed services				
- Billed	55.3	56.0	55.3	56.0
- Accrued service revenue	14.5	16.9	14.5	16.9
- Accrued handsets revenue	87.1	91.1	87.1	91.1
Others				
- Billed	20.4	14.5	14.0	10.1
- Accrued	0.4	1.8	0.4	1.8
	177.6	180.3	171.2	175.9
Allowance for doubtful debts	(12.0)	(14.4)	(11.9)	(14.3)
	165.6	165.9	159.4	161.7

(v) Cash and cash equivalents comprise:

	Group		Company	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	S\$'m	S\$'m	S\$'m	S\$'m
Cash and bank balances	11.0	10.0	10.1	9.2
	11.0	10.0	10.1	9.2

(vi) Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 December 2016		As at 31 December 2015	
Secured	Unsecured	Secured	Unsecured
Nil	S\$151.0m	Nil	S\$353.8m



Amount repayable after one year

As at 31 December 2016		As at 31 December 2015	
Secured	Unsecured	Secured	Unsecured
Nil	S\$250.0m	Nil	Nil

Details of any collateral

None.

The S\$250 million term loan was refinanced in May 2016 at an effective interest rate of 2.65% per annum and is repayable in full in May 2021.

2. AUDIT/ REVIEW

The figures have not been audited or reviewed.

3. BASIS OF PREPARATION

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standard ("FRS").

The financial statements have been prepared on a historical cost basis.

4. ACCOUNTING POLICIES

The Group and Company has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current year as compared with the audited financial statements for the year ended 31 December 2015, except for the adoption of new or revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") which became effective from this financial year. The adoption of these new or revised FRS and INT FRS does not have any significant impact on the financial statements of the Group and the Company.



5. EARNINGS PER SHARE

	4Q2016	4Q2015	Change	2016	2015	Change
Earnings per ordinary share of the Group based on the net profit attributable to shareholders:-						
(i) Based on weighted average number of shares	3.4 cts	4.7 cts	-26.5%	16.1 cts	19.1 cts	-15.7%
- Weighted average number of shares ('000)	930,023	937,144	-0.8%	931,361	935,984	-0.5%
(ii) On fully diluted basis	3.4 cts	4.6 cts	-26.5%	16.1 cts	19.0 cts	-15.6%
- Adjusted weighted average number of shares ('000)	930,326	938,169	-0.8%	931,505	938,023	-0.7%

6. NET ASSET VALUE

	Group		Company	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Net asset value per share (cents)	43.4	44.1	38.6	41.1

7. DIVIDEND

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

Name of Dividend	Interim	Final (proposed)
Dividend Type	Cash	Cash
Dividend Rate	7.0 cents per ordinary share (one-tier tax)	5.9 cents per ordinary share (one-tier tax)
Tax Rate	N.A	N.A

Directors are pleased to propose a final dividend of 5.9 cents per ordinary share (one-tier tax) in respect of the financial year ended 31 December 2016 for approval by shareholders at the next Annual General Meeting to be held on 12 April 2017. The interim and proposed final dividends amounted to 12.9 cents per ordinary share.



(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	Interim	Final
Dividend Type	Cash	Cash
Dividend Rate	7.0 cents per ordinary share (one-tier tax)	8.3 cents per ordinary share (one-tier tax)
Tax Rate	N.A	N.A

(c) Date Payable

The proposed final dividends, if approved at the next Annual General Meeting to be held on 12 April 2017, will be paid on 28 April 2017.

(d) Books Closure Date

NOTICE IS HEREBY GIVEN that subject to Shareholders approving the declaration of the proposed final dividends, the Transfer Books and Register of Members of the Company will be closed from 24 April 2017 to 25 April 2017, both dates inclusive for the preparation of dividend warrants.

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to the close of business at 5.00 p.m. on 21 April 2017, will be registered to determine shareholders' entitlement to the proposed final dividends.

In respect of shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the proposed final dividends will be paid by the Company to CDP which will in turn distribute the final dividends entitlements to the CDP account holders in accordance with its normal practice.

8. If no dividend have been declared/recommended, a statement to that effect.

N.A.



9. SIGNIFICANT RELATED PARTY TRANSACTIONS

The following were significant transactions entered into by the Group and related parties who are not members of the Group at market rates during the quarter:

	4Q2016 S\$'m	4Q2015 S\$'m	2016 S\$'m	2015 S\$'m
Sales	(6.2)	(4.4)	(13.7)	(14.6)
Purchases	5.1	6.6	20.5	20.6

10. INTERESTED PERSON TRANSACTIONS

Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than S\$100,000).

	4Q2016 S\$'000	2016 S\$'000
Transactions for the purchase of goods and services		
Singapore Telecommunications Limited & its associates	12,122	18,311
Axiata Group Berhad	400	847
Keppel Logistics Pte Ltd	344	1,370
Starhub Limited & its associates	4,162	9,532
Temasek Holdings (Private) Limited & its associates	842	4,232
SingPost Ltd	707	707
Transactions for the sale of goods and services		
Singapore Telecommunications Limited & its associates	4,017	5,242
Axiata Group Berhad	182	415
Starhub Limited & its associates	1,920	2,134
Temasek Holdings (Private) Limited & its associates	26	27
Total Interested Person Transactions	24,722	42,817



11. REVIEW OF PERFORMANCE

	<u>Group</u>		YoY Change	<u>Group</u>		YoY Change	<u>Group</u>	<u>Change</u>
	4Q2016 S\$'m	4Q2015 S\$'m		2016 S\$'m	2015 S\$'m		3Q2016 S\$'m	(4Q2016 vs 3Q2016)
Revenues								
Operating revenue								
Mobile telecommunications	158.4	168.4	-6.0%	640.0	667.7	-4.2%	155.2	2.1%
International call services	15.5	16.0	-3.2%	61.3	68.7	-10.8%	14.9	3.7%
Fixed services	27.2	24.7	9.9%	104.2	85.9	21.4%	27.0	0.5%
Total service revenue	201.0	209.1	-3.9%	805.5	822.3	-2.0%	197.1	2.0%
Handset sales	112.8	98.8	14.2%	255.4	334.9	-23.7%	51.9	117.3%
Total	313.9	307.9	1.9%	1,060.9	1,157.2	-8.3%	249.1	26.0%
Key Drivers								
Number of customers ('000)								
Postpaid	1,247	1,195	4.4%	1,247	1,195	4.4%	1,232	1.2%
Prepaid	772	733	5.2%	772	733	5.2%	762	1.3%
Total Mobile	2,019	1,928	4.7%	2,019	1,928	4.7%	1,994	1.3%
Fibre	160	128	25.3%	160	128	25.3%	152	5.4%
Total	2,179	2,056	6.0%	2,179	2,056	6.0%	2,146	1.6%
Mobile market share ^								
Postpaid	24.7%	24.6%	-	24.7%	24.6%	-	24.7%	-
Prepaid	22.3%	21.7%	-	22.3%	21.7%	-	22.1%	-
Overall	23.7%	23.4%	-	23.7%	23.4%	-	23.7%	-
Mobile penetration rate ^	149.1%	148.4%	-	149.1%	148.4%	-	149.3%	-
Monthly minutes of use per active customer (per month)								
Postpaid	203	223	-9.2%	210	237	-11.4%	209	-3.0%
Prepaid	191	255	-25.2%	203	292	-30.7%	196	-2.8%
Average monthly churn rate	1.2%	1.1%	-	1.0%	1.0%	-	0.9%	-
Acquisition cost per postpaid customer	S\$438	S\$398	10.1%	S\$369	S\$363	1.7%	S\$357	22.7%

^ Based on latest published statistics.



11.1 Operating Revenue

YoY, operating revenue decreased 8.3% at \$1,060.9m for the year ended 31 Dec 2016 (“FY2016”). For 4Q2016, it was 1.9% higher YoY. Compared to 3Q2016, it increased 26.0% QoQ mainly due to higher handset sales.

11.1.1 Key Drivers

As at 31 December 2016, our customer base stood at 2,179,000, 6.0% higher than last year’s. Compared to 3Q2016, it was 1.6% higher. Mobile market share was 23.7% at end October 2016.

Churn rate was 1.2% for 4Q2016 and 1.0% for FY2016.

YoY, customer acquisition cost increased 10.1% to \$438 for 4Q2016 and 1.7% to \$369 for FY2016. Compared to 3Q2016, it was 22.7% higher due to increased sales of high-end smartphones.

11.1.2 Mobile Telecommunications Services

	<u>Group</u>			<u>Group</u>			<u>Group</u>	<u>Change</u>
	<u>4Q2016</u>	<u>4Q2015</u>	<u>YoY</u>	<u>2016</u>	<u>2015</u>	<u>YoY</u>	<u>3Q2016</u>	<u>Change</u>
	S\$’m	S\$’m	Change	S\$’m	S\$’m	Change	S\$’m	(4Q2016 vs 3Q2016)
Telecommunications revenue								
Postpaid	142.2	149.3	-4.8%	569.7	590.8	-3.6%	137.8	3.2%
Prepaid	16.2	19.1	-15.1%	70.3	76.9	-8.6%	17.4	-6.9%
Total	<u>158.4</u>	<u>168.4</u>	-6.0%	<u>640.0</u>	<u>667.7</u>	-4.2%	<u>155.2</u>	2.1%
ARPU (per month)								
Postpaid (gross)	S\$57.1	S\$61.6	-7.3%	S\$58.0	S\$61.7	-6.0%	S\$56.5	1.1%
Postpaid (net)	S\$49.5	S\$53.8	-8.0%	S\$50.3	S\$54.2	-7.2%	S\$48.3	2.5%
Data plan	S\$14.0	S\$16.6	-15.7%	S\$14.8	S\$17.1	-13.5%	S\$14.5	-3.4%
Prepaid	S\$11.5	S\$14.0	-17.9%	S\$12.2	S\$14.7	-17.0%	S\$12.0	-4.2%
Fibre Broadband	S\$43.1	S\$47.5	-9.3%	S\$45.1	S\$46.7	-3.4%	S\$45.7	-5.7%
Mobile data contribution as a % of service revenue	54.8%	51.2%		54.0%	46.3%		54.2%	

YoY, mobile telecommunications revenue decreased 6.0% to \$158.4m for 4Q2016 and 4.2% to \$640.0m for FY2016. Against 3Q2016, it was 2.1% higher.

YoY, postpaid revenue decreased 4.8% to \$142.2m for 4Q2016 and 3.6% to \$569.7m for FY2016. Compared to 3Q2016, it was 3.2% higher.

Prepaid revenue at \$16.2m for 4Q2016 and \$70.3m for FY2016 was 15.1% and 8.6% lower YoY. Against 3Q2016, it was 6.9% lower.



Overall, data revenue continued to grow. Data usage has shifted from data only plans to smartphone plans. Average postpaid smartphone data usage increased to 3.6GB per month this quarter from 3.3GB per month a year ago. Accordingly, mobile data contribution increased YoY by 3.6% points to 54.8% for 4Q2016 and 7.7% points to 54.0% for FY2016 respectively. Against 3Q2016, it was 0.6% points higher.

11.1.3 International call services

	<u>Group</u>		YoY Change	<u>Group</u>		YoY Change	<u>Group</u>	Change (4Q2016 vs 3Q2016)
	4Q2016 S\$m	4Q2015 S\$m		2016 S\$m	2015 S\$m		3Q2016 S\$m	
International call services								
Retail revenue	10.3	11.9	-13.3%	42.5	53.0	-19.7%	10.4	-0.9%
Wholesale and bilateral revenue	5.2	4.1	26.1%	18.8	15.8	19.2%	4.5	14.5%
Total	15.5	16.0	-3.2%	61.3	68.7	-10.8%	14.9	3.7%
Total international retail minutes (in millions)	187	186	0.7%	696	813	-14.3%	175	6.7%

YoY, international call revenue decreased 3.2% to \$15.5m for 4Q2016 and 10.8% to \$61.3m for FY2016. Against 3Q2016, it was 3.7% higher.

11.1.4 Fixed services

Fixed services grew 9.9% and 21.4% YoY to \$27.2m for 4Q2016 and \$104.2m for FY2016 respectively due to higher fibre customer base. Against 3Q2016, it grew 0.5%.

11.1.5 Handset sales

YoY, handset sales decreased 23.7% to \$255.4m for FY2016. For 4Q2016, it was 14.2% higher YoY. Compared to 3Q2016, it increased by 117.3% QoQ mainly due to higher sales volume and selling price.



11.2 Operating Expenses

	Group			Group			Group		Change (4Q2016 vs 3Q2016)
	4Q2016	4Q2015	YoY	2016	2015	YoY	3Q2016	Change	
	S\$'m	S\$'m	Change	S\$'m	S\$'m	Change	S\$'m		
Cost of sales	166.9	149.9	11.3%	461.5	530.8	-13.1%	101.8	64.0%	
Staff costs	29.5	28.5	3.7%	115.0	118.2	-2.7%	29.1	1.6%	
Advertising and promotion	6.3	6.9	-8.3%	22.1	24.3	-9.0%	6.3	0.2%	
Depreciation & amortisation	33.4	32.3	3.4%	126.8	118.4	7.0%	31.9	4.9%	
Allowance for doubtful debts	2.2	2.6	-13.4%	8.4	8.9	-6.1%	1.9	15.8%	
Facilities expenses	22.5	19.5	15.4%	86.4	82.1	5.3%	21.7	4.1%	
Leased circuit costs	8.0	7.8	1.5%	31.5	31.7	-0.6%	7.9	1.4%	
Licence fees	1.2	0.6	87.9%	4.2	2.2	92.4%	1.5	-22.7%	
Other general & administrative	6.9	6.7	2.4%	25.0	23.7	5.8%	6.1	13.6%	
Foreign exchange (gain)/loss	(0.2)	0.3	-176.7%	*	(0.2)	-106.6%	(0.2)	9.2%	
Total	276.7	255.2	8.5%	880.9	940.0	-6.3%	207.8	33.2%	

For 4Q2016, operating expenses increased 8.5% YoY and 33.2% QoQ to \$276.7m due to higher cost of sales. For FY2016, it was 6.3% lower YoY.

11.2.1 Cost of sales

	Group			Group			Group		Change (4Q2016 vs 3Q2016)
	4Q2016	4Q2015	YoY	2016	2015	YoY	3Q2016	Change	
	S\$'m	S\$'m	Change	S\$'m	S\$'m	Change	S\$'m		
Handset costs	134.8	122.4	10.2%	343.9	419.1	-17.9%	72.8	85.1%	
Traffic expenses	10.6	10.1	4.8%	39.2	39.4	-0.5%	9.5	11.4%	
Wholesale costs of fixed services	11.2	10.6	6.0%	45.1	38.4	17.5%	11.2	0.5%	
Other costs	10.3	6.9	49.7%	33.3	34.0	-2.0%	8.2	24.6%	
Total	166.9	149.9	11.3%	461.5	530.8	-13.1%	101.8	64.0%	

Cost of sales at \$166.9m for 4Q2016 increased 11.3% YoY and 64.0% QoQ respectively due to higher handset costs. Handset costs were higher mainly due to higher volume and average unit cost. For FY2016, it was 13.1% lower. Traffic expenses at \$10.6m for 4Q2016 was 4.8% higher YoY and 11.4% higher QoQ. Wholesale costs of fixed services increased 6.0% YoY to \$11.2m for 4Q2016 and 17.5% to \$45.1m for FY2016 due to higher fibre customer base.



11.2.2 Staff costs

Staff costs at \$29.5m for 4Q2016 increased 3.7% YoY and 1.6% QoQ due to annual increment and higher headcount respectively. For FY2016, it was 2.7% lower YoY due to lower variable performance-based incentive.

11.2.3 Advertising and promotion expenses

Advertising & promotion expenses at \$6.3m for 4Q2016 and \$22.1m for FY2016 were 8.3% and 9.0% lower YoY respectively due to lower marketing activities. Compared 3Q2016, it was 0.2% higher.

11.2.4 Depreciation and amortisation

Depreciation and amortisation expenses at \$33.4m for 4Q2016 and \$126.8m for FY2016 were 3.4% and 7.0% higher YoY respectively due to higher fixed asset base. Against 3Q2016, it was 4.9% higher.

11.2.5 Allowance for bad and doubtful debt

YoY, doubtful debt allowance at \$2.2m for 4Q2016 and \$8.4m for FY2016 were 13.4% and 6.1% lower respectively due to improved collection. Compared to 3Q2016, it was 15.8% higher.

11.2.6 Facilities expenses

Facilities expenses at \$22.5m for 4Q2016 increased 15.4% YoY and 4.1% QoQ mainly due to higher network maintenance expenses. For FY2016, it was 5.3% higher YoY.

11.2.7 Leased circuit costs

Leased circuit costs at \$8.0m for 4Q2016 and \$31.5m for FY2016 were relatively stable.

11.2.8 Other general and administrative expenses

Other general and administrative expenses at \$6.9m for 4Q2016 increased 1.9% YoY and 13.0% QoQ. For FY2016, it was 5.6% higher YoY.

11.3 Finance Costs

Compared to last year, finance costs increased 51.2% to \$2.0m for 4Q2016 and 37.2% to \$6.7m for FY2016 due to higher borrowings and interest rate.

11.4 Taxation

YoY, provision for taxation decreased 56.0% to \$4.8m for 4Q2016 and 27.7% to \$28.9m for FY2016 due to lower profit before tax and overprovision in prior year.



11.5 Net Profit

	Group			Group			Group		Change (4Q2016 vs 3Q2016)
	4Q2016	4Q2015	YoY	2016	2015	YoY	3Q2016		
	S\$m	S\$m	Change	S\$m	S\$m	Change	S\$m		
Net profit	31.8	43.6	-27.1%	149.7	178.5	-16.1%	34.4	-7.5%	
Net profit margin (on service revenue)	15.8%	20.8%		18.6%	21.7%		17.4%		

YoY, net profit at \$31.8m for 4Q2016 and \$149.7m for FY2016 were 27.1% and 16.1% lower respectively. Compared to 3Q2016, it was 7.5% lower.

Compared to the corresponding periods last year, net profit margin was lower at 15.8% for 4Q2016 and 18.6% for FY2016. Against 3Q2016, it was 1.6% points lower.

11.6 EBITDA

	Group			Group			Group		Change (4Q2016 vs 3Q2016)
	4Q2016	4Q2015	YoY	2016	2015	YoY	3Q2016		
	S\$m	S\$m	Change	S\$m	S\$m	Change	S\$m		
EBITDA	72.1	88.2	-18.3%	312.1	341.8	-8.7%	74.6	-3.4%	
EBITDA margin (on service revenue)	35.8%	42.2%		38.7%	41.6%		37.8%		

YoY, EBITDA at \$72.1m for 4Q2016 and \$312.1m for FY2016 were 18.3% and 8.7% lower respectively. Compared to 3Q2016, it was 3.4% lower.

EBITDA margin, as a percentage of service revenue, was 35.8% for 4Q2016 and 38.7% for FY2016. Against 3Q2016, it was 2.0% points lower.

11.7 Capital Expenditure and Commitments

Capital expenditure incurred for FY2016 was \$140.5m as compared to \$133.5m for FY2015.

Capital commitment as at 31 December 2016 was \$40.5m.



11.8 Liquidity and Capital Resources

	Group			Group			Group	
	4Q2016	4Q2015	YoY	2016	2015	YoY	3Q2016	Change
	S\$m	S\$m	Change	S\$m	S\$m	Change	S\$m	(4Q2016 vs 3Q2016)
Profit before tax	36.6	54.6	-32.9%	178.6	218.4	-18.2%	40.8	-10.2%
Non-cash item and net interest expense adjustments	29.4	32.0	-8.3%	95.0	80.8	17.6%	20.7	41.6%
Net change in working capital	(15.7)	(55.2)	-71.5%	61.3	(60.1)	-202.0%	36.3	-143.4%
Net cash provided by operating activities	50.3	31.4	60.0%	334.9	239.1	40.0%	97.8	-48.6%
Net cash used in investing	(48.6)	(50.5)	3.7%	(220.2)	(141.8)	-55.2%	(98.2)	50.5%
Net cash used in financing	(0.3)	3.0	-110.1%	(113.7)	(110.1)	-3.2%	1.8	-116.3%
Net change in cash and cash equivalents	1.3	(16.1)	108.3%	1.0	(12.8)	108.1%	1.5	-8.8%
Cash and cash equivalents at beginning of financial period	9.7	26.1	-62.9%	10.0	22.8	-56.2%	8.2	17.9%
Cash and cash equivalents at end of financial period	11.0	10.0	10.5%	11.0	10.0	10.5%	9.7	13.8%
Free Cash flow ⁽¹⁾	8.8	(10.6)	183.4%	129.6	105.7	22.6%	6.3	39.5%

⁽¹⁾ Free Cash flow refers to Net cash provided by operating activities less current year capital expenditure and payment for spectrum rights.

Operating cash flow increased from \$31.4m for 4Q2015 to \$50.3m for 4Q2016. Against 3Q2016, it was 48.6% lower.

Free cash flow at \$129.6m for FY2016 was 22.6% higher YoY.

11.9 Gearing and Interest Cover

As at end December 2016, gearing ratio was 1.0 times compared to 0.8 times as at end December 2015. Interest coverage ratio (EBITDA/Interest) was 46.2 times for 4Q2016 compared to 69.5 times for 4Q2015.



11.10 Balance Sheet

Total non-current assets increased 11.4% from \$825.5m as at 31 December 2015 to \$919.2m as at 31 December 2016 mainly due to higher fixed assets and spectrum rights.

Total current assets decreased 12.7% from \$260.5m as at 31 December 2015 to \$227.4m as at 31 December 2016, mainly due to lower inventories and other receivables balances.

Total current liabilities as at 31 December 2016 was \$375.2m, 33.2% lower than \$561.8m as at 31 December 2015 as a result of the reclassification of the \$250m term loan maturing in May 2021 to long term borrowings.

Against 31 December 2015, total equity as at 31 December 2016 was 2.4% lower at \$403.4m.

12. VARIANCE FROM PROSPECT STATEMENT

For the full year ended 31 December 2016, net profit after tax declined 16.1% YoY to \$149.7m. This was mainly due to lower IDD & Roaming revenues, higher handset subsidy, as well as higher depreciation and amortisation. The results are broadly in line with previous estimate.

13. OUTLOOK

The communications sector continues to evolve with industry convergence, technology innovation and changing customer habits. We will also see the entry of a new mobile network operator in the near term.

While traditional revenues are likely to remain subdued, the rise of business ecosystems based on internet, growing internet-of-things (IoT) services, as well as Government's smart nation initiatives, are creating new addressable markets. We are well-placed to capitalise on these new opportunities as we continue to invest, transform and innovate to enhance our business, and deliver high quality-customer experiences.

The market conditions are expected to remain challenging in the current year. With our customer focused approach and strong capabilities, the Group is committed to creating and delivering long term value.



14. Segmented revenue and results for business or geographical segments (or the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

The company and its subsidiaries operate in Singapore in one business segment, that of provision of telecommunications services, international direct dial services, telecommunication retail sales, after sales support and customer services.

15. In the review of performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments.

See comment above (14).

16. A breakdown of sales

Half yearly results	Group 2016 S\$'m	Group 2015 S\$'m	Group YoY Change
Operating revenue for first half year	498.0	571.7	-12.9%
Net profit after tax for first half year	83.5	90.0	-7.2%
Operating revenue for second half year	562.9	585.5	-3.9%
Net profit after tax for second half year	66.2	88.5	-25.2%

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year (S\$'m)	Previous Full Year (S\$'m)
Ordinary shares	142.3	177.0
Preference shares	-	-
Total	142.3	177.0



18. Disclosure under Rule 704(13) of the Listing Manual.

Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company who is related to the director, chief executive officer or substantial shareholder of the Company.

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 in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

FOO SIANG LARNG
Company Secretary
24 January 2017