



Full Year 2017 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:

		4Q2017	4Q2016		2017	2016	
	Note	S\$m	S\$m	Change	S\$m	S\$m	Change
Operating revenue	(i)	307.2	313.9	-2.1%	1,071.1	1,060.9	1.0%
Operating expenses	(ii)	(266.7)	(276.7)	-3.6%	(900.0)	(880.9)	2.2%
Other revenue		-	1.5	N.M.	1.7	5.3	-67.9%
Finance costs		(2.9)	(2.0)	44.7%	(9.9)	(6.7)	46.5%
Share of loss of an associate		(0.1)	*	-	(0.3)	*	-
Profit before tax		37.5	36.6	2.5%	162.6	178.6	-8.9%
Taxation	(iii)	(6.6)	(4.8)	35.8%	(30.1)	(28.9)	4.2%
Net profit		31.0	31.8	-2.5%	132.5	149.7	-11.5%
Other comprehensive income		4.8	0.2	-	4.4	0.2	-
Total comprehensive income for the period		35.8	32.0	11.7%	136.9	149.9	-8.7%
Earnings per share (cents)							
Basic		3.4	3.4	-1.2%	14.3	16.1	-11.2%
Diluted		3.4	3.4	-1.2%	14.3	16.1	-11.2%
EBITDA (S\$m)		74.4	72.1	3.3%	302.4	312.1	-3.1%

The net profit included the following:

	4Q2017	4Q2016	2017	2016
	S\$m	S\$m	S\$m	S\$m
Other revenue including interest income	*	(1.5)	(1.7)	(5.3)
Interest on borrowings	2.9	2.0	9.9	6.7
Depreciation and amortisation	34.0	33.4	129.9	126.8
Allowance for doubtful debts and bad debts written off	2.2	2.2	9.0	8.4
Provision/(write-back) for inventory obsolescence	-	-	-	(0.6)
Foreign exchange (gain)/loss, net	*	(0.2)	0.1	(*)
Adjustments for under/(over) provision of tax in respect of prior years	(0.8)	(0.9)	(0.8)	(4.0)
(Gain)/loss on disposal of fixed assets	-	(*)	(2.4)	*

* Denotes less than S\$0.05 million

N.M. Not meaningful



1(b) Statements of Financial Position as at:

	Note	Group		Company	
		31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
		S\$'m	S\$'m	S\$'m	S\$'m
Non-current assets:					
Fixed assets		762.3	742.0	731.7	725.2
Licences and spectrum rights		143.5	139.0	143.5	139.0
Other intangibles		14.9	14.3	*	-
Staff loans		0.4	0.3	0.4	0.3
Long-term investments		32.2	20.6	-	-
Investment in an associate		2.7	3.0	-	-
Interest in subsidiaries		-	-	7.1	7.1
Due from subsidiaries		-	-	30.7	40.2
		<u>956.0</u>	<u>919.2</u>	<u>913.4</u>	<u>911.8</u>
Current assets:					
Inventories		49.8	23.0	0.2	0.1
Trade receivables	(iv)	163.3	165.6	150.6	159.4
Other receivable and deposits		39.1	14.1	31.9	9.5
Prepayments		13.3	12.4	12.2	11.9
Due from related companies		0.9	1.4	0.8	1.4
Cash and cash equivalents	(v)	46.5	11.0	43.4	10.1
		<u>313.0</u>	<u>227.4</u>	<u>239.2</u>	<u>192.4</u>
Current liabilities:					
Trade payables and accruals		(209.4)	(165.5)	(152.6)	(119.8)
Unearned revenue		(31.3)	(32.8)	(28.1)	(30.1)
Due to related parties and subsidiaries		(0.3)	(0.5)	(23.9)	(55.2)
Borrowings	(vi)	-	(151.0)	-	(151.0)
Income tax payable		(28.5)	(25.5)	(24.7)	(23.6)
		<u>(269.5)</u>	<u>(375.2)</u>	<u>(229.3)</u>	<u>(379.8)</u>
Net current assets/(liabilities)		43.5	(147.8)	9.8	(187.4)
Non-current liabilities:					
Borrowings	(vi)	(450.0)	(250.0)	(450.0)	(250.0)
Deferred tax liabilities		(120.6)	(118.0)	(117.2)	(115.7)
Net assets		<u>428.9</u>	<u>403.4</u>	<u>356.0</u>	<u>358.8</u>
Represented by:					
Share capital		217.1	217.2	217.1	217.2
Share-based payment reserve		7.3	6.7	7.3	6.7
Treasury Shares		(27.3)	(18.6)	(27.3)	(18.6)
Fair value adjustment reserve		4.6	0.2	-	-
Retained profits		227.2	198.0	158.9	153.6
Total shareholders' equity		<u>428.9</u>	<u>403.4</u>	<u>356.0</u>	<u>358.8</u>

* Denotes less than S\$0.05 million



1(c) Consolidated Cash Flow Statement for:

	4Q2017	4Q2016	2017	2016
	S\$m	S\$m	S\$m	S\$m
Cash flows from operating activities:				
Profit before tax	37.5	36.6	162.6	178.6
Adjustments for:				
Share-based payment expenses	0.6	0.3	0.6	1.2
Depreciation of fixed assets	29.9	29.8	114.3	112.4
Gain on disposal of fixed assets	-	(*)	(2.4)	*
Amortisation	4.1	3.6	15.6	14.4
Interest income	(0.1)	(0.1)	(0.5)	(0.2)
Provision/(write-back) for inventory obsolescence	-	-	-	(0.6)
Allowance for doubtful debts	2.2	2.2	9.0	8.4
Interest on borrowings	2.9	2.0	9.9	6.7
Share of loss of associate	-	*	0.3	*
Operating cash flows before working capital changes	77.2	74.5	309.6	320.7
Changes in:				
Inventories	(2.3)	5.9	(26.9)	29.1
Trade receivables	(20.4)	(18.7)	(5.5)	(8.0)
Other receivables and deposits	13.6	2.0	(24.7)	6.4
Prepayments	(2.0)	(1.3)	(1.0)	*
Non-current staff loans	-	*	(0.1)	(0.1)
Trade payables and accruals	(16.2)	(7.7)	41.7	19.7
Unearned revenue	(2.1)	2.9	(1.5)	7.3
Related parties	(0.7)	(1.1)	0.3	(0.9)
Changes in working capital	(30.1)	(17.9)	(17.6)	53.7
Interest received	0.1	0.1	0.2	0.2
Interest paid	(4.5)	(3.7)	(8.7)	(6.5)
Tax refund / (paid)	0.8	(2.7)	(24.4)	(33.2)
Net cash flows from operating activities	43.5	50.3	259.0	334.9
Cash flows from investing activities:				
Purchase of fixed assets	(46.9)	(41.4)	(151.1)	(140.5)
Net cash outflow on acquisition of a business	(0.9)	-	(0.9)	-
Purchase of intangibles	-	-	-	(1.4)
Purchase of spectrum rights	-	-	(20.0)	(64.1)
Purchase of long-term investment	(1.2)	(4.2)	(7.3)	(11.9)
Acquisition in associated company	-	(3.0)	-	(3.0)
Proceeds from disposal of fixed assets	*	*	18.8	*
Net cash flows used in investing activities	(49.0)	(48.6)	(160.6)	(220.2)
Cash flows from financing activities:				
Proceeds from bank loans	-	6.5	174.8	152.4
Repayment of bank loans	-	(6.8)	(125.8)	(105.2)
Issue/(purchase) of treasury shares	-	-	(8.9)	(19.3)
Proceeds from issuance of ordinary shares on exercise of employee share options	-	-	0.2	0.7
Dividends paid to shareholders	-	-	(103.2)	(142.3)
Net cash flows used in financing activities	-	(0.3)	(63.0)	(113.7)
Net changes in cash and cash equivalents	(5.5)	1.3	35.5	1.0
Cash and cash equivalents at beginning of financial period	52.1	9.7	11.0	10.0
Cash and cash equivalents at end of financial period	46.5	11.0	46.5	11.0

*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	Share-based payment Reserve	Treasury Shares	Fair Value Adjustment Reserve	Retained Profits	Total
	S\$'m	S\$'m	S\$'m	S\$'m	S\$'m	S\$'m
As at 1 January 2017	217.2	6.7	(18.6)	0.2	198.0	403.4
Net Profit	-	-	-	-	36.3	36.3
<u>Other comprehensive income</u>						
Fair value adjustment reserve	-	-	-	(1.0)	-	(1.0)
Total comprehensive income for the period	-	-	-	(1.0)	36.3	35.3
Issuance of ordinary shares on exercise of employee share options	-	(0.2)	-	-	-	(0.2)
Treasury shares transferred pursuant to share option plans	-	-	0.1	-	-	0.1
Expenses on share options	-	0.1	-	-	-	0.1
As at 31 March 2017	217.2	6.6	(18.5)	(0.8)	234.3	438.8
Net Profit	-	-	-	-	32.5	32.5
<u>Other comprehensive income</u>						
Fair value adjustment reserve	-	-	-	0.8	-	0.8
Total comprehensive income for the period	-	-	-	0.8	32.5	33.3
Treasury shares transferred pursuant to share option plans	(0.1)	-	0.1	-	-	-
Expenses on share options	-	0.1	-	-	-	0.1
Dividends	-	-	-	-	(54.9)	(54.9)
As at 30 June 2017	217.1	6.7	(18.4)	-	211.9	417.4
Net Profit	-	-	-	-	32.7	32.7
<u>Other comprehensive income</u>						
Fair value adjustment reserve	-	-	-	(0.2)	-	(0.2)
Total comprehensive income for the period	-	-	-	(0.2)	32.7	32.5
Purchase of treasury share	-	-	(8.9)	-	-	(8.9)
Dividends	-	-	-	-	(48.4)	(48.4)
As at 30 September 2017	217.1	6.7	(27.3)	(0.2)	196.3	392.6
Net Profit	-	-	-	-	31.0	31.0
<u>Other comprehensive income</u>						
Fair value adjustment reserve	-	-	-	4.8	-	4.8
Total comprehensive income for the period	-	-	-	4.8	31.0	35.8
Expenses on share options	-	0.6	-	-	-	0.6
As at 31 December 2017	217.1	7.3	(27.3)	4.6	227.2	428.9



Group	Attributable to Equity Holders of the Company					
	Share Capital S\$'m	Share- based payment 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	-	-	0.0
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	-	-	-	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



Company

Attributable to Equity Holders of the Company

	Share-based Share Capital	payment Reserve	Treasury Shares	Retained Profits	Total
	SS'm	SS'm	SS'm	SS'm	SS'm
As at 1 January 2017	217.2	6.7	(18.6)	153.6	358.8
Total comprehensive income for the period	-	-	-	31.6	31.6
Issuance of ordinary shares on exercise of employee share options	-	(0.2)	-	-	(0.2)
Treasury shares transferred pursuant to share-based payment plans	-	-	0.1	-	0.1
Expenses on share-based payment	-	0.1	-	-	0.1
As at 31 March 2017	217.2	6.6	(18.5)	185.2	390.4
Total comprehensive income for the period	-	-	-	27.0	27.0
Treasury shares transferred pursuant to share-based payment plans	(0.1)	-	0.1	-	-
Expenses on share-based payment	-	0.1	-	-	0.1
Dividends	-	-	-	(54.9)	(54.9)
As at 30 June 2017	217.1	6.7	(18.4)	157.2	362.7
Total comprehensive income for the period	-	-	-	27.1	27.1
Purchase of treasury share	-	-	(8.9)	-	(8.9)
Dividends	-	-	-	(48.4)	(48.4)
As at 30 September 2017	217.1	6.7	(27.3)	136.1	332.6
Total comprehensive income for the period	-	-	-	22.8	22.8
Expenses on share options	-	0.6	-	-	0.6
As at 31 December 2017	217.1	7.3	(27.3)	158.9	356.0



Company	Attributable to Equity Holders of the Company				
	Share Capital	Share-based payment Reserve	Treasury Shares	Retained Profits	Total
	S\$'m	S\$'m	S\$'m	S\$'m	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
Issuance of ordinary shares on exercise of employee share options	-	-	-	-	-
Expenses on share options	-	0.3	-	-	0.3
Dividends	-	-	-	-	-
As at 31 December 2016	217.2	6.7	(18.6)	153.6	358.8

* Denotes less than S\$0.05 million



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	
	2017	2016	2017	2016	2017	2016
As at 1 January	37,207,700	29,822,700	930,022,782	937,187,782	7,215,000	-
Purchase of treasury shares	-	-	(5,000,000)	(7,500,000)	5,000,000	7,500,000
Options granted during the financial period (\$2.48)	-	9,500,000	-	-	-	-
Exercised during the financial period	(92,000)	(335,000)	92,000	335,000	-	-
Cancelled during the financial period	(3,741,000)	(1,780,000)	-	-	-	-
Treasury shares transferred pursuant to share option plans	-	-	-	-	(92,000)	(285,000)
As at 31 December	33,374,700	37,207,700	925,114,782	930,022,782	12,123,000	7,215,000

1(e) Notes to Financial Statements

(i) Operating Revenue

	Group		Group	
	4Q2017	4Q2016	2017	2016
	S\$'m	S\$'m	S\$'m	S\$'m
Operating revenue				
Mobile telecommunications services	165.0	158.4	642.5	640.0
International call services	14.0	15.5	55.9	61.3
Fixed services	36.1	27.2	129.7	104.2
Total service revenue	215.1	201.0	828.1	805.5
Handset sales	92.0	112.8	243.0	255.4
Total	307.2	313.9	1,071.1	1,060.9



(ii) Operating Expenses

	Group		Group	
	4Q2017	4Q2016	2017	2016
	S\$'m	S\$'m	S\$'m	S\$'m
Cost of sales	153.2	166.9	471.5	461.5
Staff costs	33.0	29.5	122.5	115.0
Advertising and promotion expenses	5.4	6.3	19.4	22.1
Depreciation and amortisation	34.0	33.4	129.9	126.8
Allowance for doubtful debts	2.2	2.2	9.0	8.4
Facilities expenses	22.0	22.5	86.4	86.4
Leased circuit costs	8.5	8.0	32.8	31.5
Licence fees	1.1	1.2	3.8	4.2
Other general and administrative expenses	7.3	6.9	24.5	25.0
Foreign exchange (gain)/loss	*	(0.2)	0.1	(*)
Total	266.7	276.7	900.0	880.9

(iii) Taxation

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

	Group		Group	
	4Q2017	4Q2016	2017	2016
	S\$'m	S\$'m	S\$'m	S\$'m
Current tax				
- Current provision	4.7	2.7	28.2	27.3
- Over provision in prior year	(0.8)	(0.9)	(0.8)	(4.0)
Deferred tax				
- Movement in temporary differences	2.6	3.0	2.6	5.6
Income tax expense	6.6	4.8	30.1	28.9

* Denotes less than S\$0.05 million



(iv) Trade debtors

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	S\$'m	S\$'m	S\$'m	S\$'m
Mobile and fixed services				
- Billed	53.5	55.3	53.5	55.3
- Accrued service revenue	9.6	14.5	9.6	14.5
- Accrued handsets revenue	85.2	87.1	85.2	87.1
Others				
- Billed	23.9	20.4	11.1	14.0
- Accrued	1.2	0.4	1.2	0.4
	173.4	177.6	160.7	171.2
Allowance for doubtful debts	(10.1)	(12.0)	(10.1)	(11.9)
	163.3	165.6	150.6	159.4

(v) Cash and cash equivalents comprise:

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	S\$'m	S\$'m	S\$'m	S\$'m
Cash and bank balances	46.5	11.0	43.4	10.1
	46.5	11.0	43.4	10.1

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

Amount repayable in one year or less, or on demand

As at 31 December 2017		As at 31 December 2016	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	S\$151.0m

Amount repayable after one year

As at 31 December 2017		As at 31 December 2016	
Secured	Unsecured	Secured	Unsecured
Nil	S\$450.0m	Nil	S\$250.0m



Details of any collateral

None.

The \$450 million long term loan comprises:-

- (a) \$250 million long term loan that was refinanced in May 2016 at an effective interest rate of 2.65% per annum and is repayable in full in May 2021.
- (b) \$200 million long term loans with an effective interest rate at 2.45% per annum and are repayable in full by July 2020.

2(a) NEGATIVE ASSURANCE

We, DANNY TEOH LEONG KAY and KAREN KOOI, being two directors of M1 Limited (the “Company”) do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company that may render the Fourth Quarter and Full Year Ended 31 December 2017 financial results to be false or misleading.

On behalf of the directors

DANNY TEOH LEONG KAY
Director

KAREN KOOI
Director

Singapore
23 January 2018

2(b) AUDIT/ REVIEW

The figures have not been audited or reviewed in accordance with Singapore Standard on Review Engagements (“SSRE”) 2410.



3. BASIS OF PREPARATION

The condensed interim consolidated statement of comprehensive income of the Group and the statements of financial position and statements of changes in equity of the Group and Company have been prepared in accordance with Singapore Financial Reporting Standard (“FRS”) 34, Interim Financial Reporting.

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 period as compared with the audited financial statements for the year ended 31 December 2016, 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

Earnings per ordinary share of the Group based on the net profit attributable to shareholders:-

	4Q2017	4Q2016	Change	2017	2016	Change
(i) Based on weighted average number of shares	3.4 cts	3.4 cts	-1.2%	14.3 cts	16.1 cts	-11.2%
- Weighted average number of shares ('000)	917,743	930,023	-1.3%	928,228	931,361	-0.3%
(ii) On fully diluted basis	3.4 cts	3.4 cts	-1.2%	14.3 cts	16.1 cts	-11.2%
- Adjusted weighted average number of shares ('000)	917,754	930,326	-1.4%	928,251	931,505	-0.3%

6. NET ASSET VALUE

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
Net asset value per share (cents)	46.4	43.4	38.5	38.6



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	5.2 cents per ordinary share (one-tier tax)	6.2 cents per ordinary share (one-tier tax)
Tax Rate	N.A	N.A

(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 (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

(c) Date Payable

The proposed final dividends, if approved at the next Annual General Meeting to be held on 11 April 2018, will be paid on 27 April 2018.

(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 23 April 2018 to 24 April 2018, 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 20 April 2018, 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:

	4Q2017	4Q2016	2017	2016
	S\$'m	S\$'m	S\$'m	S\$'m
Sales	(4.9)	(6.2)	(13.0)	(13.7)
Purchases	4.3	5.1	16.8	20.5

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).

	4Q2017	2017
	S\$'000	S\$'000
Transactions for the purchase of goods and services		
Singapore Telecommunications Limited & its associates	11,314	48,800
Axiata Group Berhad	972	4,155
Keppel Logistics Pte Ltd	345	1,302
SingPost Ltd	693	2,812
Starhub Ltd & its associates	4,828	18,852
Temasek Holdings (Private) Limited & its associates	1,159	5,299
Transactions for the sale of goods and services		
Singapore Telecommunications Limited & its associates	3,535	14,034
Axiata Group Berhad	842	2,364
Starhub Ltd & its associates	1,733	6,988
Temasek Holdings (Private) Limited & its associates	1,250	1,350
Total Interested Person Transactions	26,671	105,956

11. REVIEW OF PERFORMANCE OF THE GROUP

Please refer to the Management Discussion and Analysis of the Group for the fourth quarter and full year financial results ended 31 December 2017.



12. AUDITORS' REPORT

Not applicable.

13. REVIEW OF PERFORMANCE

	Group			Group			Group Change	
	4Q2017	4Q2016	YoY	2017	2016	YoY	3Q2017	(4Q2017 vs 3Q2017)
	S\$'m	S\$'m	Change	S\$'m	S\$'m	Change	S\$'m	
Revenues								
Operating revenue								
Mobile telecommunications services	165.0	158.4	4.1%	642.5	640.0	0.4%	160.5	2.8%
International call services	14.0	15.5	-9.2%	55.9	61.3	-8.9%	13.9	1.3%
Fixed services	36.1	27.2	33.0%	129.7	104.2	24.5%	32.4	11.5%
Total service revenue	215.1	201.0	7.0%	828.1	805.5	2.8%	206.7	4.1%
Handset sales	92.0	112.8	-18.5%	243.0	255.4	-4.9%	44.9	105.1%
Total	307.2	313.9	-2.1%	1,071.1	1,060.9	1.0%	251.6	22.1%
Key Drivers								
Number of customers ('000)								
Postpaid	1,292	1,247	3.6%	1,292	1,247	3.6%	1,272	1.6%
Prepaid	747	772	-3.3%	747	772	-3.3%	736	1.5%
Total Mobile	2,038	2,019	1.0%	2,038	2,019	1.0%	2,007	1.5%
Fibre	189	160	18.1%	189	160	18.1%	182	3.8%
Total	2,227	2,179	2.2%	2,227	2,179	2.2%	2,189	1.7%
Mobile market share ^								
Postpaid	25.2%	24.8%	-	25.2%	24.8%	-	25.1%	-
Prepaid	22.0%	22.5%	-	22.0%	22.5%	-	22.3%	-
Overall	24.0%	23.8%	-	24.0%	23.8%	-	24.0%	-
Mobile penetration rate ^	148.8%	149.8%	-	148.8%	149.8%	-	149.2%	-
Monthly minutes of use per active customer (per month)								
Postpaid	185	203	-8.5%	190	210	-9.8%	189	-1.7%
Prepaid	131	191	-31.5%	149	203	-26.5%	145	-9.9%
Average monthly churn rate	1.2%	1.2%	-	1.3%	1.0%	-	1.3%	-
Acquisition cost per postpaid customer	S\$473	S\$438	8.0%	S\$404	S\$369	9.5%	S\$378	25.0%

^ Based on latest published statistics.



13.1 Operating Revenue

YoY, operating revenue increased 1.0% at \$1,071.1m for the year ended 31 December 2017 (“FY2017”). For 4Q2017, it was 2.1% lower YoY. Compared to 3Q2017, operating revenue increased by 22.1% mainly due to higher handset sales.

13.1.1 Key Drivers

As at 31 December 2017, our customer base stood at 2,227,000, 2.2% higher than last year. Compared to 3Q2017, it was 1.7% higher. Market share was 24.0% at end October 2017.

Churn rate was 1.2% for 4Q2017 and 1.3% for FY2017. Compared to 3Q2017, it was 0.1% lower.

YoY, postpaid customer acquisition cost increased 8.0% to \$473 for 4Q2017 and 9.5% to \$404 for FY2017. Compared to 3Q2017, it was 25.0% higher.

13.1.2 Mobile Telecommunications Services

	<u>Group</u>		YoY	<u>Group</u>		YoY	<u>Group</u>	Change
	4Q2017	4Q2016		2017	2016		3Q2017	
	S\$'m	S\$'m	Change	S\$'m	S\$'m	Change	S\$'m	(4Q2017 vs 3Q2017)
Telecommunications revenue								
Postpaid	150.5	142.2	5.8%	582.3	569.7	2.2%	145.3	3.5%
Prepaid	14.5	16.2	-10.8%	60.2	70.3	-14.3%	15.1	-4.2%
Total	<u>165.0</u>	<u>158.4</u>	4.1%	<u>642.5</u>	<u>640.0</u>	0.4%	<u>160.5</u>	2.8%
ARPU (per month)								
Postpaid (gross)	S\$56.4	S\$57.1	-1.2%	S\$55.8	S\$58.0	-3.8%	S\$55.4	1.8%
Postpaid (net)	S\$49.6	S\$49.5	0.2%	S\$48.7	S\$50.3	-3.2%	S\$48.3	2.7%
Data plan	S\$12.1	S\$14.0	-13.6%	S\$12.7	S\$14.8	-14.2%	S\$12.6	-4.0%
Prepaid	S\$10.5	S\$11.5	-8.7%	S\$10.7	S\$12.2	-12.3%	S\$10.8	-2.8%
Fibre Broadband	S\$45.0	S\$43.1	4.4%	S\$43.5	S\$45.1	-3.5%	S\$42.9	4.9%
Mobile data contribution as a % of service revenue	56.1%	54.8%		55.7%	54.0%		55.9%	

YoY, mobile telecommunications revenue increased 4.1% to \$165.0m for 4Q2017 and 0.4% to \$642.5m for FY2017. Against 3Q2017, it was 2.8% higher.

Postpaid revenue increased 5.8% YoY to \$150.5m for 4Q2017 and 2.2% to \$582.3m for FY2017. Compared to 3Q2017, it was 3.5% higher.

YoY, prepaid revenue decreased 10.8% to \$14.5m for 4Q2017 and 14.3% to \$60.2m for FY2017. Against 3Q2017, it was 4.2% lower.



Average postpaid smartphone data usage increased to 4.3GB per month this quarter from 3.6GB per month a year ago. Mobile data contribution increased YoY by 1.3% points to 56.1% for 4Q2017 and 1.7% points to 55.7% for FY2017 respectively. Against 3Q2017, it was 0.2% points higher.

13.1.3 International call services

	<u>Group</u>		YoY	<u>Group</u>		YoY	<u>Group</u>	Change
	4Q2017	4Q2016		2017	2016		3Q2017	
	S\$m	S\$m	Change	S\$m	S\$m	Change	S\$m	vs
	<u>3Q2017)</u>							
International call services								
Retail revenue	8.4	10.3	-18.8%	36.0	42.5	-15.4%	8.7	-4.3%
Wholesale and bilateral revenue	5.7	5.2	10.2%	19.9	18.8	5.9%	5.1	10.9%
Total	14.0	15.5	-9.2%	55.9	61.3	-8.9%	13.9	1.3%
Total international retail minutes (in millions)	137	187	-26.8%	631	696	-9.4%	155	-11.8%

YoY, international call services revenue decreased 9.2% to \$14.0m for 4Q2017 and 8.9% to \$55.9m for FY2017 respectively due to lower retail revenue. Compared to 3Q2017, it was 1.3% higher.

13.1.4 Fixed services

Fixed services grew 33.0% and 24.5% YoY to \$36.1m for 4Q2017 and \$129.7m for FY2017 respectively due to higher fibre customer base and contribution from corporate segment projects. Against 3Q2017, it was 11.5% higher.

13.1.5 Handset sales

YoY, handset sales decreased 4.9% to \$243.0m for FY2017. For 4Q2017, it was 18.5% lower YoY. Compared to 3Q2017, it increased by 105.1% QoQ mainly due to higher sales volume and average selling price.



13.2 Operating Expenses

	Group			Group			Group Change	
	4Q2017	4Q2016	YoY	2017	2016	YoY	3Q2017	(4Q2017 vs 3Q2017)
	S\$'m	S\$'m	Change	S\$'m	S\$'m	Change	S\$'m	
Cost of sales	153.2	166.9	-8.2%	471.5	461.5	2.2%	101.7	50.5%
Staff costs	33.0	29.5	11.8%	122.5	115.0	6.6%	30.3	9.0%
Advertising and promotion expenses	5.4	6.3	-14.4%	19.4	22.1	-12.2%	4.9	9.8%
Depreciation & amortisation	34.0	33.4	1.6%	129.9	126.8	2.5%	32.7	3.9%
Allowance for doubtful debts	2.2	2.2	-0.1%	9.0	8.4	8.1%	2.4	-7.1%
Facilities expenses	22.0	22.5	-2.3%	86.4	86.4	-0.1%	21.9	0.8%
Leased circuit costs	8.5	8.0	6.9%	32.8	31.5	4.1%	8.0	7.0%
Licence fees	1.1	1.2	-4.5%	3.8	4.2	-9.8%	0.9	21.0%
Other general & administrative expenses	7.3	6.9	5.8%	24.5	25.0	-2.1%	6.3	15.9%
Foreign exchange (gain)/loss	*	(0.2)	-88.1%	0.1	(*)	@	0.1	-135.8%
Total	266.7	276.7	-3.6%	900.0	880.9	2.2%	209.1	27.5%

* Denotes less than S\$0.05 million

@ Denotes more than +/-300%

YoY, operating expenses decreased 3.6% to \$266.7m for 4Q2017 mainly due to lower costs of sales and increased 2.2% to \$900.0m for FY2017 mainly due to higher cost of sales and staff costs. Against 3Q2017, operating expenses was 27.5% higher.

13.2.1 Cost of sales

	Group			Group			Group Change	
	4Q2017	4Q2016	YoY	2017	2016	YoY	3Q2017	(4Q2017 vs 3Q2017)
	S\$'m	S\$'m	Change	S\$'m	S\$'m	Change	S\$'m	
Handset costs	118.5	134.8	-12.1%	339.7	343.9	-1.2%	68.8	72.2%
Traffic expenses	9.9	10.6	-6.8%	38.7	39.2	-1.2%	9.7	1.3%
Wholesale costs of fixed services	14.8	11.2	31.9%	56.1	45.1	24.4%	14.3	3.8%
Other costs	10.0	10.3	-3.0%	36.9	33.3	10.9%	8.9	12.1%
Total	153.2	166.9	-8.2%	471.5	461.5	2.2%	101.7	50.5%

Cost of sales at \$471.5m for FY2017 was 2.2% higher YoY mainly due to higher wholesale costs of fixed services. Against 3Q2017, cost of sales increased 50.5% due to higher handset sales. YoY, cost of sales decreased 8.2% to \$153.2m for 4Q2017 due to lower handset costs. Traffic expenses at \$38.7m for FY2017 was stable YoY and decreased 6.8% YoY to \$9.9m for 4Q2017. Against 3Q2017, traffic expenses was stable. Wholesale costs of fixed services increased 31.9% YoY to \$14.8m for 4Q2017, 24.4% to \$56.1m for FY2017 and increased 3.8% against 3Q2017 due to higher customer base.



13.2.2 Staff costs

Staff costs increased 11.8% to \$33.0m for 4Q2017 and 6.6% to \$122.5m for FY2017 due to salary increment and bonus payout.

13.2.3 Advertising and promotion expenses

For the quarter, advertising & promotion expenses decreased 14.4% YoY. Compare to 3Q2017, advertising and promotion expenses increased 9.8% to \$5.4m. For FY2017, it was 12.2% lower.

13.2.4 Depreciation and amortisation

Depreciation and amortisation expenses at \$34.0m for 4Q2017 and \$129.9m for FY2017 were 1.6% and 2.5% higher YoY respectively mainly due to higher fixed asset base. Against 3Q2017, it was 3.9% higher.

13.2.5 Allowance for bad and doubtful debt

Allowance for bad and doubtful debt for 4Q2017 was stable YoY. FY2017, doubtful debt allowance increased 8.1% to \$9.0m. Against 3Q2017, it was 7.1% lower.

13.2.6 Facilities expenses

Facilities expenses at \$22.0m was 2.3% lower YoY. Against 3Q2017, it was 0.8% higher.

13.2.7 Leased circuit costs

Leased circuit costs at \$8.5m for 4Q2017 and \$32.8m for FY2017 were 6.9% and 4.1% higher YoY. Against 3Q2017, leased circuit costs was 7% higher.

13.2.8 Other general and administrative expenses

YoY, other general and administrative expenses increased 5.8% to \$7.3m for 4Q2017. Against 3Q2017, it was 15.9 % higher.

13.3 Finance Costs

Compared to last year, finance costs increased 44.7% to \$2.9m for 4Q2017 and 46.5% to \$9.9m for FY2017 due to higher borrowings and interest rate.

13.4 Taxation

YoY, provision for taxation increased 35.8% to \$6.6m for 4Q2017 and increased 4.2% to \$30.1m for FY2017. FY2016 benefited from a write-back of overprovision for tax.



13.5 Net Profit

	<u>Group</u>			YoY	<u>Group</u>			YoY	<u>Group</u> 3Q2017	Change (4Q2017 vs 3Q2017)
	4Q2017	4Q2016	Change		2017	2016	Change			
	SS'm	SS'm		SS'm	SS'm		SS'm			
Net profit	31.0	31.8	-2.5%	132.5	149.7	-11.5%	32.7	-5.4%		
Net profit margin (on service revenue)	14.4%	15.8%		16.0%	18.6%		15.8%			

YoY, net profit at \$31.0m for 4Q2017 and \$132.5m for FY2017 were 2.5% and 11.5% lower respectively. Compared to the previous quarter, it was 5.4% lower.

Compared to the corresponding periods last year, net profit margin was lower at 14.4% for 4Q2017 and 16.0% for FY2017. Against 3Q2017, it was 1.4% point lower.

13.6 EBITDA

	<u>Group</u>			YoY	<u>Group</u>			YoY	<u>Group</u> 3Q2017	Change (4Q2017 vs 3Q2017)
	4Q2017	4Q2016	Change		2017	2016	Change			
	SS'm	SS'm		SS'm	SS'm		SS'm			
EBITDA	74.4	72.1	3.3%	302.4	312.1	-3.1%	75.5	-1.5%		
EBITDA margin (on service revenue)	34.6%	35.8%		36.5%	38.7%		36.5%			

YoY, EBITDA at \$74.4m for 4Q2017 and \$302.4m for FY2017 were 3.3% higher and 3.1% lower respectively. Compared to 3Q2017, it was 1.5% lower.

EBITDA margin, as a percentage of service revenue, was 34.6% for 4Q2017 and 36.5% for FY2017.

13.7 Capital Expenditure and Commitments

Capital expenditure incurred for FY2017 was \$151.1m as compared to \$140.5m for FY2016.

Capital commitment as at 31 December 2017 was \$199.8m which includes \$188.0m for the 700MHz spectrum.



13.8 Liquidity and Capital Resources

	Group			Group			Group		Change (4Q2017 vs 3Q2017)
	4Q2017	4Q2016	YoY	2017	2016	YoY	3Q2017		
	S\$'m	S\$'m	Change	S\$'m	S\$'m	Change	S\$'m		
Profit before tax	37.5	36.6	2.5%	162.6	178.6	-8.9%	40.0	-6.1%	
Non-cash item and net interest expense adjustments	36.0	29.4	22.4%	113.7	95.0	19.6%	26.6	35.2%	
Net change in working capital	(30.1)	(15.7)	90.9%	(17.3)	61.3	-128.2%	40.9	-173.5%	
Net cash provided by operating activities	43.5	50.3	-13.5%	259.0	334.9	-22.6%	107.5	-59.6%	
Net cash used in investing activities	(49.0)	(48.6)	-0.8%	(160.6)	(220.2)	27.1%	(27.6)	-77.5%	
Net cash used in financing activities	-	(0.3)	n.m.	(63.0)	(113.7)	44.6%	(33.9)	n.m.	
Net change in cash and cash equivalents	(5.5)	1.3	@	35.5	1.0	@	46.0	112.0%	
Cash and cash equivalents at beginning of financial period	52.1	9.7	@	11.0	10.0	10.5%	6.1	@	
Cash and cash equivalents at end of financial period	46.5	11.0	@	46.5	11.0	@	52.1	-10.8%	
Free Cash flow ⁽¹⁾	(3.4)	8.8	-138.9%	106.7	129.6	-17.6%	79.8	-104.3%	

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

@ Denotes more than -/+300%

n.m. Not meaningful

YoY, operating cash flow decreased from \$50.3m to \$43.5m for 4Q2017. Against 3Q2017, it was 59.6% lower.

Free cash flow at \$106.7m for FY2017 was 17.6% lower YoY.

13.9 Gearing and Interest Cover

As at end December 2017, gearing ratio was 0.9 times compared to 1.0 times as at end December 2016. Interest coverage ratio (EBITDA/Interest) was 30.6 times for 4Q2017 compared to 46.2 times for 4Q2016.



13.10 Balance Sheet

Total non-current assets increased 4.0% from \$919.2m as at 31 December 2016 to \$956.0m as at 31 December 2017 mainly due to the acquisition of spectrum rights.

Total current assets increased 37.7% from \$227.4m as at 31 December 2016 to \$313.0m as at 31 December 2017, mainly due to higher cash and cash equivalents, inventories and other receivable and deposits balances.

Total current liabilities as at 31 December 2017 was \$269.5m, 28.2% lower than \$375.2m for 31 December 2016.

Against 31 December 2016, total equity as at 31 December 2017 was 6.3% higher at \$428.9m.

14. VARIANCE FROM PROSPECT STATEMENT

Net profit after tax declined 2.5% year-on-year for fourth quarter and 11.5% year-on-year for full year ended 31 December, 2017. This is in line with our previous outlook statement.

15. OUTLOOK

It is expected that competition will increase in 2018 with the anticipated entry of new mobile service providers. We remain committed to improve our services and deliver superior customer experience to attract and retain customers.

As we transform to a Smart Communications Provider, we progressively scale up our ICT capabilities and portfolio of digital services to capture opportunities in IoT and Smart Nation. The digitalisation will improve operational efficiency and enhance our customer touch-points, providing a seamless experience for digital natives and tech-savvy segment.



16. 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 call services and fixed services, retail sales of telecommunications equipment and accessories, and customer services.

The Group has a diversified customer base which comprises of individuals and corporates. There was no single customer that contributed to 10% or more of the Group's revenue.

The Group's reportable segment information is as follows:

	Group	
	2017	2016
	S\$m	S\$m
Mobile telecommunications services	642.5	640.0
International call services	55.9	61.3
Fixed services	129.7	104.2
Handset sales	243.0	255.4
Total Revenue	1,071.1	1,060.9
EBITDA	302.4	312.1
Depreciation and amortisation (net of assets grants)	(129.9)	(126.8)
Finance Income	-	-
Finance Expenses	(9.9)	(6.7)
Profit before taxation	162.6	178.6
Taxation	(30.1)	(28.9)
Profit for the year	132.5	149.7
Assets and liabilities		
Non-current assets	956.0	919.2
Current assets	313.0	227.4
Total assets	1,269.0	1,146.6
Borrowings	450.0	401.0
Other non-current liabilities	120.6	118.0
Other current liabilities	269.5	224.2
Total liabilities	840.1	743.2
Other information		
Capital expenditure	151.1	140.5
Free Cash flow	106.7	129.6



17. 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 (16).

18. A breakdown of sales

Half yearly results	<u>Group</u>		<u>Group</u>
	2017	2016	YoY
	S\$'m	S\$'m	Change
Operating revenue for first half year	512.3	498.0	2.9%
Net profit after tax for first half year	68.8	83.5	-17.6%
Operating revenue for second half year	558.8	562.9	-0.7%
Net profit after tax for second half year	63.7	66.2	-3.7%

19. 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	Previous Full Year
	S\$'m	S\$'m
Ordinary shares	103.2	142.3
Preference shares	-	-
Total	<u>103.2</u>	<u>142.3</u>

20. 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 office 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.



21. 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

Karen Teo
Company Secretary
23 January 2018