MobileOne Ltd

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M1 Annual Report 2007

M1 is...

Annual Report 2007

Contents

about CONNECTIONS

Our business is about connecting people and lifestyles. We stay in touch with our customers, while seeking new technology and capabilities to uncover value-added services that appeal to their lifestyle and communication needs.

about
BOLDNESS

Since our inception, we differentiate ourselves as a brand that embraces bold ideas and creativity. At M1, we encourage individual expression and we dare to be different in our approach to the products and services we offer.

about
CREATIVITY

We consistently leverage on creativity and advances in technology to lead in innovation. From first-to-launch products and services to engaging TV commercials, we bring smiles of delight to our customers.

about

FUN

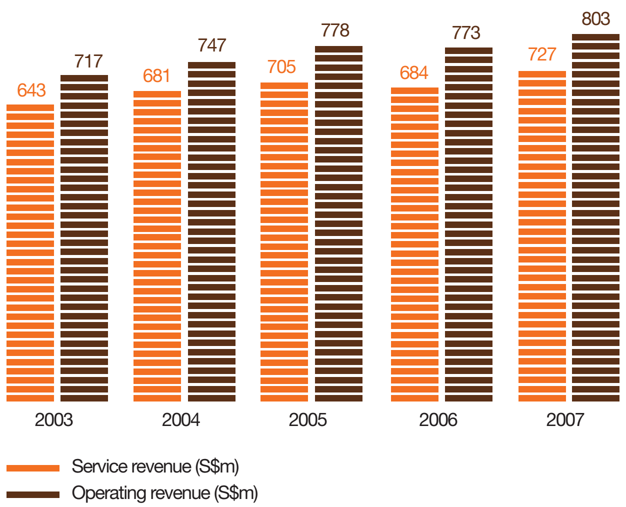
M1 customers embrace the joy and vitality of life. The dynamic and fun qualities of M1 are similarly expressed through our people, our retail stores and our products and services. We endeavour to enable our customers to live life to the fullest with unmatched and unrestricted fun.

about
PARTNERSHIP

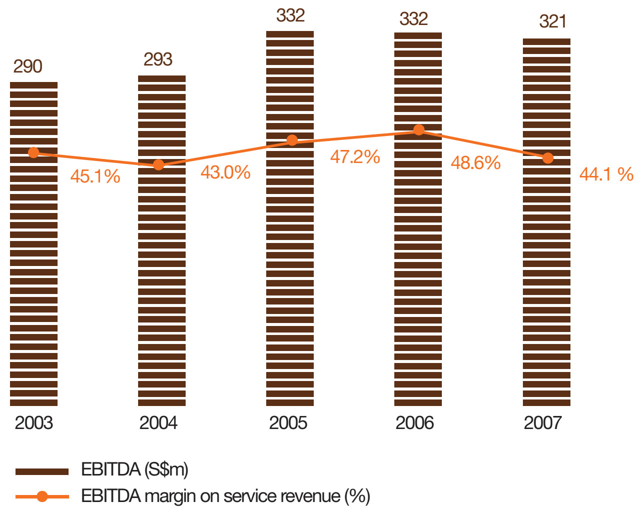
We value strategic alliances and partnerships that strengthen and sustain our earnings growth. Our partnership with Vodafone for instance expands our service proposition to enterprise customers with a broader range of business and service offers, not just locally but globally.

Performance Highlights

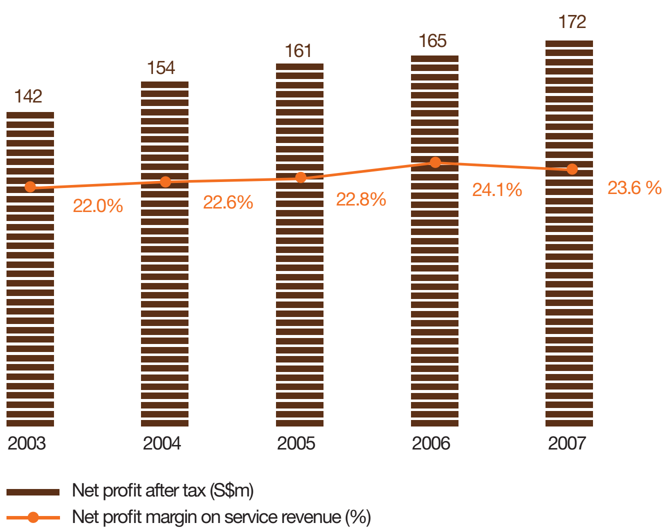
Operating Revenue and Service Revenue



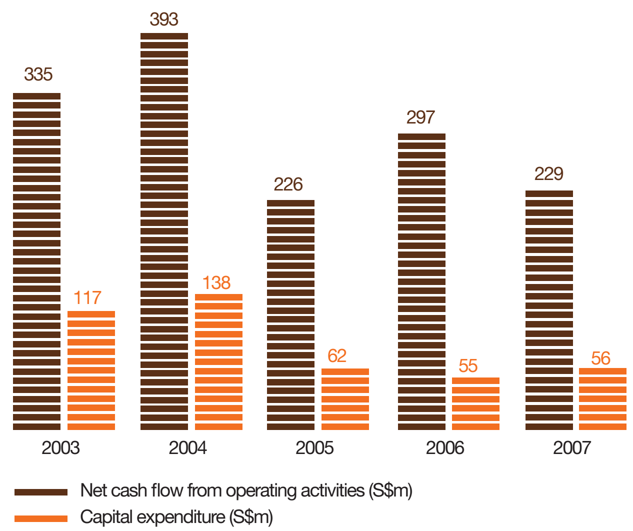
EBITDA



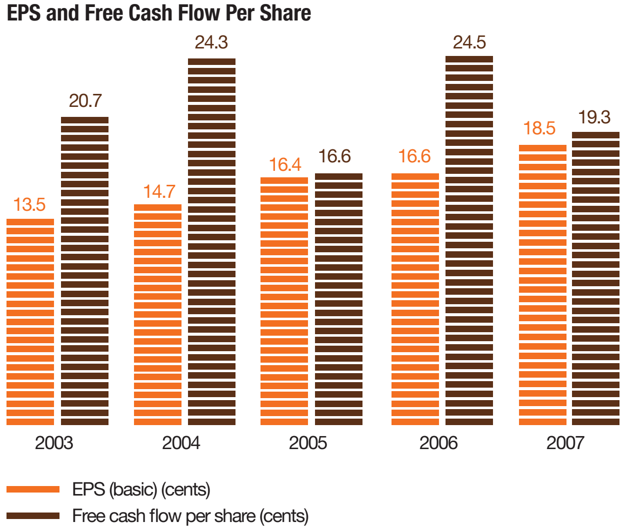
Net Profit After Tax



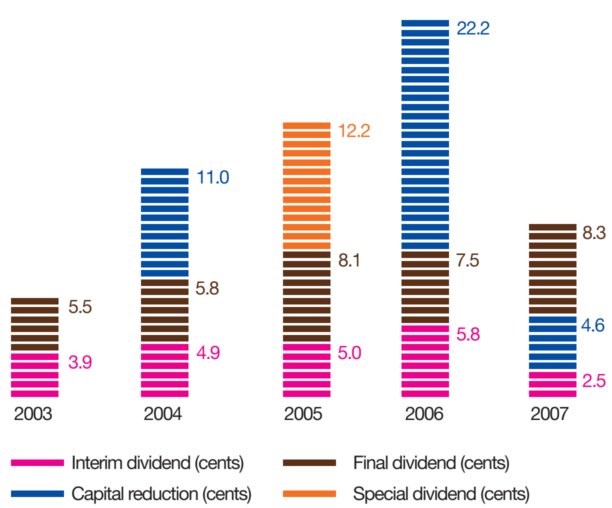
Cash Flow & Capital Expenditure



EPS and Free Cash Flow Per Share



Cash Return Per Share (declared)



FINANCIAL HIGHLIGHTS

	2007	2006	Change (%)
Operating revenue (S$m)	**803.3**	773.0	3.9
Mobile telecommunications services	**600.1**	568.9	5.5
International call services	**127.1**	114.0	11.5
Others	**-**	0.7	(100.0)
Handset sales	**76.1**	89.4	(14.9)
EBITDA	**320.7**	331.7	(3.3)
Net profit after tax	**171.8**	164.6	4.4
Per share (cents)			
Earnings	**18.5**	16.6	11.4
Regular payout (declared)	**15.4**	13.3	15.8
Net assets	**22.6**	38.6	(41.5)
ROE (%)	**58.8**	38.9	-
ROCE (%)	**32.2**	26.0	-

Note: Figures may not add up due to rounding off

OPERATING HIGHLIGHTS

	2007	2006	Change (%)
Number of mobile customers ('000)			
Postpaid	**856**	809	5.8
Prepaid	**679**	528	28.6
Total	**1,535**	1,337	14.8
Market share* (%)			
Postpaid	**28.4**	28.4	-
Prepaid	**26.1**	29.5	-
Overall	**27.3**	28.8	-
Singapore mobile penetration rate* (%)	**122.5**	103.4	-
Average revenue per user (ARPU, S$ per month)			
Postpaid (exclude Data plan)	**61.9**	60.2	2.8
Data Plan	**31.7**	34.7	(8.6)
Prepaid	**17.6**	19.1	(7.9)
Non-voice services as contribution to service revenue (%)	**21.6**	19.1	-
Minutes of use per active customer (MOU, minutes per month)			
Postpaid	**361**	347	4.0
Prepaid	**175**	145	20.7
Total international retail minutes (million)	**310**	206	50.5
Average monthly churn rate (%)	**1.2**	1.5	-
Average gross acquisition cost per gross connection	**190**	140	35.7
Average gross retention cost per customer	**132**	118	11.9

** Based on IDA statistics as at December 2007*

about
PROGRESSION

"...These new initiatives will improve our competitive edge and help achieve our vision of eventually transforming M1 from a single-play mobile operator today to a dynamic multi-play operator."

In 2007, M1 achieved a net profit after tax of S$171.8 million, a growth of 4.4% over the previous year. Operating revenue increased 3.9% to S$803.3m, driven mainly by a 6.4% growth in service revenue. Benefiting from our capital management initiatives, earnings per share improved 11.4% to 18.5 cents and return on equity climbed from 38.9% to 58.8%.

In the face of determined competition in a highly penetrated mobile market, M1 achieved a creditable performance. During the year, we grew our customer base by some 198,000 to 1.54 million customers, and mobile telecommunications and international call revenues increased 5.5% and 11.5% respectively. The uptake of data services continued to grow and contribution from non-voice services rose to 21.6% of service revenue, driven mainly by mobile data (excluding SMS) which increased to 8.4% of service revenue, compared to 6.3% a year ago.

Postpaid customers continued to be the mainstay of M1's mobile business. They constituted some 56% of our customer base as at end 2007, but accounted for 90% of mobile telecommunications service revenue. With market penetration currently exceeding 120%, maintaining existing customer satisfaction is as important as acquiring new customers, as we believe our customers are M1's best brand ambassadors. To continue delivering best-in-class customer experience and giving substance to our iconic M1 brand, our priority continues to be providing customers innovative services on a reliable and advanced network, maintaining the highest standards of customer care and strengthening the brand they already relate to.

Globally, telecom market dynamics are changing, spurred in no small part by the rapid convergence of communications and entertainment services. For Singapore, the development of the Next Generation National Broadband Network (NGNBN) will help provide a pervasive platform for such convergence and offers M1 an opportunity for future business expansion into areas such as fixed broadband and pay TV. Recognising these industry developments, we set in motion several key initiatives towards the end of 2007, for M1 to stay competitive, capitalise on new opportunities and also, address changing customer needs and the development of new technologies. These new initiatives will improve our competitive edge and help achieve our vision of eventually transforming M1 from a single-play mobile operator today to a dynamic multi-play operator.

For 2008, the market conditions will remain challenging as full mobile number portability is scheduled to be introduced by the middle of the year. Nonetheless, we expect to see continuing growth in contribution from data services, with voice and text communication remaining as the mainstay of M1's business. Take-up of M1 Broadband – our wireless broadband service – has been encouraging, and as the first operator to launch this service in December 2006, we are pleased to be the market leader with 70,000 broadband customers at the end of December 2007. We will also continue to seek alliances and partnerships to broaden the scope of our products and services. While the strategic initiatives that we have adopted will take time to materialise, we believe we have put in place the pre-requisites for M1 to not only grow organically but also to remain competitive and profitable in the foreseeable future.

M1 continues to be committed to enhancing long-term shareholder value and maintaining a sustainable payout policy for our shareholders. In respect of 2007, the Board of Directors recommends a final dividend of 8.3 cents per share. Taken together with the interim cash distributions, this translates to a payout ratio of 80% of full-year net profit after tax for 2007. Since M1's initial public offer in December 2002, we have built up a good track record of strong cashflow and returning cash to shareholders. If we include the final recommended dividend for FY2007 (subject to shareholders' approval), M1 would have distributed 124% of its cumulative net profit after tax from FY2002 to FY2007. Looking ahead, M1 will continue to align its capital structure to support business requirements and capitalise on business opportunities that might arise, so as to enhance shareholder value. With prudent capital management, M1 aims to maintain a sustainable payout policy.

To my fellow Board directors, I would like to take this opportunity to express my appreciation to your sterling support and significant contribution over the years, especially in ensuring that M1 meets the standard for good corporate governance. In the latest Business Times Corporate Transparency Index score card, I am pleased to note that M1 was ranked 3rd out of 675 Singapore-listed companies for the level, quality and timeliness of disclosure. This exemplifies M1's commitment to good corporate governance and transparency. In closing, I would also like to thank M1 management, customers, shareholders and business partners for your continued support of M1.

Lim Chee Onn
Chairman

about EFFICIENCY

"...We delivered growth in revenue and net profit, embarked on several key initiatives to drive operating efficiency and continued to invest and allocate resources for future growth."

M1's performance in 2007 reflects a continuation of our track record of delivering long-term shareholder value. Amidst a challenging and competitive market, we delivered growth in revenue and net profit, embarked on several key initiatives to drive operating efficiency and continued to invest and allocate resources for future growth.

Operating revenue increased 3.9% to S$803.3m, driven mainly by a 6.2% growth in postpaid revenue to S$538.5m and 11.5% increase in international call revenue to S$127.1m. The growth in postpaid revenue was attributed to a larger customer base and higher average revenue per user (ARPU), whilst international revenue benefitted from an increase in promotions for the value segment. Net profit after tax grew 4.4% to S$171.8 million. Earnings per share improved 11.4% to 18.5 cents, representing a compounded annual growth rate of 8.7% over the past 5 years. In terms of the balance sheet, we continued to be comfortably leveraged with net-debt-to-EBITDA ratio at 0.8x as at end 2007.

During the year, M1 added 47,000 postpaid and 151,000 prepaid customers. The growth in postpaid customer base was driven mainly by M1 Broadband. With nation-wide coverage, simple "plug-and-play" devices and competitive price plans, M1 Broadband offers a strong value proposition for customers to enjoy wireless broadband services. As for mobile postpaid services, while voice revenue remained stable, we saw continued growth in data usage. This was fuelled by increasing prevalence of 3G and high speed downlink packet access (HSDPA) handsets, as well as new services introduced during the year, such as MeTV – Singapore's first video sharing service on mobile phones, mClassified – a mobile version of classified advertisements that supports video and image uploads, M1 Mobile eMail, as well as Google Search Box and eBay on mobile.

On the pre-paid front, revenue was stable in 2007 as growth from an enlarged customer base was offset by increased price competition. During the year, we became the first operator to extend the 3G experience to our prepaid customers through the launch of our 3G M card in April 2007. We also introduced new competitive plans targeted at the mass market, launched One2One Top-up which allows customers to transfer prepaid credits to other accounts and retailed lower denominated M cards to increase our product range. These initiatives reflect our commitment to continuously introduce innovative features and add value to our prepaid offerings.

In the international call services segment, we continued to drive sign-ups for IDD postpaid plans and increased the number of free IDD countries. There were also bundled promotions for our prepaid card and 1818 International Calling Card. These initiatives, targeted mainly at the value segment, generated higher retail traffic and increased our market share, but also resulted in lower margin. Nonetheless, international call gross margin remained healthy at above 50%.

To further increase operating efficiency, we have commenced the rollout of our own cellular backhaul network to move towards greater self provisioning in carrying traffic between our base stations and operating centres. We have also started to offshore part of our call centre to Kuala Lumpur, Malaysia to improve our cost structure. In addition, we will review our network efficiency and the competitiveness of our current infrastructure and technology roadmap.

Given our rapidly changing environment, M1 must continue to invest for future growth, and this includes developing new businesses anchored on our core competencies. One such area is mobile advertising, which could potentially become an additional future revenue stream for our business. In 2007, we launched SMS2.0 and Singapore's first location-based-advertising (LBA). SMS2.0 is a next generation messaging service that brings together messaging, content and advertising in a single, seamless application while LBA enables advertisers to send targeted messages to our customers shopping within the vicinity of their shops and reach out more effectively to them. In addition, we are working with MediaCorp to launch a consumer trial on Mobile TV in 2008. M1 will also continue to explore investment, partnership and other commercial opportunities within and beyond the confines of Singapore, and seek to adopt those that will enhance shareholder value.

Looking ahead, 2008 will be a year of both challenges and opportunities. The Infocomm Development Authority (IDA) is expected to introduce full number portability by the middle of the year and this may lead to increased market competition. We have already set in motion several key initiatives that will eventually transform the single-play mobile operator that M1 is today to a new and dynamic M1 – a multi-play operator with interests in both the fixed and mobile sectors. In December 2007, the IDA announced a Request-For-Proposal for a Network Company (NetCo) to design, build and operate the passive infrastructure layer of the NGNBN. M1, as part of the consortium with City Telecom (HK) Ltd, intends to submit a bid to form the NetCo. The rollout of the NGNBN is a multi-stage process. Regardless of the tender result, we believe the new open access network will level the playing field in the fixed space and enable M1 to compete more effectively.

To re-energise our brand, we unveiled a new brand identity - a "Brighter" M1 in November 2007. Featuring an updated vibrant logo, the new "Brighter" branding campaign exemplifies everything we do at M1 and how our class-leading services can deliver brighter experiences to our customers. We believe this campaign will establish a stronger customer affinity for the M1 brand.

Besides working hard to meet our business targets, I am pleased to note that M1 management and employees also actively participated in giving back to the community. We continued to support and fund children and youth causes such as Beyond Social Services and Club Rainbow. CARE (Children-at-Risk Empowerment Association), another charity adopted by M1, launched a scheme in M1's name to motivate students and to recognise their achievements. In the year, M1's employees gave their time generously to run the SunCare Club which organises activities to bring cheer to the lives of the children of the various charities M1 supports. To champion the local arts scene, we sponsored the M1 Singapore Fringe Festival organised by the Necessary Stage for the 3rd year running. In recognition of M1's long term support of the arts, M1 was conferred the Distinguished Patron of the Arts by the National Arts Council for the 6th consecutive year. We were also the title sponsor for the M1 Asia Challenge, an "Intelligent Sport" outdoor event which sees corporate teams of 5 go head to head in a series of mental, physical and intellectual challenges over 2 days and 2 nights. It is heartening to note that M1 was among the top three teams who won the right to represent Singapore at the World Team Challenge held in France.

Finally, I would like to express my deepest appreciation to all M1 management and employees for their hard work and dedication in the past year and look forward to working together as we bring M1 into the next phase of growth and development.

Neil Montefiore
Chief Executive Officer

about COMMITMENT

We are committed to delivering efficient solutions for our customers, driven by quality, innovation, value and exemplary customer service.

Company Overview

M1 is an established brand that provides cellular mobile communications services to over 1.5 million users in Singapore, international call services to both mobile and fixed-line users, and wireless broadband Internet services to home, office and mobile users. M1 offers a wide range of mobile voice, non-voice and value-added services on its nationwide cellular network and is widely recognised as an innovative operator. With emphasis on quality, customer service, innovation and value, M1 aims to take the lead in personal voice and data communications. Customers subscribe to M1's mobile services on either a postpaid or prepaid basis from a variety of price plans. M1's wireless broadband internet access service, M1 Broadband, was launched in December 2006, offering customers a choice of service plans at different download access speeds, as well as a range of broadband access devices.

In the area of international call services, M1 offers mobile and fixed-line customers International Direct Dial (IDD) services, using prefixes 002 and 021, and an International Calling Card (ICC) service using prefix 1818. M1 also sells international wholesale minutes to other international service providers.

M1 commenced commercial operations in April 1997 with the launch of its GSM network. It subsequently rolled out a WCDMA network and began offering 3G services in February 2005. In December 2006, the 3G network was further upgraded with High Speed Packet Access (HSPA) to increase network efficiency and support broadband services at downlink speeds of up to 3.6Mbps.

The Company holds a facilities-based operator (FBO) licence and a telecommunication dealer's class licence issued by the Infocomm Development Authority (IDA), and a Media Development Authority (MDA) class licence. In April 2001, M1 also obtained an FBO licence for the provision of 3G mobile communication systems and services.

M1 was listed on the Singapore Exchange in December 2002.

In 2007, M1 achieved a net profit after tax of S$171.8 million, representing a 4.4% growth over S$164.6 million recorded in 2006. Net profit margin on service revenue was 23.6%, a slight decline from 24.1% in 2006. Operating revenue was 3.9% higher at S$803.3 million and service revenue was 6.4% higher at S$727.1 million. Earnings before interest, tax, depreciation and amortisation (EBITDA) was 3.3% lower at S$320.7 million, representing a margin of 44.1% on service revenue.

As at 31 December 2007, M1 had a total of 1,535,000 mobile customers, comprising 856,000 postpaid customers and 679,000 prepaid customers. Based on market statistics published by IDA as at 31 December 2007, M1's market share of the total mobile customer base was 27.3%, and M1's postpaid and prepaid market shares were 28.4% and 26.1% respectively.

Market Developments

As at 31 December 2007, Singapore's cellular mobile penetration was 122.5%, which was 19.1 percentage points higher than that a year ago[1]. Out of the total market cellular mobile customer base of 5,619,200, 53.7% were postpaid customers and 46.3% were prepaid customers[1].

IDA announced that implementation of the enhanced Mobile Number Portability (MNP) solution will be targeted for launch by the second quarter of 2008. This will allow users to switch between telecom service providers and retain their existing numbers in a more efficient manner. Market competition may increase in the run up to the introduction of MNP as mobile operators seek to both attract and retain customers, however, it is premature to ascertain any potential impact MNP may have on M1.

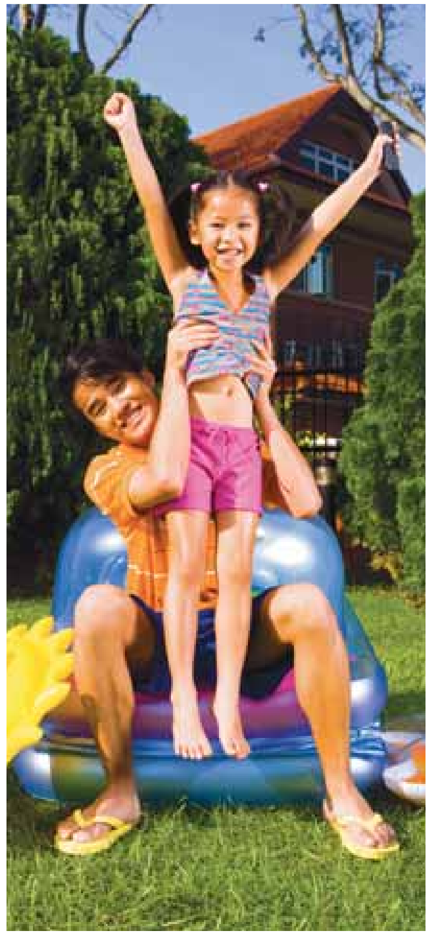
On 15 June 2007, the Spam Control Act 2007 came into effect, followed by the introduction of the Code of Practice for the Provision of Premium Rate Services (PRS) in October 2007. Both legislations aim to safeguard consumers' interest against spam and unsolicited services and promote responsible business practices. M1 will adhere to the Act in its business practices.

On 11 December 2007, IDA launched the Request-For-Proposal (RFP) for interested parties to submit their bid to rollout the first phase of the ultra high-speed Next Generation National Broadband Network (NGNBN) which will connect all of Singapore. The network which is intended to be carrier-neutral, would provide open access to all service providers to reach connected customers. M1 has partnered City Telecom (HK) Ltd to jointly participate in IDA's RFP to design, build and operate the passive infrastructure layer of the NGNBN. Results of the RFP will be announced in 2008. As M1 is currently not in the fixed broadband business, it views the NGNBN as an opportunity to develop new areas of growth beyond the existing wireless business.

[1] Based on published IDA statistics as at December 2007

about LISTENING

To fulfill our customers' needs, we listen, anticipate and act with a visionary spirit, enabling them to experience our innovative communication solutions, both at work and at play.



Operating Review

Mobile Services

The postpaid segment continues to be the mainstay of M1's mobile business. As at 31 December 2007, M1's postpaid customers formed 55.8% of its total customer base, but the postpaid business contributed 89.7% of its total mobile telecommunications revenue in 2007.

During the year, the growth in postpaid customer base was driven mainly by M1 Broadband. As the first operator to launch this nationwide wireless broadband service, M1 was the market leader with 70,000 broadband customers at the end of December 2007. With nation-wide coverage, simple "plug-and-play" devices and competitive price plans, M1 Broadband offers a strong value proposition for customers to enjoy wireless broadband services. As for mobile postpaid services, while voice revenue remained stable, there was continued growth in data usage. Contribution from non-voice services rose to 21.6% of service revenue, driven mainly by mobile data (excluding SMS) which increased to 8.4% of service revenue, compared to 6.3% a year ago. This was fuelled by the increasing prevalence of 3G and high speed downlink packet access (HSDPA) handsets, as well as new services introduced during the year. In 2007, M1 launched several new postpaid price plans which offer either free IDD or free weekend calls. Customers can now keep in touch with their family and friends overseas easily with free IDD calls to 18 destinations which include Australia, China, India, Malaysia, UK and US.

In the prepaid segment, M1's customer base grew 28.6% over the previous year. However, growth from an enlarged customer base was offset by increased price competition and this resulted in stable year-on-year prepaid revenue. During the year, M1 introduced new competitive plans targeted at the mass market which included reduced tariffs, launched One2One Top-up which allows customers to transfer prepaid credits to other accounts and retailed lower denominated M cards to increase our product range. These initiatives reflect our commitment to continuously introduce innovative features and add value to our prepaid offerings.

In the international call services segment, M1 continued to drive sign-ups for IDD postpaid plans and increased the number of free IDD countries. There were also bundled promotions for our prepaid card and 1818 ICC. These initiatives, targeted mainly at the value segment and growing foreign population in Singapore, generated higher retail traffic and increased our market share, but also resulted in lower margin. Nonetheless, international call gross margin remained healthy at above 50%.

In 2007, M1 continued its track record of launching innovative services and these include:

- **MeTV**, Singapore's first mobile video sharing service, was launched by M1 in January 2007 and introduced to StarHub customers in July 2007 through a collaboration between the two mobile operators. This service is aimed at the younger generation who grow up on reality television and the popular culture of video sharing. Users upload their video clips onto the MeTV site via multi-media messaging (MMS) and get paid by M1 every time when others download their video clips. This service has captured the interest and imagination of today's youths and mobile savvy customers who enjoy using their mobile phones for entertainment and content sharing.

- **mClassified** is M1's mobile version of classified advertisements, a service that provides customers a convenient platform to buy and sell using their mobile phones. Sellers can post their advertisements on MiWorld Mobile, M1's mobile portal, anywhere and anytime, and the service supports both video and image uploads.

- M1 launched **Singapore's first 3G prepaid service**, allowing prepaid customers to access richer mobile content and faster download speeds on their mobile phones.

- **M1 Mobile eMail**, a service which works on all GPRS-enabled handsets and across most popular e-mail accounts, allows users to read and reply e-mails easily while on the move. Users are notified of an incoming e-mail via a text message on their handsets even when roaming overseas. They can subsequently read, reply or forward the e-mail.

- M1 launched the country's first **location-based advertising (LBA)** SMS service in October 2007, in partnership with Singapore Press Holdings. Retailers in Singapore now have a more direct, timely and effective way of communicating with their customers when they are within designated LBA zones, allowing relevant marketing messages and promotional offers to be sent via SMS to shoppers who are in the vicinity of their shops.

- In November 2007, M1 customers became the first mobile users in Singapore to enjoy an exciting and revolutionary version of the ubiquitous SMS. The new **SMS2.0** is a next-generation service that brings together

about DELIVERING

We are a customer-focused business that demands excellence in everything we do. Our ability to provide a unique and compelling value proposition to our customers ensures the continued success of our business.

messaging, content and advertising in a single, seamless application, allowing customers to derive much more value and a unique experience when they send and receive SMS.

• M1 is the first mobile operator to **offer unlimited mobile video streaming subscription**. It offers 3 new subscriptions including Entertainment, Sports & News and Music Videos. Customers can choose from a wide range of branded content such as MediaCorp drama serials, Discovery, MTV, Nickelodeon and live news streaming such as CNA,CNBC, Bloomberg and the latest music videos.

• M1 launched the **Google** search box on its MiWorld homepage in September 2007, an initiative based on the official, strategic partnership with Google to further increase data traffic. This is the first partnership Google has entered into with a telecom operator in Singapore.

• **eBay Mobile** was launched in August 2007 which allows users to browse, search, bid and buy on eBay - the world's leading and most popular online marketplace, on their mobile phones anytime, anywhere.

At the enterprise level, several new products and services were also launched in 2007.

• **EnterpriseText 2500 and EnterpriseText 5000** were launched in January 2007. These are message-centric plans catering to enterprise customers primarily using SMS as a means to reach out to their own clients.

• The **Huawei E960 router**, a portable device that allows users to share internet access as well as make/receive mobile voice calls using a fixed line phone, was launched in December 2007. Bundled with the new Broadband V plans, customers will be able to enjoy free incoming calls, attractive IDD rates and internet access with one device.

• December 2007 also witnessed the launch of the **Fujitsu Lifebook U1010 (3.5G)**. This is the world's smallest tablet convertible ultra mobile PC with M1 Broadband built in which enables customers to be connected anytime and anywhere.

Retail Distribution

M1 has an island-wide network of operator-owned retail shops (M1 Shop) and operator-appointed distributor outlets that serve the consumer segment, as well as an enterprise sales team that serves the business segment. As at 31 December 2007, M1 operated a total of 12 M1 Shop outlets. In addition, M1 runs an e-shop, which sells mobile phones and accessories online.

Building a Brighter Brand

With the opening tagline of "What the world needs now is something a little brighter", a new, brighter brand platform was introduced in November 2007. M1 has always been seen as a challenger brand, firstly by breaking the monopoly of the incumbent telecommunications operator, followed by providing class-leading customer service and introducing innovative products and services, as well as tariff plans that represent exceptional value. With the new brand campaign, M1 is committing itself to be the brighter solutions provider, with the aim to brighten its customers' lives in the year ahead through brighter services, brighter content, brighter pricing plans and brighter solutions delivered by brighter people at M1. As a brand, M1 portrays optimism, creativeness, boldness and dynamism, with a zeal for innovation, a zest for customer service, and a contagious sense of fun.

Customer Service

M1 prides itself on service leadership and in 2007 continued to drive changes and improvements to ensure that it provides best-in-class customer experience. Enhancements, ranging from simple fine-tuning of its interactive voice response system to more complex re-configurations of the system to identify customers' needs at various contact points, have allowed M1 to create a difference in the way customers are served. More than just providing service enhancements, M1 preserves the human touch by listening to its customers. M1 believes in generating a positive customer experience and strives to set the standard for exemplary customer service.

Network

M1 continued to enhance its HSPA network, extending the provision of downlink access speed of 3.6Mbps across Singapore, while continuing to expand coverage and capacity of its 3G network. To further increase operating efficiency, M1 has commenced the rollout of its own cellular backhaul network. This will allow M1 to move towards greater self provisioning in carrying traffic between its base stations and operating centres, thereby resulting in future cost savings. In addition, M1 will review its network efficiency and the competitiveness of its current infrastructure and technology roadmap. The Company also completed the modernisation of its core switching network, in preparation ahead of the migration to an all-IP based network infrastructure.

about
CREATING VALUE

M1 strives to effectively combine its human and technological resources to achieve profitability and deliver long-term sustainable growth.

total operating revenue
S$803.3 million(+3.9%)

net profit
S$171.8 million (+4.4%)

Financial Review

OPERATING REVENUE

Operating Revenue	2007 S$'m	Year Ended 31 Dec 2006 S$'m	YoY Change
Mobile telecommunications services	**600.1**	568.9	5.5%
International call services	**127.1**	114.0	11.5%
Others	**-**	0.7	-100.0%
Total service revenue	**727.1**	683.6	6.4%
Handset sales	**76.1**	89.4	-14.9%
Total	**803.3**	773.0	3.9%

For 2007, M1's operating revenue grew 3.9% to S$803.3m, driven mainly by service revenue growth of 6.4%. Mobile telecommunications revenue increased 5.5% to S$600.1m, as the postpaid segment benefited from higher average revenue per user (ARPU) and a larger customer base. International call revenue increased 11.5% to S$127.1m, as retail traffic grew by 50.5% due to increased promotions for the value segments during the year. Handset sales decreased 14.9% as a result of lower selling prices.

MOBILE COMMUNICATIONS

Mobile telecommunications revenue	2007 S$'m	Year Ended 31 Dec 2006 S$'m	YoY Change
Postpaid	**538.5**	507.0	6.2%
Prepaid	**61.6**	61.9	-0.5%
Total	**600.1**	568.9	5.5%

Average revenue per user (ARPU, S$ per month)			
Postpaid* (exclude Data plan)	**61.9**	60.2	2.8%
Data Plan	**31.7**	34.7	-8.6%
Prepaid*	**17.6**	19.1	-7.9%
Non-voice services as contribution to service revenue (%)	**21.6**	19.1	-

** Re-stated to include certain revenue previously omitted.*

The higher mobile telecommunications revenue was driven mainly by the postpaid segment which grew 6.2% to S$538.5m. Apart from a larger customer base, the postpaid segment saw higher subscription revenue as more customers signed up for mid and high-tier plans. Coupled with higher mobile data usage, postpaid ARPU increased 2.8% to S$61.9. Prepaid revenue remained stable as growth from enlarged base was offset by lower ARPU due to competitive offerings introduced during the year.

With the wider adoption of data mass market plans across an enlarged customer base, data plan ARPU decreased 8.6% to S$31.7. Prepaid ARPU declined 7.9% to $17.6 as a result of new mass market price plans with reduced tariffs introduced in the first half of 2007. Non-voice services as a percentage of service revenue increased 2.5% points to 21.6%, compared to 19.1% for 2006 due to higher SMS and mobile data revenues.

Operating And Financial Review

INTERNATIONAL CALL SERVICES

International call service revenue	2007 S$'m	Year Ended 31 Dec 2006 S$'m	YoY Change
Retail	**111.6**	104.6	6.7%
Wholesale & bilateral revenue	**15.5**	9.4	64.9%
Total	**127.1**	114.0	11.5%
Total international retail minutes (in millions)	**310**	206	50.5%

International call service revenue increased 11.5% to S$127.1m, as retail traffic grew 50.5% to 310 million minutes. During the year, we continued to drive sign-ups for IDD postpaid plans, as well as introduced and increased the number of free IDD countries. There were also bundled promotions for our prepaid card and 1818 International Calling Card.

HANDSET SALES

Handset sales was 14.9% lower at S$76.1m, due mainly to lower unit selling prices.

OPERATING EXPENSES

	2007 S$'m	Year Ended 31 Dec 2006 S$'m	YoY Change
Cost of sales	**296.4**	270.6	9.5%
Staff costs	**91.7**	88.1	4.1%
Advertising & promotion	**19.3**	17.6	9.7%
Depreciation & amortisation	**116.7**	112.4	3.8%
Provision for bad & doubtful debt	**19.0**	18.9	0.5%
Facilities expenses	**38.1**	34.0	12.1%
Other general and administrative expenses	**21.1**	17.5	20.6%
Total	**602.2**	559.0	7.7%

Total operating expenses increased 7.7% to S$602.2m, due mainly to higher cost of sales. As a percentage of operating revenue, it increased 2.7 percentage points to 75.0%.

COST OF SALES

	2007 S$'m	Year Ended 31 Dec 2006 S$'m	YoY Change
Handset cost	**133.2**	137.2	-2.9%
Traffic expense	**46.6**	31.0	50.3%
Leased circuit costs	**41.5**	30.1	37.9%
Other cost	**75.1**	72.3	3.9%
Total	**296.4**	270.6	9.5%

Cost of sales increased 9.5% to S$296.4m. The increase was mainly due to higher traffic expenses and leased circuit costs. Higher traffic expenses were driven by growth in IDD traffic volume, while higher leased circuit costs were to support the growth in data traffic. In addition, 2006 leased circuit costs benefited from a non-recurring adjustment.

STAFF COSTS

Staff costs increased 4.1% to S$91.7m, in line with annual increment.

ADVERTISING & PROMOTION EXPENSES

Advertising and promotion expenses increased 9.7% to $19.3m due to higher media spend. M1 also celebrated its 10th anniversary in 2007, with several events and customer promotions.

DEPRECIATION & AMORTISATION

Depreciation and amortisation expenses increased 3.8% to S$116.7m due to higher asset base.

PROVISION FOR BAD & DOUBTFUL DEBT

Provision for bad and doubtful debt remained relatively stable at S$19.0m for 2007.

FACILITIES EXPENSES

Facilities expenses increased 12.1%, due to higher technical support and maintenance expenses.

OTHER GENERAL & ADMINISTRATIVE EXPENSES

Other general & administrative expenses increased 20.6% to S$21.1m, mainly due to expenses incurred for new initiatives to support future revenue growth.

FINANCE COSTS

Finance costs decreased 7.8% to $9.5m, due to lower interest rate.

TAXATION

Provision for taxation fell 48.9% to S$22.7m, mainly due to the tax adjustments for the reduction in corporate tax rate and over-provisions for prior years.

Operating And Financial Review

NET PROFIT

	Year Ended 31 Dec 2007 S$'m	2006 S$'m	YoY Change
Net profit	171.8	164.6	4.4%
Net profit margin (on service revenue) (%)	23.6	24.1	-

Net Profit at S$171.8m, was 4.4% higher compared to 2006 and this was mainly attributed to tax adjustments for the reduction in corporate tax rate.

EBITDA

	Year Ended 31 Dec 2007 S$'m	2006 S$'m	YoY Change
EBITDA	320.7	331.7	-3.3%
EBITDA margin (on service revenue) (%)	44.1	48.6	-

EBITDA decreased 3.3% to S$320.7m mainly due to higher operating expenses. Correspondingly, EBITDA margin, as a percentage of service revenue, decreased to 44.1% for the year, compared to 48.6% for 2006.

CAPITAL EXPENDITURE AND COMMITMENTS

Capital expenditure incurred for 2007 was S$56.3m, slightly higher compared to $54.6m for 2006, due mainly to mobile broadband devices.

Capital commitment as at 31 December 2007 was S$16.3m.

LIQUIDITY AND CAPITAL RESOURCES

	Year Ended 31 Dec 2007 S$'m	2006 S$'m	YoY Change
Profit before tax	194.5	209.0	-6.9%
Net change in working capital	3.8	(25.9)	-114.7%
Other adjustments for non-cash items & interest paid / received & tax payment	30.8	114.2	-73.0%
Net cash provided by operating activities	229.0	297.3	-23.0 %
Net cash used in investing activities (current year capex)	(56.3)	(54.4)	3.5%
Net cash used in financing activities	(318.2)	(249.7)	27.4%
Net change in cash and cash equivalents	(145.5)	(6.8)	@
Cash and cash equivalents at beginning of financial period	168.6	175.4	-3.9%
Cash and cash equivalents at end of financial period	23.1	168.6	-86.3%
Free cash flow [2]	172.7	242.7	-28.8%

@ denotes more than -/+300%

[2] Free cash flow refers to net cash flow from operating activities less current year capital expenditure

Operating cash flow decreased 23.0% to S$229.0m, due mainly to tax payments as M1 paid taxes for two years in 2007.

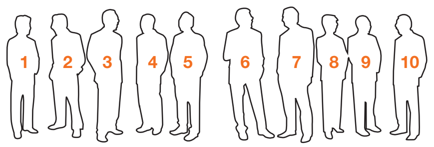
Consequently, free cash flow decreased 28.8% to S$172.7m.

FINANCIAL LEVERAGE

As at end of December 2007, net-debt-to-equity ratio was 129.7%, compared to 21.3% a year ago. The increase was mainly due to the 10% capital reduction effected in May 2007 to return cash to shareholders. Interest coverage ratio (EBITDA/Interest) remained stable at 33.9x for 2007 compared to 32.3x for 2006.

Board of Directors

Board Of Directors



1. Yusof Annuar Yaacob
2. Teo Soon Hoe
3. Lim Chee Onn
4. Hsuan Owyang
5. Low Huan Ping
6. Neil Montefiore
7. Roger Barlow
8. Thio Su Mien
9. Patrick Yeoh Khwai Hoh
10. Reggie Thein

Lim Chee Onn, Chairman

Appointed to M1's Board of Directors on 1 November 1999, Mr. Lim is also the Executive Chairman of Keppel Corporation Limited; Chairman of Keppel Land Limited and Singapore-Suzhou Township Development Pte Ltd; a Director of the Monetary Authority of Singapore, k1 Ventures Limited, and Business China; Honorary Chairman, National Heritage Board; and Deputy Chairman/Advisory Board, Harvard Singapore Foundation.

Mr. Lim was in the Civil Service until he was elected as Member of Parliament (MP) for Bukit Merah in July 1977. He was Secretary-General, National Trades Union Congress, from May 1979 to June 1983 and concurrently Minister without Portfolio, Prime Minister's Office from September 1980 to July 1983, and remained as MP, Bukit Merah constituency until August 1991. He was then elected MP for Marine Parade GRC from September 1991 to December 1992.

Mr. Lim is Co-Chairman, Philippines-Singapore Business Council; Deputy Chairman, Seoul International Business Advisory Council; Economic Advisor to Jiangsu Provincial Government, PRC; and Consultant to People's Government of Yunnan Province, PRC. He is a member of the Singapore-US Business Council and the INSEAD Singapore International Council. He is also Member, Board of Trustees, Asia Business Council; Member, Board of Trustees, The Conference Board; and Counsellor, The Conference Board's Global Advisory Council on Economic Issues.

Neil Montefiore, Chief Executive Officer

Neil Montefiore was appointed Chief Executive Officer of M1 Singapore effective from 1 April 1996.

Prior to his current appointment, he was the Director, Mobile Services at Hongkong Telecom CSL Limited, the largest cellular operator in Hong Kong.

A chartered engineer, Mr. Montefiore joined The Cable and Wireless group in 1976 and held various marketing and engineering management positions in Hong Kong, Bahrain, Saudi Arabia and the United Kingdom until 1983. In 1983 he joined Cable and Wireless Systems Ltd in Hong Kong and was appointed as Chief Executive in 1987.

In 1989, he moved to UK as Managing Director of Paknet Ltd, a joint venture owned by Cable and Wireless PLC and Vodafone PLC which developed and launched the world's first public packet radio data network. Mr. Montefiore returned to Hong Kong in 1991 as Managing Director of Chevalier (Telepoint) Ltd until 1995.

He is a Fellow of the Institution of Engineering and Technology and a Fellow of the Chartered Institute of Marketing (CIM).

Roger Barlow

Mr. Barlow was appointed to M1's Board of Directors on 22 May 2002. Mr. Barlow is Chairman and founder of RJB Consultants Limited, a telecommunications consultancy company operating in Asia and based in Hong Kong. He advises clients on many aspects of telecommunications with a focus on SE Asia.

Mr. Barlow was formerly Director of Global Communications Services at PCCW Limited in Hong Kong. Other past appointments include posts in Reach Ltd in Hong Kong, Cable & Wireless plc in London and Vietnam (where he was Chief Executive Officer of Cable & Wireless Vietnam), and Hong Kong Telecom Limited. Mr. Barlow was also a Director of Great Eastern Telecommunications Ltd and Compunet Corporation in Thailand, and an alternate Director of Reach Ltd and Hong Kong CSL Limited, a leading mobile operator in Hong Kong.

Low Huan Ping

Mr. Low was appointed to M1's Board of Directors on 1 September 1994. He is also the Executive Vice President (Technology) of Singapore Press Holdings Limited.

Previously, Mr. Low was Chief Executive Officer of SPH AsiaOne Ltd, a subsidiary of Singapore Press Holdings Limited; Chairman of CyberWay Pte Ltd; and a board member of Singapore Cable Vision Limited. Prior to that, Mr. Low worked at the Ministry of Defence and headed various IT departments and division units.

Hsuan Owyang

On 8 November 2002, Mr. Owyang was appointed to M1's Board of Directors. He is also Chairman Emeritus of the East Asian Institute, Pro-Chancellor of Nanyang Technological University, and a member of the International Council of the Asia Society. He currently is the Deputy Chairman of CapitaLand Limited, and Chairman of CapitaMall Trust Management Ltd and CapitaRetail China Trust Management Limited.

Mr. Owyang was previously a Director and General Manager of Overseas Union Bank Limited, Deputy Chairman of the Post Office Savings Bank, a board member of the Monetary Authority of Singapore, and Chairman of the Housing and Development Board.

In 1993, Mr. Owyang was awarded the Meritorious Service Medal by the Government of Singapore.

Ganen Sarvananthan (absent)

Mr. Ganen Sarvananthan was appointed to M1's Board of Directors on 16 November 2005. He is Executive Director, Investments at Khazanah Nasional Berhad and is also a member of the Board of Directors of TM International Bhd (formerly known as TM International Sdn Bhd).

Mr. Sarvananthan is a barrister-at-law (Lincoln's Inn, London). Prior to joining Khazanah, he was a Director, Investment Banking Department at UBS Investment Bank, Hong Kong. He had also worked in UBS Investment Banking offices in London and Singapore.

Teo Soon Hoe

Mr. Teo was appointed to M1's Board of Directors on 7 May 1996. He is Senior Executive Director and Group Finance Director of Keppel Corporation Limited.

Mr. Teo is the Chairman of Keppel Telecommunications & Transportation Ltd and Keppel Philippines Holdings Inc. In addition, he is a Director of several other companies within the Keppel Group, including Keppel Land Limited, k1 Ventures Limited and Singapore Petroleum Company Limited. He is a member of the Wharton Society of Fellows, University of Pennsylvania.

Reggie Thein

On 8 November 2002, Mr. Thein was appointed to M1's Board of Directors. He is currently also a Director and Audit Committee Chairman of several listed companies in Singapore, among them Haw Par Corporation Limited and GuocoLeisure Limited (formerly known as BIL International Limited).

Mr. Thein is a member of the Governing Council of the Singapore Institute of Directors; a Fellow of the Institute of Chartered Accountants in England and Wales; and member of the Institute of Certified Public Accountants of Singapore.

Mr. Thein was previously a Senior Partner of PricewaterhouseCoopers; Vice-Chairman of Coopers & Lybrand, and Managing Partner of its management consulting services firm.

In 1999, Mr. Thein was awarded the Public Service Medal by the President of Singapore.

Thio Su Mien

Dr. Thio was appointed to M1's Board of Directors on 8 November 2002. She is a director of Jasper Investments Limited.

Dr. Thio is an Advocate and Solicitor of the Supreme Court of Singapore and is currently a Senior Executive Director of TSMP Law Corporation and a director of Allens Arthur Robinson TSMP.

Previously Dean of the Faculty of Law at the University of Singapore, Dr. Thio has held various positions in professional bodies and institutions, and sat on the board of subsidiaries of multinational corporations in Singapore. She has served on the Board of Legal Education; chaired one of the Disciplinary Committees set up by the Chief Justice; was an Accredited Arbitrator at the Singapore International Arbitration Centre, as well as served as Judge and Senior Vice-President of the World Bank Administrative Tribunal; and as a member of the Asian Development Bank Administrative Tribunal.

Patrick Yeoh Khwai Hoh

First appointed to M1's Board of Directors on 8 November 2002, Mr. Yeoh also holds directorships at other companies, including Oversea-Chinese Banking Corporation Limited and Accuron Technologies Ltd (formerly known as Accuron Technologies Pte Ltd). He is also an Advisor to Nuri Holdings (S) Pte Ltd.

His previous posts include various positions at Development Bank of Singapore Ltd, including President and Director.

In 1999, Mr. Yeoh was awarded the Public Service Star by the President of Singapore.

Yusof Annuar Yaacob

Mr. Yusof Annuar bin Yaacob was appointed to M1's Board of Directors on 16 November 2005. He is the Chief Executive Officer of TM International Bhd (formerly known as TM International Sdn Bhd) and sits on the various Boards within the TM Group. He is also the Board Director for OCB Berhad and Dialog Telekom PLC.

Mr. Yusof is an accountant by profession and has had both investment banking and corporate management experience throughout his career. His investment-banking career included stints at S.G. Warburg & Co (now known as UBS) and ING Barings Securities. He was previously an Executive Director at OCB Berhad and a Board member of a number of other public listed companies.

Senior Management

Senior Management

1. Sharon Tan Gim Bee
2. Poopalasingam Subramaniam
3. Chan Weng Keong
4. Karen Kooi Lee Wah
5. Lee Kok Chew
6. Neil Montefiore
7. Patrick Michael Scodeller
8. Chin Ming Lek
9. Chua Swee Kiat
10. Lina Lee
11. Lim Sock Leng
12. Terence Teo Hoon Beng

Neil Montefiore, Chief Executive Officer

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A chartered engineer, Mr. Montefiore joined The Cable and Wireless group in 1976 and held various marketing and engineering management positions in Hong Kong, Bahrain, Saudi Arabia and the United Kingdom until 1983. In 1983 he joined Cable and Wireless Systems Ltd in Hong Kong and was appointed as Chief Executive in 1987.

In 1989, he moved to UK as Managing Director of Paknet Ltd, a joint venture owned by Cable and Wireless PLC and Vodafone PLC which developed and launched the world's first public packet radio data network. Mr. Montefiore returned to Hong Kong in 1991 as Managing Director of Chevalier (Telepoint) Ltd until 1995.

He is a Fellow of the Institution of Engineering and Technology and a Fellow of the Chartered Institute of Marketing (CIM).

Karen Kooi Lee Wah, Chief Financial Officer

Ms. Kooi joined M1 as Chief Financial Officer in August 1995. She was a key member of the senior management team responsible for the planning, development and launch of M1's commercial operations. Prior to joining M1, Ms. Kooi held various senior financial positions with large public listed companies, namely Singapore Press Holdings Limited, City Developments Limited and Hai Sun Hup Group Limited. She has over 20 years of experience in finance, covering treasury management, acquisition, business analysis, risk management, tax planning and credit control. Ms. Kooi is a Fellow of the Chartered Association of Certified Accountants (United Kingdom) and holds a Master of Business Administration degree in Investment and Finance (Distinction) from the University of Hull in the United Kingdom.

Patrick Michael Scodeller, Chief Technical Officer

Mr. Scodeller joined M1 in 1995. He is responsible for the planning, operations and maintenance of the cellular and international networks. He was a key member of the senior management team that planned, built and launched M1's networks from inception. He has over 28 years of experience in the telecommunications industry, including various positions held with Cable and Wireless plc in the United Kingdom, Hong Kong (with Hong Kong Telecom CSL Limited) and Malaysia. Mr. Scodeller is an Incorporated Engineer and a member of the Institution of Engineering and Technology. He holds a National Diploma in Telecommunications from Telkom College, Republic of South Africa.

Lina Lee, Chief Information Officer

Ms. Lee joined M1 in 1996. She is responsible for the development and operation of M1's information technology infrastructure and business systems, including systems that support billing, customer care, call centers, marketing and enterprise resource planning. Ms Lee was a member of the senior management team responsible for the planning, development and launch of M1's commercial operations. Prior to joining M1, she worked for Singapore Telecommunications Limited between 1975 and 1995. Ms. Lee has over 25 years of experience in information technology. She holds a Bachelor of Electrical Engineering (Honours) degree from University of Malaya and a Master of Science degree in Industrial Engineering from University of Singapore.

Poopalasingam Subramaniam, Chief Marketing Officer

Mr. Subramaniam joined M1 in 1999. He has over 20 years of local and regional sales and marketing experience in telecommunications, media and fast moving consumer goods. He began his career at the Telecommunications Authority of Singapore and worked at New Zealand Milk Products (S) Pte Ltd and Singapore Press Holdings before joining M1. Mr. Subramaniam holds a Bachelor of Business Administration (Honours) degree from the National University of Singapore and a Bachelor of Law (Honours) degree from University of London.

Sharon Tan Gim Bee, Director, Marketing Services

Ms. Tan joined M1 in November 1996, and has held various positions in the Sales and Marketing department before her recent appointment. Prior to joining M1, she held the position of Marketing and Communications Manager at Seagate Technology International Pte Ltd. Ms. Tan began her career in Canon Singapore Pte Ltd, followed by Compaq Computer Asia Pte Ltd, and in total, she has more than 20 years experience in the field of marketing. Ms. Tan holds a Master of Business Administration degree from University of Nottingham, and a Bachelor of Social Science (Honours) degree from the National University of Singapore.

Terence Teo Hoon Beng, Director, Customer Service

Mr. Teo joined M1 in March 1998. He has more than 20 years of experience in service and operations management. Prior to joining M1, he was the Vice-President of Operations at Citibank (1993 - 1998), Card Operations Manager at Standard Chartered Bank (1989 – 1992) and Customer Service Manager at American Express International Inc (1981 – 1988). Mr. Teo holds a Bachelor of Business Administration degree from the University of Singapore.

Lee Kok Chew, Director, Business Development & Strategic Planning

Mr Lee joined M1 in August 2007. Mr Lee was with Singapore Press Holdings for 14 years and held various positions in Sales, Finance and Operations. His last appointment prior to joining M1 was Chief Operating Officer of SPH Magazines Pte Ltd. Mr Lee holds a Master of Business Administration degree and a Bachelor of Science (Honours) degree from the National University of Singapore.

Lim Sock Leng, Director, Corporate Development

Ms. Lim joined M1 in October 1995. Prior to joining M1, she was with the Administrative Service of the Singapore Civil Service, involved in policy making, financial control and planning, and has held positions in various Ministries including the Ministry of Home Affairs, the Ministry of Finance and the Ministry of Communications. Ms. Lim holds a Bachelor of Arts (Honours) degree from the University of Tasmania, Australia.

Chin Ming Lek, Director, Human Resources

Mr. Chin joined M1 in August 1995. He began his career with the Administrative Service in the Singapore Civil Service in 1971. His last appointment was Deputy Director at the Ministry of Labour. In 1980, Mr. Chin joined Straits Steamship Ltd (renamed Keppel Land Ltd), where he served as Industrial Relations Manager and then as Divisional Personnel Manager. In 1989 he was transferred to the parent company, Keppel Corporation Limited, where he last held the position of Group Personnel Manager. He has more than 20 years of experience in the field of human resource and employee relations. Mr. Chin holds a Bachelor of Science (Honours) degree from the University of Singapore.

Chua Swee Kiat, General Manager, Corporate Communications

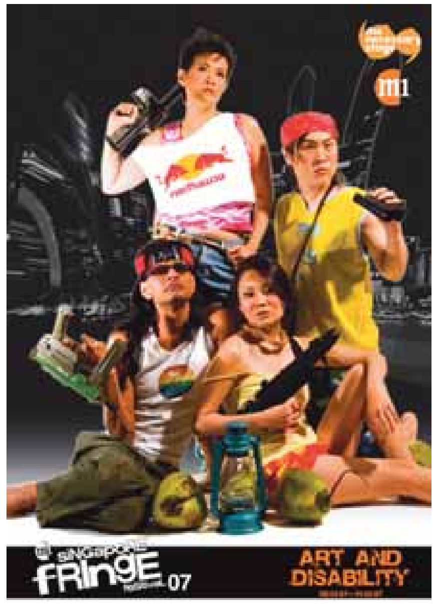
Mr. Chua joined M1 in September 1997. Prior to joining M1, he spent two years as the Managing Partner of a franchised business. Between 1984 and 1995, he held various corporate and marketing communications positions with Shell Eastern Petroleum, including Marketing Communications Manager and Head of Media and Information Services. Mr. Chua holds a Masters degree in Public Relations from the University of Stirling, United Kingdom.

Chan Weng Keong, General Manager, Management Assurance Services

Mr. Chan joined M1 in January 2006. He has over 15 years' work experience with Ernst & Young Chartered Accountants, Morgan Guaranty Trust of New York, Standard Chartered Bank, The Singapore Exchange and Overseas Chinese Banking Corporation. Based in London, Singapore and Japan, he held various international and local roles with these organisations covering areas such as back office regionalisation, operational reviews, systems consultancy, business solution design and methodology development, investigations, external and internal audits. He has also performed reviews on behalf of the Bank of England and The National Audit Office in the United Kingdom. Mr. Chan has a Masters degree in Systems Analysis and Design from The City University (United Kingdom), together with a Bachelor of Arts degree (Honours) in Accounting and Finance from the Middlesex Polytechnic (United Kingdom). He is also a Fellow Chartered Certified Accountant (United Kingdom).

about RESPONSIBILITY

We are actively involved in the community, engaging and building relations with diverse segments of our society, supporting a range of causes and activities, demonstrating care, concern and commitment as a responsible corporate citizen.



M1 had an active corporate responsibility programme in 2007 that reached out to the masses as well as more focused segments of the community. The diversity of the programme enabled M1 to engage and to address the specific interests and special needs of different community groups. While we continued to support on-going activities and causes, we also started several new initiatives during the year.

At the national level, M1 sponsored the Singapore Fireworks Celebrations, one of the events that marked Singapore's 42nd National Day. The fireworks extravaganza was staged over two evenings at the Marina Bay and enjoyed by thousands of Singaporeans and tourists alike. This was the first time that M1 was supporting such an event and it was in addition to the National Day Parade which M1 had been supporting for many years with mobile communication services.

Similarly, thousands thronged the Esplanade and other arts venues in the city for the third M1 Singapore Fringe Festival organised by The Necessary Stage. Known for its cutting edge and socially relevant content, the festival has become a staple on the local arts calendar. For fans of outdoor theatre, M1 helped make possible a Shakespearean masterpiece staged amidst luscious greenery under the stars. This was at the Fort Canning Park where the Singapore Repertory Theatre presented A Midsummer Night's Dream.

These marquee events highlighted M1's long-term support of the arts in Singapore via two of the country's leading theatre groups. M1 was conferred the Distinguished Patron of the Arts by the National Arts Council for the sixth consecutive year.

Corporate Singapore saw the launch of the inaugural M1 Asia Challenge, an "Intelligent Sport" event that had teams from many industries competing in the great outdoors of Pulau Ubin. The top three teams, including one from M1, won the right to represent Singapore at the World Team Challenge held in Nice, France. M1's traditional involvement in another sport, rugby, enabled many of our students to play the game in the M1 Schools Rugby Series.

Children and youth causes continued to attract support and funding from M1 and these included Beyond Social Services and Club Rainbow. CARE (Children-at-Risk Empowerment Association), another M1 "adopted" charity, launched a scheme in M1's name to motivate the students under their care and to recognise their achievements. The M1-CARE Star Award was dedicated to President S R Nathan who witnessed the launch.

M1 also extended a helping hand for the first time to those within our penal system. An incentive scheme to recognise and reward performances in the various national school examinations was started for inmates of the Kaki Bukit Prison School. Similarly, the Fairy Godparent Programme for children of current and former prison inmates was nominated by M1 to be the beneficiary of a charity initiative under the auspices of the M1 Asia Challenge.

M1 employees led by volunteers' group, the SunCare Club, provided the essential "software" to complete and complement the social investment activities of the Company. They maintained an active calendar of parties, outings and other interesting events to bring some cheer to the lives of the children of the various charities that M1 supports.

Investor Relations

With corporate governance and transparency as key guiding principles, M1 is committed to providing the investment community, shareholders and other interested parties with timely, relevant, clear and accurate information with which to form an informed opinion of the Company. In the latest Business Times Corporate Transparency Index, M1 was ranked 3rd out of 675 Singapore-listed companies for the level, quality and timeliness of disclosure of its financial results.

In line with the above key guiding principles, M1 continued to maintain open communication with all interested parties during the year. In 2007, M1 released quarterly, interim and full-year results to the public within one month of period end. All materials relating to our results including presentation slides were made available immediately on our website, after mandatory posting with the Singapore Exchange (SGX). Presentations, followed by question and answer sessions, for analysts and the media were held jointly on the same day of every results announcement, including an in-person briefing conducted at a centrally located venue for the full-year results. Audio webcasts of these events were also made available on our website.

As at 26 February 2008, the free float^ of M1 shares was 37.0%, with the majority shares continued to be held by institutional investors across Asia, UK and USA. As such, senior management's time is focused accordingly on these geographies. In 2007, M1 undertook two roadshows covering UK, USA and Hong Kong, and participated in two investor conferences – one in Hong Kong, and one in Singapore. In addition, senior management and the Investor Relations team allocate time for one-on-one meetings with analysts and investment professionals to discuss the Company's performance and outlook, as well as address issues that may be raised.

Through the Investor Relations team, M1 responded to enquiries from shareholders, analysts and other interested parties. As the internet has arguably become the most popular medium of information gathering by investors, we regularly update and improve our Investor Relations pages on our website (www.m1.com.sg) to provide up-to-date and comprehensive information on M1 . For example, following the announcement of the proposed Capital Reduction in 2007, a section was added to explain the rationale of the Capital Reduction and provide answers to FAQs and other relevant information to shareholders. Our Investor Relations team also responded to calls and emails on queries and clarifications sought by analysts, institutional and retail shareholders and other interested parties.

The Annual General Meeting (AGM) is a valuable platform for M1 to interact directly with all shareholders, in particular with retail shareholders. In this regard, M1 continues to hold its AGMs at a central and accessible location, convenient to shareholders. In addition, all Board members and key members of the senior management team make their best effort to attend each AGM to interact with and engage in open dialogue with shareholders. Our 5th AGM, held on 3 April 2007 at InterContinental Singapore, was well attended by shareholders.

M1 is committed to creating long-term value for our shareholders. In line with this approach, we pursue a sustainable dividend policy and strive to return excess cash to shareholders in the absence of value-enhancing opportunities. For the past 4 years, we have guided and maintained a dividend policy of paying out a fixed percentage of net profit after tax. In FY2007, we distributed 80% of net profit after tax, a payout ratio which has been maintained since FY2005. The total regular cash payout declared to shareholders for FY2007 amounted to 15.4 cents per share, as compared to 13.3 cents per share for FY2006.

FINANCIAL CALENDAR FOR 2008

Date	Event/Announcement
24 January 2008	Release of FY2007 full-year results
8 April 2008	Annual General Meeting
April 2008*	Release of FY2008 first-quarter results
April/May 2008*	Payment of FY2007 final dividends (subject to shareholders' approval at AGM)
July 2008*	Release of FY2008 half-year results
September 2008*	Payment of FY2008 interim dividends (if applicable)
October 2008*	Release of FY2008 third-quarter results

** Actual date will be released, through M1's and SGX's websites, closer to the event/announcement*

^ Free float is defined as the percentage of total issued share capital of the Company held in the hands of the public (on the basis of information available to the Company)

Brighter

Most of all, M1 is about delighting our customers, connecting people, enhancing shareholder value, giving back to our community and making the world a brighter place.

MobileOne Ltd is committed to maintaining a high standard of corporate governance within the Group to protect the interests of its shareholders and enhance long-term shareholder value. This report describes the Company's corporate governance processes and activities with specific reference to the Code of Corporate Governance established by the Singapore Corporate Governance Committee and relevant sections of the Listing Manual issued by the Singapore Exchange Securities Trading Limited (SGX-ST).

1 Board of Directors

(Code of Corporate Governance Principles 1, 2, 4, 6 & 10)

The Board of Directors is accountable to the shareholders and oversees the management of the business and affairs of the Group. Key roles of the Board include approving the Group's objectives, strategic directions and major corporate policies; monitoring and reviewing financial and operating performance; approving annual budgets, and major funding and investment proposals; ensuring an effective risk management framework is in place; and appointing Board Directors and key managerial personnel. Material transactions that require Board approval are capital expenditure in excess of S$5 million and operating expenditure in excess of S$3 million.

Currently the Board comprises eleven Directors, all of whom save for the Chief Executive Officer ("CEO") are non-executive and five of whom are independent. The Board consists of respected individuals from different backgrounds and whose core competencies, qualifications, skills and experience are extensive and complementary. Details of the Directors' academic and professional qualifications and other appointments are set out on pages 55 to 62 of the Annual Report.

To facilitate effective management, certain functions have been delegated to various board committees, namely the Nominating Committee, Remuneration Committee and Audit Committee, each of which has its own written terms of reference. Members of the Board and each board committee through 2007 are set out below:

Name	Status	Board	Nominating Committee	Remuneration Committee	Audit Committee
Non-executive					
Lim Chee Onn	N	Chairman			
Roger Barlow	I	Member		Member	
Low Huan Ping	N	Member		Member	
Hsuan Owyang	I	Member		Chairman	
Ganen Sarvananthan	N	Member			
Teo Soon Hoe	N	Member		Member	
Reggie Thein	I	Member	Member		Chairman
Thio Su Mien	I	Member	Chairman		Member
Patrick Yeoh Khwai Hoh	I	Member	Member		Member
Yusof Annuar Yaacob	N	Member			
Executive					
Neil Montefiore	N	Member			

N: Non-independent
I: Independent

At least one-third of the Directors retires at the Annual General Meeting each year. The dates of initial appointment and most recent re-election of the Directors are set out below:

Name	Age	Position	Date of Initial Appointment	Date of Last Re-election
Lim Chee Onn	63	Chairman & Director	01.11.1999	3.4.2007
Neil Montefiore	55	Executive Director	08.11.2002	3.4.2007
Roger Barlow	58	Director	22.05.2002	3.4.2007
Low Huan Ping	51	Director	01.09.1994	3.4.2007
Hsuan Owyang	79	Director	08.11.2002	3.4.2007
Ganen Sarvananthan	33	Director	16.11.2005	28.3.2006
Teo Soon Hoe	58	Director	07.05.1996	31.3.2005
Reggie Thein	66	Director	08.11.2002	28.3.2006
Thio Su Mien	69	Director	08.11.2002	28.3.2006
Patrick Yeoh Khwai Hoh	69	Director	08.11.2002	28.3.2006
Yusof Annuar Yaacob	42	Director	16.11.2005	28.3.2006

To enable the Board to fulfil its responsibilities, management provides the Board with financial and operating reports reviewing performance in the most recent quarter, and papers containing relevant background or explanatory information required to support the decision-making process on a regular and timely basis. Directors are also provided with monthly management financial statements setting out actual against budget as well as previous year's comparatives and explanations on any material variances.

All Directors have separate and independent access to senior management and to the Company Secretaries. The Company Secretaries administer, attend and prepare minutes of Board meetings, and assist the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively, and the Company's Memorandum and Articles of Association and relevant rules and regulations, including requirements of the Companies Act and SGX-ST, are complied with. They also act as the primary channel of communication between the Company and the SGX-ST.

Should Directors, whether as a group or individually, need independent professional advice in the furtherance of their duties, the cost of such professional advice is borne by the Company.

Regular quarterly Board meetings are scheduled yearly in advance^. During the year, eight Board meetings were held. The Company's Articles of Association provide for telephonic and videoconference meetings. The number of Board meetings held in the year, as well as the attendance of every Board member at those meetings was as follows:

^ *Additional meetings are scheduled in between to provide technical updates and deliberate strategic issues.*

Director	Number of Board Meetings held in 2007	Number of Board Meetings attended
Lim Chee Onn	8	7
Neil Montefiore	8	8
Roger Barlow	8	7
Low Huan Ping	8	8
Hsuan Owyang	8	7
Ganen Sarvananthan	8	4
Teo Soon Hoe	8	8
Reggie Thein	8	7
Thio Su Mien	8	7
Patrick Yeoh Khwai Hoh	8	8
Yusof Annuar Yaacob	8	5

Briefings were also held during the year to ensure that Directors were updated on latest compliance requirements as well as industry developments.

2 Chairman and Chief Executive Officer

(Code of Corporate Governance Principle 3)

Mr Lim Chee Onn is the Chairman of the Company and Mr Neil Montefiore is the Chief Executive Officer ("CEO"). They each perform separate functions to ensure that there is an appropriate balance of authority and responsibilities, and that accountability and independent decision-making are not compromised.

3 Nominating Committee ("NC")

(Code of Corporate Governance Principles 4 & 5)

The NC comprises entirely independent Directors, namely Dr Thio Su Mien (NC Chairman), Mr Reggie Thein and Mr Patrick Yeoh Khwai Hoh.

The NC, which has written terms of reference approved by the Board, performs the following functions:

(a) Ensure a strong and independent element on the Board, with independent Directors making up at least one-third of the Board;

(b) Determine the size of the Board which facilitates effective decision making, taking into account the scope and nature of the operations of the Company;

(c) Determine the composition of the Board to comprise Directors who as a group provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge;

(d) Implement and disclose a formal and transparent process for the appointment of new Directors to the Board;

(e) Consider, review and recommend to the Board any new Board appointment or re-appointment, whether of executive or non-executive Directors, having regard to the Director's contribution and performance, including, if applicable, as an independent Director;

(f) Determine annually if a Director is independent (taking into account the circumstances set out in Guideline 2.1 of the Code of Corporate Governance 2005 (the "Code") and other salient factors;

(g) Decide if a Director is able to and has been adequately carrying out his duties as a Director of the Company;

(h) Decide and propose to the Board for approval and implementation a set of objective performance criteria to be applied from year to year for evaluating the performance of the Board, as well as decide and propose to the Board for approval and implementation a process by which the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board can be assessed;

(i) Evaluate the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board in accordance with the assessment process and performance criteria referred to in (h) above; and

(j) Other matters (if any) that the NC should consider, review or approve or in respect of which it should take any other action, as set out in the Code of Corporate Governance 2005.

The number of NC meetings held in 2007 and the attendance of each member at those meetings were as follows:

NC Member	Number of NC Meetings held in 2007	Number of NC Meetings attended
Thio Su Mien	2	2
Reggie Thein	2	2
Patrick Yeoh Khwai Hoh	2	2

The NC supervised an exercise to evaluate the Board's and individual Director's performance. The objective of the exercise was to identify and prioritise areas for continuous improvement to the Board's effectiveness.

For this purpose, the NC appointed an independent consultant to conduct the evaluation process. The evaluation of the Board as a whole and evaluation of individual Directors were based on the framework established and used in the previous year and as updated by the NC. The consultant provided summarised findings, interpretation of findings and preliminary recommendations for the Board's consideration.

All Directors assessed the Board as a whole on each of the following eight parameters:

- Board composition and independence
- Board role and functioning
- Information management
- Monitoring company performance
- Managing risk and adversity
- Developing company leadership
- Corporate integrity and social responsibility
- Director development and management

In addition, the contribution of each individual Director to the effectiveness of the Board was assessed by their peers on the Board. The evaluation was based on the following five parameters:

- Contribution
- Knowledge and abilities
- Teamwork
- Integrity
- Overall effectiveness

The Board expects to carry out evaluation of the Board as a whole and self-evaluation exercises annually to identify areas of improvement and as a form of good Board management practice.

4 Remuneration Committee ("RC")

(Code of Corporate Governance Principles 7 & 8)

In 2007, the RC comprises Mr Hsuan Owyang, Mr Roger Barlow, Mr Low Huan Ping and Mr Teo Soon Hoe, all of whom are non-executive Directors and independent of management and free from any business or relationships which may materially interfere with the exercise of their independent judgement. The RC is chaired by Mr Owyang who is an independent Director.

The Director of Human Resources assists the RC in the execution of its functions and the RC has access to external expert advice, if required.

The RC, which has written terms of reference approved by the Board, performs the following functions:

(a) Recommend to the Board a framework of remuneration for the Board of Directors and key executives;

(b) Recommend to the Board the specific remuneration packages for all executive and non-executive Directors and the CEO or executive of similar rank, if the CEO is not an executive Director;

(c) Recommend to the Chairman for endorsement the remuneration of the CEO;

(d) Review the remuneration of senior management;

(e) Decide on long-term incentive benefits, including the Company's Share Option Scheme and the scope of eligibility for such long-term incentive;

(f) Approve the granting of share options under the Company's Share Option Scheme and administer the Share Option Scheme in accordance with the rules of the Scheme; and

(g) Ensure that remuneration of the Board of Directors is in compliance with the Code of Corporate Governance 2005.

The number of RC meetings held in 2007 and the attendance of each member at those meetings were as follows:

RC Member	Number of RC Meetings held in 2007	Number of RC Meetings attended
Hsuan Owyang	4	4
Roger Barlow	4	4
Low Huan Ping	4	4
Teo Soon Hoe	4	4

5 Disclosure on Remuneration

(Code of Corporate Governance Principles 8 & 9)

The Company sets remuneration packages to ensure that it is competitive and sufficient to attract, retain and motivate Directors and senior management of the required experience and expertise to run the Group successfully.

In setting remuneration packages for Directors and officers of the Group, the pay and employment conditions within the industry and in comparable companies are taken into consideration.

Directors' fees are subject to shareholder approval at the Annual General Meeting. Each non-executive Director is paid a fixed fee, the amount of which takes into account the level of responsibilities held. The framework for determining fees paid to each non-executive Director in 2007 was as follows:

Board	Chairman	S$35,000 per annum
	Director	S$25,000 per annum
Audit Committee	Chairman	S$20,000 per annum
	Director	S$15,000 per annum
Nominating Committee	Chairman	S$15,000 per annum
	Director	S$10,000 per annum
Remuneration Committee	Chairman	S$15,000 per annum
	Director	S$10,000 per annum

The annual remuneration of Non-executive Directors for 2007 was as follows:

Non-Executive Director	Position Held	Director's Fee
Lim Chee Onn	Board Chairman	S$35,000
Roger Barlow	Board member, RC member	S$35,000
Low Huan Ping	Board member, RC member	S$35,000
Hsuan Owyang	Board member, RC chairman	S$40,000
Ganen Sarvananthan	Board member	S$25,000
Teo Soon Hoe	Board member, RC member	S$35,000
Reggie Thein	Board member, AC chairman, NC member	S$55,000
Thio Su Mien	Board member, NC chairman, AC member	S$55,000
Patrick Yeoh Khwai Hoh	Board member, AC member, NC member	S$50,000
Yusof Annuar Yaacob	Board member	S$25,000

For each non-independent Director, fees were paid to the relevant shareholder nominating him.

In setting the remuneration packages of the Company's CEO and senior management, performance-related elements are incorporated in order to align interests with those of shareholders and link rewards to corporate and individual performance. The level and mix of the annual remuneration of the Company's CEO and Executive Director, and each of the top five members of senior management (who are not also Directors), in bands of S$250,000, are set out below:

	Fixed	Bonuses	Retirement / CPF Contribution	Benefits -in-kind	Number of Share Options Granted
Above $1,250,000 to $1,500,000					
Neil Montefiore	38%	38%	8%	16%	940,000
Above $500,000 to $750,000					
Patrick Michael Scodeller	40%	23%	8%	29%	320,000
Above $250,000 to $500,000					
Karen Kooi Lee Wah	63%	26%	2%	9%	470,000
Lina Lee	65%	26%	1%	8%	170,000
Poopalasingam Subramaniam	65%	25%	2%	8%	170,000
Terence Teo Hoon Beng	66%	25%	2%	7%	170,000

In February 2007, options were granted to the above members of the senior management team as part of the Company's Share Option Scheme, further details of which can be found on pages 67 to 68 of the Annual Report.

6 Audit Committee ("AC")

(Code of Corporate Governance Principles 11, 12 & 13; Listing Manual Rule 1207(6))

The AC comprises Mr Reggie Thein as Chairman, Dr Thio Su Mien and Mr Patrick Yeoh Khwai Hoh as members, all of whom, including the Chairman, are independent Directors. Two of the members, including the Chairman, have accounting or related financial management expertise or experience.

The AC, which has written terms of reference approved by the Board, performs the following delegated functions:

(a) Review with external auditors the audit plan including the nature and scope of the audit before its commencement, their evaluation of the systems of internal controls, their annual reports and their management letters and management's response;

(b) Review significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance. This includes review of quarterly, half-year and annual financial statements before submission to the Board for its approval;

(c) Review the assistance given by management to external auditors;

(d) Review the independence and objectivity of the external auditors;

(e) Review the nature and extent of non-audit services performed by external auditors;

(f) Examine the scope of internal audit procedures and the results of the internal audit;

(g) Review the adequacy of the Company's internal financial controls, operational and compliance controls, and risk management policies and system established by Management (collectively "internal controls"), and ensure that a review of the effectiveness of the Company's internal controls is conducted at least annually and such a review can be carried out by the internal and/or external auditors;

(h) Meet with the external and internal auditors without the presence of management at least annually;

(i) Review the effectiveness of the Company's internal audit function and ensure that it is adequately resourced and has appropriate standing within the Company;

(j) Investigate any matter which falls within the AC's terms of reference, having full access to and co-operation by management and the full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;

(k) Review interested persons transactions falling within the scope of Chapter 9 of the Listing Manual of the SGX-ST;

(l) Make recommendation to the Board on the appointment/re-appointment/removal of external auditors, and approve the audit fees and terms of engagement of external auditors; and

(m) Obtain regular updates from management on key enterprise wide risks faced by the Company, so as to enable the AC to clearly define its oversight responsibilities and review the process available to manage these risks.

(n) Review arrangement by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, so as to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow up action.

The number of AC meetings held in 2007 and the attendance of each member at those meetings were as follows:

AC Member	Number of AC Meetings held in 2007	Number of AC Meetings attended
Reggie Thein	4	4
Thio Su Mien	4	4
Patrick Yeoh Khwai Hoh	4	4

The AC had full access to and cooperation from the Company's management, and internal and external auditors. The Chief Executive Officer, Chief Financial Officer and General Managers from the Finance Department, as well as the internal and external auditors, attended the meetings of the AC. The AC also had full access to the internal and external auditors without the presence of Management.

During the year, the AC reviewed the financial statements of the Group quarterly before submitting them to the Board for its approval and the announcement of the financial results. The AC also reviewed and monitored the Group's financial condition, internal and external audits, exposure to risks and the effectiveness of the Group's system of accounting, internal controls and risk management programme.

The AC considered the volume of non-audit services provided by the external auditors to the Group, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors, confirmed their re-nomination.

7 Risk Management
(Listing Manual Rule 1207(4)(b)(iv))

The Company is committed to the implementation of risk management within our company as a strategic means for competitive advantage and sustaining business value. The goal is not to eliminate risk, but to manage the diverse risks inevitably associated with pursuing opportunities that deliver our business objectives.

ERM is an integral part of our corporate governance in the form of quarterly reports to the Audit Committee and the Board of Directors on the significant risks and how they are being managed. The Company adopts a risk management framework that incorporates enterprise-wide and standardised risk management processes which in turn delivers an integrated system of risk oversight and management. Our ERM policy framework aims to:

- Provide a comprehensive and systematic risk assessment and reporting process across the company;
- Create an environment that controls and mitigates risks within the company's accepted risk tolerance;
- Provide an informed view of the risks associated with our business activities;
- Heighten risk management awareness in our business processes, with an emphasis of risk management instilled in all associated stakeholders;
- Foster a culture of continuous improvement in risk management through audit and review processes; and
- Create an appropriate risk financing programme, based on the risk profiles developed in the assessment process.

By infusing risk management across the functional/business units, staff at the operational level are empowered to make better decisions and able to respond flexibly through robust risk identification and assessment processes. Consistent and timely risk reporting across the company offers management a comprehensive view and achieve a fuller understanding of the reward/risk balance and to manage the risks holistically. We will seek to achieve continual improvement in our management of risk towards achievement of our business objectives.

8 Internal Controls
(Code of Corporate Governance Principle 12)

The Board believes that, in the absence of any evidence to the contrary, the system of internal controls maintained by the Group's management and in place throughout the year and up to and as of the date of this report, is adequate to meet the needs of the Group in its current business environment. The Audit Committee has reviewed the effectiveness of internal controls.

The system of internal controls provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

However, the Board notes that no system of internal controls could provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, losses, fraud or other irregularities.

9 Internal Audit
(Code of Corporate Governance Principle 13)

The Group has an internal audit function that is independent of the activities it audits.

The Internal Auditor reports primarily to the Chairman of the AC and administratively to the CEO. The Internal Auditor meets the standards set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors and Information Systems Audit and Controls Association.

The AC reviews, on an annual basis, the adequacy of the internal audit function. The AC has reviewed and is satisfied that the Company's internal audit function is adequately resourced and has appropriate standing within the Company.

10 Communication with Shareholders
(Code of Corporate Governance Principle 10, 14 & 15)

Communications with shareholders and the investment community forms an integral part of the Group's corporate governance and commitment to transparent, comprehensive and prompt disclosure. A number of communication channels are used to account to shareholders for the performance of the company and to provide updates on pertinent developments. These include the annual report, quarterly results and other announcements made through the SGXNET, press releases and the Company's website, as well as through the Annual General Meeting (AGM). Presentations given at appropriate intervals to representatives of the investment community and audio webcasts of quarterly results presentations and question and answer sessions are also made available on the Company's website.

During the year, the Company continued to release its quarterly and full year results within one month from the end of the relevant financial period, in the form of a press release, financial statements containing management's discussion and analysis of performance and outlook, and a presentation containing highlights and a review of financial and operating performance. All press releases, financial statements and presentation slides relating to results announcements are posted on both the SGXNET and the Company's website. Conference calls with media and analysts were held jointly immediately after the release of quarterly results, while an in-person briefing was conducted for the full year results announcement. Audio webcasts of these events were made available on the Company's website. Information on major new initiatives by the Group was also made public as soon as feasible. The Company participated in several investor conferences and roadshows during the year, and discussions were based on publicly available materials and information. The Company does not practise selective disclosure. In the event of inadvertent disclosure, the Company is mindful of the remedial action required to make public disclosure as soon as practicable.

The Group views the AGM as an important platform for shareholders to engage in interactive and open dialogue with the Board and senior management. As such, all Board members and senior management of the Group make their best effort to attend each AGM. During the year, the Annual Report and notice of the AGM were sent to all shareholders two weeks prior to the AGM which was held on 3 April 2007. This gave shareholders sufficient time to review the information. At the start of the AGM, the Company's CEO made a short presentation on the Company's past financial and operating performance as well as its developments and outlook. During the AGM, shareholders had the opportunity to voice their views and direct questions regarding the Group to Directors, including the Chairman and the chairmen of the Board committees, as well as to the Company's senior management.

In addition, through a dedicated Investor Relations team, the Company managed ongoing communication with the investment community throughout the year and responded diligently and promptly to all enquiries from shareholders, analysts and other interested parties.

11 Securities Transactions
(Listing Manual Rule 1207(18))

The Group has issued a Code for Dealings in M1 Shares ("the Code") for the guidance of Directors, management and officers. The Code, which is based on SGX-ST Listing Rule 1207(18) with respect to dealings in securities, stipulates that Directors, management and officers of the Group who have access to price-sensitive and confidential information are not permitted to deal in the Company's shares during the periods commencing one month before the announcement of the Group's half and full year results and two weeks before the announcement of the Group's first and third quarter results and ending on the date of the announcement of such results; or when they are in possession of unpublished price-sensitive information on the Group. The Code is incorporated as part of the Group's Human Resources Manual and is available on the Intranet accessible by all staff. A reminder is also circulated to Directors, management and officers every quarter before the commencement of the period during which dealings in shares are prohibited and to those with access to price-sensitive and confidential information.

12 Interested Person Transactions and Material Contracts
(Listing Manual Rule 907 & 1207(8))

Interested person transactions carried out during the financial year ended 31 December 2007 by the Group were as follows:

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) 2007 S$'000	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than $100,000) 2007 S$'000
Transactions for the Purchase of Goods and Services^		
Celcom (Malaysia) Berhad	-	6,917
Telekom Malaysia Berhad	-	5,114
Trisilco Folec Pte Ltd	-	1,690
Keppel Logistics Pte Ltd	-	912
Keppel FMO Pte Ltd	-	908
CapitaMall Trust	-	1,089
Temasek Holdings (Private) Limited & its associates	-	1,475
Transactions for the Sale of Goods and Services^		
Celcom (Malaysia) Berhad	-	4,978
Telekom Malaysia Berhad	-	4,499
Temasek Holdings (Private) Limited & its associates	-	154
Total Interested Person Transactions	**-**	**27,736**

^ *As defined in Chapter 9 of the Listing Manual of the SGX-ST*

Save for the interested person transactions disclosed above, there were no other material contracts entered into by the Company and its subsidiaries involving the interests of its CEO, Directors or controlling shareholders, which are either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

Particulars of Directors
(as at 31 December 2007)

Name of Director/Age, Academic & Professional Qualifications	M1 Directorship: Date first Appointed	Directorships or Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years	
		Title	**Company**
Lim Chee Onn **63 yrs**	**01.11.1999**	**Present Appointments**	
Bachelor of Science 1st class Hons, University of Glasgow		Executive Chairman Chairman Chairman & Chairman Exco	Keppel Corporation Ltd Keppel Land Ltd Singapore-Suzhou Township Development Pte Ltd
Master in Public Administration, Kennedy School of Government, Harvard University		Honorary Chairman Director Director Director	National Heritage Board (Statutory Board) k1 Ventures Limited Monetary Authority of Singapore Keppel Energy Pte Ltd
Member of Wharton Society of Fellows, University of Pennsylvania		Director	Business China
		Past Appointments	
Honorary Doctor of Engineering, Glasgow University		Director	Parksville Development Pte Ltd
Neil Montefiore **55 yrs**	**08.11.2002**	**Present Appointments**	
Bachelor of Science (Electrical & Electronic Engineering) Upper 2nd class Hons, University of Portsmouth		Director Director Director Director	M1 Net Ltd. (formerly known as M1 Capital Ltd) M1 Shop Pte Ltd Wireless Intellect Labs Pte Ltd Singapore Repertory Theatre
Fellow, Institution of Electrical Engineers		**Past Appointments**	
Fellow, Chartered Institute of Marketing (CIM)		Director Director Director	DataOne (Asia) Pte Ltd Stream plc Energy Market Authority (Statutory Board)

Particulars of Directors
(as at 31 December 2007)

Name of Director/Age, Academic & Professional Qualifications	M1 Directorship: Date first Appointed	Directorships or Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years	
		Title	Company
Roger Barlow **58 yrs**	**22.05.2002**	**Present Appointments**	
Bachelor of Science (Economics), University of London Master of Arts, University of Essex		Director	M1 Net Ltd. (formerly known as M1 Capital Ltd)
		Director	M1 Shop Pte Ltd
		Chairman & Director	RJB Consultants Limited - Hong Kong
		Director	RJB Consultants Limited - British Virgin Islands
		Past Appointments	
		Director	Cable & Wireless Network Services (Singapore) Pte Limited
		Director	Great Eastern Telecommunications Ltd
		Director	Pacific Link Communications Limited
		Director	Pacific Link Communications Services Limited
		Director	Personal Communications Limited
		Director	Reach Global Networks Limited
		Director	Reach Networks (Thailand) Limited
		Alternate Director	Reach Ltd
		Director	Reach Web Holdings Limited
Low Huan Ping **51 yrs**	**01.09.1994**	**Present Appointments**	
Bachelor of Arts (Hons), Master of Arts, Cambridge University Master of Science, National University of Singapore Advanced Management Program, Harvard University		Director	SPH Multimedia Private Limited
		Director	BuzzCity Pte Ltd
		Director	SPH AsiaOne Ltd
		Director	Zaobao.com Ltd
		Director	iFast Corporation Pte Ltd
		Director	MediaCorp Press Ltd
		Alternate Director	MediaCorp TV Holdings
		Alternate Director	SPH Search Pte Ltd
		Alternate Director	701Search Pte Ltd

Name of Director/Age, Academic & Professional Qualifications	M1 Directorship: Date first Appointed	Directorships or Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years	
		Title	Company
Hsuan Owyang **79 yrs**	**08.11.2002**	**Present Appointments**	
Master of Business Administration, Harvard University		Chairman	Ayala International Holdings Ltd
		Deputy Chairman	CapitaLand Limited
		Chairman	CapitaMall Trust Management Ltd
		Chairman	CapitaRetail China Trust Management Ltd
		Past Appointments	
		Chairman	CapitaLand Residential Ltd
		Chairman	Transpac Capital Pte Ltd
		Chairman	Transtech Venture Management Pte Ltd
		Chairman	Transpac Industrial Holdings Ltd
		Chairman	Urban Management Co (1987) Pte Ltd
		Chairman	Transpac Ventures I Ltd
		Chairman	Asia Venture Fund Ltd
		Director	Keppel TatLee Finance Limited
		Chairman	DBS Land Ltd
		Chairman	TLB Land Ltd (formerly Pan Malayan Holdings Ltd)
		Chairman	Transtech Capital Investments I Ltd
		Chairman	Transtech Capital Investments II Ltd
		Director	General Securities Trading Pte Ltd
		Chairman	The Institute of Policy Studies
		Director	Franke Singapore Pte Ltd
		Chairman	General Securities Investments Ltd
		Chairman	East Asian Institute
		Chairman	N M Rothschild & Sons (Singapore) Limited
		Director	NM Rothschild China Holding AG

Particulars of Directors
(as at 31 December 2007)

Name of Director/Age, Academic & Professional Qualifications	M1 Directorship: Date first Appointed	Directorships or Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years	
		Title	**Company**
Ganen Sarvananthan **33 yrs**	**16.11.2005**	**Present Appointments**	
LLB (Hons) University College London		Director	TM International Bhd (formerly known as TM International Sdn Bhd)
		Director	Feringghi Capital Ltd
Barrister-at-law Lincoln's Inn		Director	Santubong Investments BV
		Director	SunShare Investments Ltd
		Director	Cenang Capital Ltd
Securities and Financial Derivatives Representative Financial Services Authority (UK)		Director	Greatville Pte. Ltd.
		Director	Tanjung Aru Capital Sdn Bhd
		Director	Bisikan Bayu Investments (Mauritius) Limited
		Director	Redang Investments Ltd
		Director	Mount Kinabalu Investments Ltd
		Director	Pantai Irama Ventures Sdn Bhd (formerly known as Magna Cahaya Sdn Bhd)
		Director	Pangkor Investments (Cayman Islands) Ltd
		Director	Kuala Selangor Ventures Sdn. Bhd.
		Director	Pantai Holdings Berhad
		Director	Pintar Selalu Sdn Bhd
		Director	Kuala Perlis Ventures Sdn Bhd
		Director	Pantai Sabak Ventures Sdn Bhd
		Director	Klebang Capital Ltd
		Director	South Johor Investment Corporation Berhad
		Director	Rantau Abang Capital Berhad
		Director	Kota Selat Tebrau Sdn Bhd
		Director	IDR Development and Management Services Sdn Bhd
		Director	Pantai Medical Centre Sdn Bhd
		Past Appointments	
		Director	Pantai Support Services Sdn Bhd
		Director	Pantai Management Resources Sdn Bhd
		Director	Seraya Sensa Sdn Bhd
		Director	Paloh Medical Centre Sdn Bhd
		Director	Pantai Fomema & Systems Sdn Bhd
		Director	Glossmere Investments Limited
		Director	IMU Education Sdn Bhd

Name of Director/Age, Academic & Professional Qualifications	M1 Directorship: Date first Appointed	Directorships or Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years	
		Title	**Company**
Teo Soon Hoe **58 yrs**	**07.05.1996**	**Present Appointments**	
Bachelor of Business Administration, University of Singapore		Chairman	Keppel Telecommunications & Transportation Ltd
		Chairman	Keppel Philippines Holdings Inc
		Director	Keppel Corporation Limited
Member, Wharton Society of Fellows, University of Pennsylvania		Director	Keppel Offshore & Marine Ltd
		Director	Keppel Land Limited
		Director	k1 Ventures Limited
		Director	Singapore Petroleum Company Limited
		Director	Keppel Energy Pte Ltd
		Past Appointments	
		Director	Southern Bank Bhd
		Director	Keppel Bank Philippines Inc
		Director	Centurion Bank Ltd
		Director	Keppel Shipyard Ltd
Reggie Thein **66 yrs**	**08.11.2002**	**Present Appointments**	
Fellow, Institute of Chartered Accountants of England and Wales		Director & Chairman of AC	GuocoLeisure Limited (formerly known as BIL International Ltd)
		Director & Chairman of AC	FJ Benjamin Holdings Ltd
		Director & Chairman of AC	Grand Banks Yachts Limited
Member, Institute of Certified Public Accountants (Singapore)		Director & Chairman of AC	GuocoLand Ltd
		Director & Chairman of AC	Haw Par Corporation Limited
		Director & Chairman of AC	Keppel Telecommunications & Transportation Ltd
		Director & Chairman of AC	MFS technology Ltd
		Director	Energy Support Management Pte Ltd
		Director	Ascendas Pte Ltd
		Governing Council Member	Singapore Institute of Directors
		Director & Chairman of AC	DLF Office Trust Pte Ltd
		Past Appointments	
		Director	Goodwood Park Hotel Limited
		Director	Central Properties Limited
		Director	Hotel Malaysia Limited
		Director & Chairman of AC	Lindeteves - Jacoberg Ltd

Particulars of Directors
(as at 31 December 2007)

Name of Director/Age, Academic & Professional Qualifications	M1 Directorship: Date first Appointed	Directorships or Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years	
		Title	Company
Thio Su Mien **69 yrs**	**08.11.2002**	**Present Appointments**	
LL.M and LL.B (Hons) University of Malaya, Singapore		Director	Jasper Investments Limited
		Senior Executive Director	TSMP Law Corporation
		Director	Allens Arthur Robinson TSMP
PhD, London School of Economics and Political Science		**Past Appointments**	
		Director	Seiko Instruments Singapore Pte Ltd
Advocate and Solicitor, Supreme Court of Singapore		Director	SIA Engineering Company Limited
		Director	Manulife (Singapore) Pte. Ltd.
Patrick Yeoh Khwai Hoh **69 yrs**	**08.11.2002**	**Present Appointments**	
Bachelor of Science (Hons) University of Malaya, Singapore		Director	Oversea-Chinese Banking Corporation Limited
		Director	Times Publishing Ltd
		Chairman	Tuan Sing Holdings Ltd
		Director	Three on the Bund Ltd
		Advisor	Nuri Holdings (S) Pte Ltd
		Advisor	The EDB Society
		Director	Accuron Technologies Ltd (formerly known as Accuron Technologies Pte Ltd)
		Director	GITI Tire Company Ltd
		Past Appointments	
		Member	Economic Development Board (EDB)'s Entrepreneur Development Fund Loans Committee
		Director	Singapore Food Industries Ltd

Name of Director/Age, Academic & Professional Qualifications	M1 Directorship: Date first Appointed	Directorships or Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years	
		Title	Company
Yusof Annuar Yaacob **42 yrs**	**16.11.2005**	**Present Appointments**	
Chartered Institute of Management Accountants		Director	OCB Berhad
		Director	Celcom (Malaysia) Berhad
		Director	TM International Bhd (formerly known as TM International Sdn Bhd)
		Director	Indocel Holding Sdn Bhd
		Director	Telekom Management Services Sdn Bhd
		Director	TM International (L) Limited
		Director	SunShare Investments Ltd
		Director	Telekom Malaysia International (Cambodia) Company Limited
		Director	TM International (Bangladesh) Ltd
		Director	Dialog Telekom PLC
		Director	Societe Des Telecommunications De Guinee s.a. (Sotelgui s.a)
		Director	Dialog Broadband Networks (Private) Limited
		Director	Mobile Telecommunication Company of Esfahan
		Director	TMI India Ltd
		Director	Spice Communications Limited
		Director	Multinet Pakistan (Private) Limited
		Director	PT Excelcomindo Pratama Tbk.
		Director	Dialog Television (Private) Limited [formerly known as Asset Media (Private) Limited]
		Director	Tess International Limited
		Director	Communiq Broadband Networks (Private) Limited
		Director	CBN Sat (Private) Limited
		Director	TMI Mauritius Ltd
		Director	Samart Communications Corporation Company Limited
		Director	Samart I-Mobile Public Company Limited

Particulars of Directors

(as at 31 December 2007)

Name of Director/Age, Academic & Professional Qualifications	M1 Directorship: Date first Appointed	Directorships or Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years	
		Title	**Company**
Yusof Annuar Yaacob **42 yrs**		**Past Appointments**	
Chartered Institute of Management Accountants		Director	General Soil Engineering Holdings Berhad
		Director	Can-One Berhad
		Director	KFC Holdings (Malaysia) Berhad
		Director	Kumpulan O'Connor's (Malaysia) Sdn Bhd
		Director	Ibufood Corporation Sdn Bhd
		Director	Ajcan Sdn Bhd
		Director	Aik Joo Can Factory Sdn Bhd
		Director	Canzo Sdn Bhd
		Director	Agrow Builders Sdn Bhd
		Director	Telekom Malaysia (USA) Inc
		Director	Telekom Malaysia (UK) Limited
		Director	Telekom Malaysia (S) Pte Ltd
		Director	Telekom Malaysia (Hong Kong) Limited
		Director	Telekom Networks Malawi Limited

Particulars of Senior Management

(as at 31 December 2007)

Name of Senior Management	Directorships or Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years	
	Present Directorships	Past Directorships
Karen Kooi Lee Wah	M1 Net Ltd. (formerly known as M1 Capital Ltd) M1 Shop Pte Ltd Wireless Intellect Labs Pte Ltd	None
Patrick Michael Scodeller	Wireless Intellect Labs Pte Ltd	None
Lina Lee	None	None
Poopalasingam Subramaniam	None	None
Sharon Tan Gim Bee	None	None
Terence Teo Hoon Beng	None	None
Lee Kok Chew	None	TP Ventures Pte Ltd Traffic Corner Publishing Company Limited Blu Inc Singapore Pte Ltd Blu Inc Holdings Malaysia Sdn Bhd (alternate director) Magazine World Sdn Bhd (alternate director) Blu Inc Media Sdn Bhd (alternate director) SPH Magazines (HK) Ltd PT. MI Magazines Hardware Zone Pte Ltd Shanghai You Her Consultancy Ltd Shanghai Blu Inc Ventures Consultancy Co Ltd
Lim Sock Leng	None	None
Chin Ming Lek	Keppel Credit Union Co-operative Ltd	None
Chua Swee Kiat	None	None
Chan Weng Keong	None	None

Financial Statements

Directors' Report

The directors are pleased to present their report to the members together with the audited consolidated financial statements of MobileOne Ltd (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2007 and the balance sheet and statement of changes in equity of the Company as at 31 December 2007.

1. DIRECTORS

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

Lim Chee Onn	Chairman
Neil Montefiore	Chief Executive Officer
Roger Barlow	
Low Huan Ping	
Hsuan Owyang	
Ganen Sarvananthan	
Teo Soon Hoe	
Reggie Thein	
Thio Su Mien	
Yusof Annuar bin Yaacob	
Patrick Yeoh Khwai Hoh	

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as described in paragraph 5 below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors who held office at the end of financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Ordinary shares Held in the name of directors		
Name of director	**At beginning of financial year**	**At end of financial year**	**As at 21 January 2008**
MobileOne Ltd			
Lim Chee Onn	46,500	41,850	41,850
Neil Montefiore	3,286,400	2,957,760	2,957,760
Teo Soon Hoe	46,500	41,850	41,850
Reggie Thein	27,900	25,110	25,110
Thio Su Mien	46,500	41,850	41,850
Patrick Yeoh Khwai Hoh	4,650	4,190	4,190

	Options to subscribe for ordinary shares Held in the name of directors		
Name of director	**At beginning of financial year**	**At end of financial year**	**As at 21 January 2008**
MobileOne Ltd			
Neil Montefiore	2,240,000	3,180,000	3,180,000

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

Directors' Report

4. DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or has become entitled to receive a benefit under by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial interest.

5. SHARE OPTIONS

The Company has an employee share option scheme, MobileOne Share Option Scheme (the "Scheme"), for granting of non-transferable options to employees (including executive director) and non-executive directors of the Company and its subsidiaries.

The Remuneration Committee is responsible for administering the Scheme. The Remuneration Committee members are Mr Hsuan Owyang (Chairman of Committee), Mr Roger Barlow, Mr Low Huan Ping, and Mr Teo Soon Hoe.

Under the Scheme, options granted have a term of 5 or 10 years from the date of grant for non-executive directors and Group executives respectively.

The subscription price for each ordinary share in respect of which an option is exercisable shall be determined by the Remuneration Committee as follows:

i) at a price equal to the average of the last dealt prices of the Company's shares on the Singapore Exchange Securities Trading Limited over the five consecutive trading days immediately preceding the date of grant of that option (the "Market Price") or such higher price as may be determined by the Remuneration Committee in its absolute discretion; or

ii) at a price, which is set at the absolute discretion of the Remuneration Committee, at a discount to the Market Price so long as the maximum discount for any option shall not exceed 20% of the Market Price in respect of that option.

5. **SHARE OPTIONS (continued)**

For good corporate governance, the Remuneration Committee had in 2003 resolved that the date of grant of share options under the Scheme shall be a pre-determined date; that is, the date falling 14 days immediately after the date of announcement of the Company's full-year results.

Information with respect to the number of options granted under the Scheme is as follows:

Date of Grant	Balance as at 1 January 2007 or Date of Grant	Exercised	Cancelled*	Balance as at 31 December 2007	Subscription Price
9 November 2002	**328,000**	(106,000)	-	**222,000**	S$1.25
4 February 2004	**2,775,000**	(1,870,000)	-	**905,000**	S$1.50
3 February 2005	**5,917,000**	(911,300)	(248,000)	**4,757,700**	S$1.81
2 February 2006	**6,610,000**	(101,000)	(492,000)	**6,017,000**	S$2.21
6 February 2007	**6,970,000**	-	(540,000)	**6,430,000**	S$2.17
	22,600,000	(2,988,300)	(1,280,000)	**18,331,700**	

** Cancelled when staff resigned from the Company*

The above options will vest over a period of three years from the date of grant and may be exercisable for a period commencing after the first anniversary of the date of grant and expiring on the 10th anniversary of the date of grant.

Information on a director of the Company participating in the Scheme is as follows:

Name of director	Options granted during financial year	Aggregate options granted since commencement of Scheme to end of financial year	Aggregate options exercised since commencement of Scheme to end of financial year	Aggregate options outstanding at end of financial year	Subscription Price
Neil Montefiore	940,000	6,720,000	(3,540,000)	3,180,000	S$1.25 – S$2.17

No options were granted to non-executive directors since the commencement of the Scheme, no employees have received 5% or more of the total options available under the Scheme and no options have been granted to the controlling shareholders of the Company and their associates.

6. **AUDIT COMMITTEE**

The Audit Committee (AC) carried out its functions in accordance with section 201B(5) of the Singapore Companies Act, Cap. 50, including the following:

- Review with external auditors their audit plan, evaluation of the systems of internal accounting controls, auditors' reports and management letters and management's response;
- Review significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance. This includes review of quarterly, half-year and annual financial statements before submission to the Board for its approval;
- Review the assistance given by management to external and internal auditors;
- Review the independence and objectivity of the external auditors;
- Review the nature and extent of non-audit services performed by external auditors;
- Examine the scope of internal audit procedures and the results of the internal audit;
- Review the adequacy of the Company's internal financial controls, operational and compliance controls, and risk management policies and system established by Management (collectively "internal controls"), and ensure that a review of the effectiveness of the Company's internal controls is conducted at least annually and such a review can be carried out by the internal and/or external auditors;
- Meet with the external and internal auditors without the presence of management at least annually;
- Review the effectiveness of the Company's internal audit function and ensure that it is adequately resourced and has appropriate standing within the Company;
- Investigate any matter which falls within the AC's terms of reference, having full access to and co-operation by management and the full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;
- Review interested persons transactions falling within the scope of Chapter 9 of the Listing Manual of the SGX-ST;
- Make recommendation to the Board on the appointment/re-appointment/removal of external auditors, and approve the audit fees and terms of engagement of external auditors;
- Obtain regular updates from management on key enterprise wide risks faced by the Company, so as to enable the AC to clearly define its oversight responsibilities and review the process available to manage these risks; and
- Review arrangement by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, so as to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action.

The AC convened four meetings during the year with full attendance from all members.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

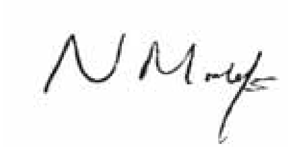
Directors’ Report

7. AUDITORS

Ernst & Young have expressed their willingness to accept reappointment as auditors.

On behalf of the board of directors

Lim Chee Onn
Chairman



Neil Montefiore
Chief Executive Officer

Singapore
5 February 2008

Statement by Directors

In the opinion of the directors, the accompanying balance sheets, consolidated profit and loss statement, statements of changes in shareholders’ equity and consolidated cash flow statement together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2007, and of the results of the business, changes in shareholders’ equity and cash flows of the Group and changes in shareholders’ equity of the Company for the financial year then ended. At the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors

Lim Chee Onn
Chairman

Neil Montefiore
Chief Executive Officer

Singapore
5 February 2008

Independent Auditors' Report

to the Members of MobileOne Ltd

We have audited the accompanying financial statements of MobileOne Ltd (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 73 to 112 which comprise the balance sheets of the Group and the Company as at 31 December 2007, the statements of changes in shareholders' equity of the Group and the Company, the profit and loss statement and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in shareholders' equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2007, and of the results, changes in shareholders' equity and cash flows of the Group and the changes in shareholders' equity of the Company for the financial year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company and its subsidiaries, which are incorporated in Singapore and audited by us, have been properly kept in accordance with the provisions of the Act.

ERNST & YOUNG
Certified Public Accountants

Singapore
5 February 2008

Consolidated Profit and Loss Statement

for the Financial Year Ended 31 December 2007

	Notes	2007 S$'000	2006 S$'000
Operating revenue	3	**803,273**	773,024
Operating expenses	4	**(602,205)**	(559,038)
Other revenue	5	**2,903**	5,295
Finance costs	6	**(9,472)**	(10,263)
Profit before tax		**194,499**	209,018
Taxation	7	**(22,698)**	(44,442)
Net profit for the year		**171,801**	164,576
Earnings per share (cents)	8		
Basic		**18.5**	16.6
Diluted		**18.5**	16.6
EBITDA	9	**320,652**	331,700

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance Sheets

as at 31 December 2007

	Notes	Group 2007 S$'000	Group 2006 S$'000	Company 2007 S$'000	Company 2006 S$'000
Non-current assets:					
Fixed assets	10	**636,664**	690,934	**635,333**	688,755
Licences and spectrum rights	11	**82,558**	88,628	**82,558**	88,628
Staff loans	12	**752**	665	**752**	665
Interests in subsidiaries	13	**-**	-	**3,585**	3,585
		719,974	780,227	**722,228**	781,633
Current assets:					
Inventories	15	**8,370**	5,564	**295**	256
Trade debtors	16	**80,824**	81,956	**79,741**	80,929
Other debtors	17	**10,188**	14,573	**5,915**	6,414
Prepayments		**4,059**	4,811	**3,906**	4,649
Due from related parties	18	**66**	306	**2,489**	1,467
Cash and cash equivalents	19	**23,087**	168,632	**22,926**	168,005
		126,594	275,842	**115,272**	261,720
Current liabilities:					
Creditors	20	**(198,018)**	(200,836)	**(182,404)**	(180,572)
Due to related parties	18	**(6,302)**	(3,385)	**(10,867)**	(9,723)
Borrowings	21	**(35,000)**	(250,000)	**(35,000)**	(250,000)
Derivative liability	29	**(314)**	(81)	**(314)**	(81)
Tax payable		**(48,086)**	(90,965)	**(48,008)**	(90,965)
		(287,720)	(545,267)	**(276,593)**	(531,341)
Net current liabilities		**(161,126)**	(269,425)	**(161,321)**	(269,621)
Non-current liabilities:					
Borrowings	21	**(250,000)**	-	**(250,000)**	-
Deferred tax liabilities	7	**(106,937)**	(128,834)	**(106,809)**	(128,637)
Net assets		**201,911**	381,968	**204,098**	383,375
Represented by:					
Share capital	22	**114,439**	211,985	**114,439**	211,985
Hedging reserve	23	**(257)**	(81)	**(257)**	(81)
Share option reserve		**5,011**	3,446	**5,011**	3,446
Retained profits		**82,718**	166,618	**84,905**	168,025
Total shareholders' equity		**201,911**	381,968	**204,098**	383,375

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Shareholders' Equity

for the Financial Year Ended 31 December 2007

	Attributable to equity holders of the Company				
	Share Capital (Note 22) S$'000	Hedging Reserve (Note 23) S$'000	Share Option Reserve S$'000	Retained Profits S$'000	Total S$'000
2007					
Group					
As at 1 Jan 07	211,985	(81)	3,446	166,618	381,968
Income recognised directly in equity:					
- Net change in reserve	-	(176)	-	-	(176)
Net profit	-	-	-	171,801	171,801
Total income/(expense) recognised in equity	-	(176)	-	171,801	171,625
Issuance of ordinary shares on exercise of employee share options	4,810	-	-	-	4,810
Capitalised of retained earnings	158,957	-	-	(158,957)	-
Capital distributions	(261,313)	-	-	-	(261,313)
Expenses on share options	-	-	1,565	-	1,565
Dividends	-	-	-	(96,744)	(96,744)
As at 31 Dec 07	**114,439**	**(257)**	**5,011**	**82,718**	**201,911**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Shareholders' Equity

for the Financial Year Ended 31 December 2006

	Attributable to equity holders of the Company					
	Share Capital (Note 22)	Share Premium	Hedging Reserve (Note 23)	Share Option Reserve	Retained Profits	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
2006						
Group						
As at 1 Jan 06	196,791	6,566	(1,685)	1,822	260,401	463,895
Income recognised directly in equity:						
- Net change in reserve	-	-	1,604	-	-	1,604
Net profit	-	-	-	-	164,576	164,576
Total income recognised in equity	-	-	1,604	-	164,576	166,180
Issuance of ordinary shares on exercise of employee share options	8,037	-	-	-	-	8,037
Premium on issuance of ordinary shares on exercise of employee share options	-	591	-	-	-	591
Transfer of share premium reserve to share capital account	7,157	(7,157)	-	-	-	-
Expenses on share options	-	-	-	1,624	-	1,624
Dividends	-	-	-	-	(258,359)	(258,359)
As at 31 Dec 06	**211,985**	**-**	**(81)**	**3,446**	**166,618**	**381,968**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Shareholders' Equity

for the Financial Year Ended 31 December 2007

	Attributable to equity holders of the Company				
	Share Capital (Note 22)	Hedging Reserve (Note 23)	Share Option Reserve	Retained Profits	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
2007					
Company					
As at 1 Jan 07	211,985	(81)	3,446	168,025	383,375
Income recognised directly in equity:					
- Net change in reserve	-	(176)	-	-	(176)
Net profit	-	-	-	172,581	172,581
Total income/(expense) recognised in equity	-	(176)	-	172,581	172,405
Issuance of ordinary shares on exercise of employee share options	4,810	-	-	-	4,810
Capitalised of retained earnings	158,957	-	-	(158,957)	-
Capital distributions	(261,313)	-	-	-	(261,313)
Expenses on share options	-	-	1,565	-	1,565
Dividends	-	-	-	(96,744)	(96,744)
As at 31 Dec 07	**114,439**	**(257)**	**5,011**	**84,905**	**204,098**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Shareholders' Equity

for the Financial Year Ended 31 December 2006

	Attributable to equity holders of the Company					
	Share Capital (Note 22)	Share Premium	Hedging Reserve (Note 23)	Share Option Reserve	Retained Profits	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
2006						
Company						
As at 1 Jan 06	196,791	6,566	(1,685)	1,822	262,257	465,751
Income recognised directly in equity:						
- Net change in reserve	-	-	1,604	-	-	1,604
Net profit	-	-	-	-	164,127	164,127
Total income recognised in equity	-	-	1,604	-	164,127	165,731
Issuance of ordinary shares on exercise of employee share options	8,037	-	-	-	-	8,037
Premium on issuance of ordinary shares on exercise of employee share options	-	591	-	-	-	591
Transfer of share premium reserve to share capital account	7,157	(7,157)	-	-	-	-
Expenses on share options	-	-	-	1,624	-	1,624
Dividends	-	-	-	-	(258,359)	(258,359)
As at 31 Dec 06	**211,985**	**-**	**(81)**	**3,446**	**168,025**	**383,375**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Cash Flows Statement

for the Financial Year Ended 31 December 2007

	Notes	2007 S$'000	2006 S$'000
Cash flows from operating activities:			
Profit before tax		**194,499**	209,018
Adjustments for:			
Depreciation of fixed assets		**110,611**	106,582
Gain on disposals of fixed assets		**-**	(49)
Amortisation of licences/spectrum rights		**6,070**	5,837
Share option expenses		**1,565**	1,624
Interest income		**(2,721)**	(5,027)
Interest expense		**9,472**	10,263
Operating cash flows before working capital changes		**319,496**	328,248
Changes in:			
Inventories		**(2,806)**	250
Trade debtors		**1,133**	(486)
Other debtors		**4,142**	(8,744)
Prepayments		**752**	9,279
Non-current staff loans		**(87)**	(41)
Creditors		**(2,522)**	(26,866)
Related parties		**3,157**	752
Cash generated from operations		**323,265**	302,392
Interest received		**2,963**	5,233
Interest paid		**(9,768)**	(10,263)
Payment of tax		**(87,418)**	(38)
Net cash flows from operating activities		**229,042**	297,324
Cash flows from investing activities:			
Purchase of fixed assets		**(56,340)**	(54,591)
Proceeds from disposals of fixed assets		**-**	194
Net cash flows used in investing activities		**(56,340)**	(54,397)
Cash flows from financing activities:			
Proceeds from bank loans		**360,000**	-
Repayment of bank loans		**(325,000)**	-
Capital distribution	22	**(261,313)**	-
Dividends paid on ordinary shares by the Company		**(96,744)**	(258,359)
Proceeds from issuance of share capital on exercise of employee share options		**4,810**	8,628
Net cash flows used in financing activities		**(318,247)**	(249,731)
Net changes in cash and cash equivalents		**(145,545)**	(6,804)
Cash and cash equivalents at beginning of financial year	19	**168,632**	175,436
Cash and cash equivalents at end of financial year	19	**23,087**	168,632

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

MobileOne Ltd (the "Company") is a public limited liability company, which is incorporated in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). Its registered office and principal place of business is at 10 International Business Park, Singapore 609928.

The principal activities of the Company and its subsidiaries (collectively, the "Group") are the provision of mobile telecommunications services, international call services, mobile retail sales, after sales support, customer services, research and development of mobile telecommunications product and services and investment holding.

The Company has a joint venture with PLDT (SG) Retail Service Pte Ltd. The principal activity of this joint venture is provision of prepaid mobile services.

There have been no significant changes in the nature of these activities during the financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in shareholders' equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except for derivative financial instruments that have been measured at their fair values.

The financial statements are presented in Singapore dollars ("S$") and all values are rounded to the nearest thousand (S$'000) except when otherwise indicated.

The accounting policies have been consistently applied by the Group and the Company and are consistent with those used in the previous financial year.

2.2 Changes in accounting policies

Adoption of new and revised FRS

The Group has adopted the following new and revised accounting standards on 1 January 2007 which did not result in any significant change in accounting policies:

- FRS 1 : Amendment to FRS 1 (revised)
  Presentation of financial statements (Capital disclosures)
- FRS 107: Financial Instruments: Disclosures

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 FRS and INT FRS not yet effective

The Group has not adopted the following relevant FRS and INT FRS that have been issued but not yet effective:

			Effective periods (Annual periods beginning on or after)
FRS 23	:	Amendment to FRS 23, Borrowing Costs	1 January 2009
FRS 108	:	Operating Segments	1 January 2009
INT FRS 111	:	Group and Treasury Share Transactions	1 March 2007

The directors expect the adoption of the above pronouncements will have no material financial impact on their financial statements in the period of initial application, except for FRS 108 as indicated below:

FRS 108 requires entities to disclose segment information based on the information reviewed by the entity's chief operating decision maker. The impact of this standard on the other segment disclosures is still to be determined. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group when implemented in 2009.

2.4 Significant accounting estimates and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- *Useful lives of network and related application systems*

  The cost of network and related application systems are depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these fixed assets to be within 10 to 13 years. These are common life expectancies applied in the telecommunications industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's network and related application systems at the balance sheet date is disclosed in Note 10 to the financial statements.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Significant accounting estimates and judgements (continued)

- *Impairment of loans and receivables*

  The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. Actual results may differ from management's estimates. The carrying amount of the Group's loans and receivables at the balance sheet date is disclosed in Notes 12, 16, 17 and 18 to the financial statements.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

All intra-group balances, transactions, income and expenses and unrealised profits and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date such control ceases.

2.6 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. The Group generally has such power when it directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses.

2.7 Joint venture

The Company has an interest in a joint venture which is a jointly controlled operation. A joint venture is a contractual arrangement where two or more parties undertake an economic activity that is subject to joint control.

The Company recognises its interest in the joint venture using proportionate consolidation. The Company combines its share of the assets, liabilities, income and expenses of the joint venture with similar line, in its financial statements. Consistent accounting policies are applied for like transactions and events in similar circumstances. The joint venture is proportionate consolidated until the date on which the Company ceases to have joint control over the joint venture.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Fixed assets

All items of fixed assets are initially recorded at cost. The cost of an item of fixed asset is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to initial recognition, fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

The initial cost of fixed assets comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the profit and loss statement in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of fixed asset beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of fixed assets.

2.9 Depreciation

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful lives as follows:

Leasehold buildings	-	10 - 30 years
Networks and related application systems	-	10 - 13 years
Application systems and computers	-	3 - 5 years
Motor vehicles	-	5 years
Furniture, fittings and equipment	-	2 - 7 years

Capital work-in-progress included in fixed assets is not depreciated as these assets are not available for use.

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of fixed assets.

An item of fixed assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit and loss statement in the year the asset is derecognised.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

2.10 Licences and spectrum rights

These comprise expenditure relating to one-time charges paid to acquire spectrum rights and telecommunications licences or access codes. These intangible assets are measured initially at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

Licences and spectrum rights are amortised on a straight-line basis over the estimated economic useful lives of 13 to 17 years. The amortisation period and the amortisation method are reviewed at least at each financial year-end. The amortisation expense is recognised in the profit and loss statement through the 'depreciation and amortisation expenses' line item.

2.11 Financial assets

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognised at fair value, plus directly attributable transaction costs and subsequently carried at amortised cost using the effective interest method. Gains and losses are recognised in profit and loss account when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Trade and other debtors

Trade and other debtors, including amounts due from related parties, are classified and accounted for as loans and receivables under FRS 39.

Provision is made for uncollectible amounts when there is objective evidence that the Group will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are stated in Note 2.13 below.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and time deposits. They are carried in the balance sheets, classified and accounted for under FRS 39.

For purpose of the consolidated cash flows statement, cash and cash equivalents are shown net of outstanding bank overdrafts which were repayable on demand and which form an integral part of the Group's cash management.

Notes to the Financial Statements

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

2.12 Financial liabilities

Financial liabilities are recognised on the balance sheet when, and only when, the Group, becomes a party to the contractual provisions of the financial instruments. The accounting policies adopted for specific financial liabilities are set out below.

Borrowings

All borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit and loss statement when the liabilities are derecognised as well as through the amortisation process.

Borrowing costs are generally expensed as incurred.

Trade and other creditors

Liabilities for trade and other creditors, which are normally settled on 30-90 days terms, and amounts due to related parties are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in the profit and loss statement when the liabilities are derecognised as well as through the amortisation process.

2.13 Impairment of financial assets

At each balance sheet date, there will be an assessment as to whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the profit and loss statement.

If, in a subsequent period, the amount of the impairment loss decreases and the amount can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the profit and loss statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

2.14 Derecognition of financial assets and liabilities

Financial assets

A loan and receivable is derecognised where the contractual rights to receive cash flows from the asset have expired which usually coincides with receipt of payments for the asset.

On derecognition, the difference between the carrying amount and the sum of the consideration received is recognised in the profit and loss statement.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. For financial liabilities other than derivatives, gains and losses are recognised in the profit and loss statement when the liabilities are derecognised or impaired, and through the amortisation process.

2.15 Derivative financial instruments and hedging activities

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its risks associated with foreign currency and interest rate fluctuations.

Derivative financial instruments are initially recognised at fair value on the contract date and are subsequently re-measured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivative financial instruments that do not qualify for hedge accounting are taken to the profit and loss statement for the year.

The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contract is determined by reference to market value for similar instruments.

The Group has the following types of hedges for the purpose of hedge accounting:

- Fair value hedges; and
- Cash flow hedges.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Notes to the Financial Statements

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

2.15 Derivative financial instruments and hedging activities (continued)

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

- Fair value hedges

For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged, the derivative is re-measured at fair value and gains and losses from both are taken to the profit and loss statement.

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to the profit and loss statement.

- Cash flow hedges

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in the hedging reserve, while the ineffective portion is recognised in the profit and loss statement.

Amounts taken to hedging reserve are transferred to the profit and loss statement when the hedged transaction affects profit or loss, such as when hedged financial income or financial expense is recognised or when a forecast sale or purchase occurs. Where the hedged item is the cost of a non-financial asset or liability, the amounts taken to hedging reserve are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in hedging reserve are transferred to the profit and loss statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in hedging reserve remain in equity until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the profit and loss statement.

2.16 Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost incurred in bringing the inventories to their present location and condition is accounted for on weighted average basis.

Net realisable value is estimated selling price in the normal course of business, less estimated costs necessary to make the sale.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.18 Employee benefits

Defined contribution plan

The Group makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

Employee leave entitlement

Employees' entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the balance sheet date.

Employee share incentive

Employees (including the executive director) and non-executive directors of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for share options ('equity-settled transactions').

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which the share options are granted. In valuing the share option, no account is taken of any performance conditions, other than conditions linked to the price of shares of the Company ('market condition'), if applicable.

The cost of equity-settled transactions is amortised and recognised in the profit and loss statement on a straight-line basis over the vesting period, with a corresponding increase in capital reserve. The cumulative expenses are revised at each balance sheet date to reflect the current best estimate of the number of equity instruments that will ultimately vest. The movement in cumulative expenses recognised at the beginning and end of a reporting period is charged or credited to the profit and loss statement with a corresponding adjustment to capital reserve.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Income tax

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income tax relating to items recognised directly in equity is recognised in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax except:

- Where the sales tax incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of goods and services tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 *Impairment of non-financial assets*

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's market value less cost to sell and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset up to the end of its useful life. An impairment loss is recognised in the profit and loss statement whenever the carrying value of an asset exceeds its recoverable amount.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in the profit and loss statement. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years. After such reversal, the depreciation charge is adjusted in future periods to allocate the assets revised carrying amount less any residual value, on a systematic basis over its remaining useful life.

2.21 *Revenue recognition*

Revenue of the Group comprises fees earned from telecommunication services rendered, sales of handset and software licences.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- Service revenue is recognised at the time when such services are rendered. Revenue billed in advance of the rendering of services is deferred on the balance sheet as unearned revenue.
- Revenue from sale of prepaid cards but for which services have not been rendered is deferred on the balance sheet as unearned revenue. Upon termination of the prepaid cards, any unutilised value of the prepaid cards will be taken to the profit and loss statement.
- Revenue from sale of handset is recognised upon the passing of risk and rewards of ownership of the goods to the customer which generally coincides with delivery and acceptance of the handsets sold.
- Revenue from sale of software licences is recognised upon acceptance of the software by the customers.
- Interest income is recognised using the effective interest method.

2.22 *Customer acquisition and retention costs*

Customer acquisition and retention costs are accounted for in the profit and loss statement when incurred.

Notes to the Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 *Operating leases*

Operating lease payments are recognised as an expense in the profit and loss statement on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.24 *Functional and foreign currencies*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the profit and loss statement.

2.25 *Related parties*

An entity or individual is considered to be a related party of the Group for the purposes of the financial statements if:

- it possesses ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the Group or vice versa; or
- it is subject to common control or common significant influence.

2.26 *Segment reporting*

The Company and its subsidiaries operate in Singapore in one business segment, that of provision of mobile telecommunications services, international call services, mobile retail sales, after sales support, customer services and research and development of mobile telecommunications product.

3. OPERATING REVENUE

	Group	
	2007 S$'000	2006 S$'000
Mobile telecommunications	**600,079**	568,879
International call services	**127,061**	114,018
Handset sales	**76,133**	89,421
Others	**-**	706
	803,273	773,024

4. OPERATING EXPENSES

	Group 2007 S$'000	Group 2006 S$'000
Cost of services	**163,219**	133,458
Cost of handsets sold	**133,157**	137,150
Staff costs	**91,661**	88,142
Advertising and promotion expenses	**19,278**	17,579
Depreciation and amortisation	**116,681**	112,419
Provision for doubtful debts	**19,027**	18,852
Facilities expenses	**38,064**	33,970
General and administrative expenses	**21,118**	17,468
	602,205	559,038

Total operating expenses included the following:

	Group 2007 S$'000	Group 2006 S$'000
Non-audit fees paid to auditors of the Company	**54**	19
CPF contributions	**8,500**	8,061
Share-based payments	**1,565**	1,624
Directors' remuneration	**1,709**	1,670
Foreign exchange gain, net	**(276)**	(116)
Gain on disposals of fixed assets	**-**	(49)

Key executives' remuneration included in the operating expenses are as follows:

	Group 2007 S$'000	Group 2006 S$'000
Short term employee benefits	**3,534**	3,424
CPF contributions	**83**	81
Share-based payments	**491**	550
Total compensation paid to key executives	**4,108**	4,055

5. OTHER REVENUE

	Group 2007 S$'000	Group 2006 S$'000
Interest income from banks	**2,721**	5,027
Others	**182**	268
	2,903	5,295

Notes to the Financial Statements

6. FINANCE COSTS

	Group 2007 S$'000	Group 2006 S$'000
Interest on bank loans	**9,472**	10,263

7. TAXATION

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

	Group 2007 S$'000	Group 2006 S$'000
Current taxation		
- Current taxation	**46,249**	53,584
- Overprovision in respect of previous years	**(1,722)**	-
	44,527	53,584
Deferred taxation		
- Origination and reversal of temporary differences	**(8,977)**	(9,142)
- Effect of reduction in tax rate	**(12,852)**	-
Income tax expense recognised in the profit and loss statement	**22,698**	44,442

A reconciliation of the statutory tax rate with the effective tax rate applicable to profit before tax of the Group for the years ended 31 December was as follows:

	Group 2007 %	Group 2006 %
Statutory rate	**18.0**	20.0
Adjustments for the tax effect of:		
Change in tax rate	**(6.6)**	-
Expenses not deductible for tax purposes	**1.1**	1.2
Over provision in respect of previous years	**(0.9)**	-
Others	**0.1**	0.1
Effective tax rate	**11.7**	21.3

7. TAXATION (continued)

Analysis of deferred tax liabilities:

	Group		Company	
	2007	**2006**	**2007**	**2006**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Balance at beginning of year	**128,834**	137,976	**128,637**	137,776
Movement for the year	**(21,897)**	(9,142)	**(21,828)**	(9,139)
Balance at end of year	**106,937**	128,834	**106,809**	128,637

Deferred tax assets and liabilities
Deferred taxes at 31 December were related to the following:

	Group		Company	
	2007	**2006**	**2007**	**2006**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Deferred tax liabilities				
Difference in depreciation	**107,199**	129,166	**107,032**	128,927
Deferred tax assets				
Provisions for unconsumed annual leave	**(262)**	(332)	**(223)**	(290)
Net deferred tax liabilities	**106,937**	128,834	**106,809**	128,637

8. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit for the year attributable to shareholders by the weighted average number of ordinary shares outstanding during the year (adjusted for effects of dilutive options).

8. EARNINGS PER SHARE (continued)

The following reflects the earnings and share data used in the basic and diluted earnings per share computations for the financial years ended 31 December:

	Group	
	2007	**2006**
Net profit attributable to shareholders for basic and diluted earnings per share (S$'000)	**171,801**	164,576
Weighted average of ordinary shares on issue applicable to basic earnings per share	**929,678,864**	988,940,742
Effect of dilutive securities:		
Share options	**1,008,838**	1,488,164
Adjusted weighted average of ordinary shares on issue applicable to diluted earnings per share	**930,687,702**	990,428,906

9. EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION ("EBITDA")

EBITDA is defined as follows:

	Group	
	2007	**2006**
	S$'000	**S$'000**
Profit before tax	**194,499**	209,018
Adjustments for:		
Amortisation of licences/spectrum rights	**6,070**	5,837
Depreciation of fixed assets	**110,611**	106,582
Interest on bank loans	**9,472**	10,263
EBITDA	**320,652**	331,700

10. FIXED ASSETS

Group

	Leasehold Buildings	Networks and Related Application Systems	Application Systems & Computers	Motor Vehicles	Furniture, Fitting & Equipment	Capital Work-in-progress	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Cost:							
At 1 January 2006	76,841	1,055,236	146,689	1,423	11,705	46,758	1,338,652
Additions/ (transfers upon completion)	790	77,714	8,025	442	1,433	(33,813)	54,591
Disposals	-	(6,693)	(1,071)	(524)	(60)	-	(8,348)
At 31 December 2006 and 1 January 2007	77,631	1,126,257	153,643	1,341	13,078	12,945	1,384,895
Additions	293	19,875	5,888	-	14,767	15,518	56,341
Disposals	-	-	(930)	-	(9)	-	(939)
At 31 December 2007	77,924	1,146,132	158,601	1,341	27,836	28,463	1,440,297
Accumulated depreciation:							
At 1 January 2006	20,763	440,506	123,852	990	9,471	-	595,582
Charge for the year	3,733	89,116	12,589	185	959	-	106,582
Disposals	-	(6,693)	(1,071)	(389)	(50)	-	(8,203)
At 31 December 2006 and 1 January 2007	24,496	522,929	135,370	786	10,380	-	693,961
Charge for the year	3,481	92,111	9,383	151	5,485	-	110,611
Disposals	-	-	(930)	-	(9)	-	(939)
At 31 December 2007	27,977	615,040	143,823	937	15,856	-	803,633
Net carrying amount:							
At 31 December 2006	53,135	603,328	18,273	555	2,698	12,945	690,934
At 31 December 2007	49,947	531,092	14,778	404	11,980	28,463	636,664

10. FIXED ASSETS (continued)

Company

	Leasehold Buildings	Networks and Related Application Systems	Application Systems & Computers	Motor Vehicles	Furniture, Fitting & Equipment	Capital Work-in-progress	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Cost:							
At 1 January 2006	76,841	1,055,236	145,088	1,383	7,839	46,758	1,333,145
Additions/ (transfers upon completion)	790	77,714	7,903	442	105	(33,813)	53,141
Disposals	-	(6,693)	(1,046)	(524)	(25)	-	(8,288)
At 31 December 2006 and 1 January 2007	77,631	1,126,257	151,945	1,301	7,919	12,945	1,377,998
Additions	293	19,875	5,573	-	15,494	15,517	56,752
Disposals	-	-	(921)	-	(9)	-	(930)
At 31 December 2007	77,924	1,146,132	156,597	1,301	23,404	28,462	1,433,820
Accumulated depreciation:							
At 1 January 2006	20,763	440,506	122,411	950	6,762	-	591,392
Charge for the year	3,733	89,116	12,503	185	463	-	106,000
Disposals	-	(6,693)	(1,046)	(389)	(21)	-	(8,149)
At 31 December 2006 and 1 January 2007	24,496	522,929	133,868	746	7,204	-	689,243
Charge for the year	3,481	92,111	9,262	151	5,169	-	110,174
Disposals	-	-	(921)	-	(9)	-	(930)
At 31 December 2007	27,977	615,040	142,209	897	12,364	-	798,487
Net carrying amount:							
At 31 December 2006	53,135	603,328	18,077	555	715	12,945	688,755
At 31 December 2007	49,947	531,092	14,388	404	11,040	28,462	635,333

11. LICENCES AND SPECTRUM RIGHTS

	Group and Company 2007 S$'000	2006 S$'000
Cost:		
Balance at beginning and end of financial year	**100,261**	100,261
Accumulated amortisation:		
Balance at beginning of financial year	**11,633**	5,796
Amortisation	**6,070**	5,837
Balance at end of financial year	**17,703**	11,633
Net carrying amount:		
At end of financial year	**82,558**	88,628
At beginning of financial year	**88,628**	94,465

12. STAFF LOANS

	Group and Company 2007 S$'000	2006 S$'000
Repayable within one year (included in Note 17)	**256**	271
Repayable after one year	**752**	665
	1,008	936

Staff loans are for purchase of motor vehicles. These loans are repayable in equal monthly instalments over periods of up to seven years and bear interest rate of up to 2% (2006: 2%) per annum.

13. INTERESTS IN SUBSIDIARIES

Details of the subsidiaries of the Company as at 31 December 2007 are as follows:

Name of company	Date and country of incorporation	Effective interest of the Company 2007 %	2006 %	Cost of investment 2007 S$'000	2006 S$'000	Principal activities (place of business)
M1 Shop Pte Ltd	21 March 1996 Singapore	**100**	100	**2,000**	2,000	Sale of handsets and accessories (Singapore)
M1 Net Ltd (formerly known as M1 Capital Ltd)	27 June 1996 Singapore	**100**	100	**25**	25	Special purpose finance vehicle – inactive (Singapore)
Wireless Intellect Labs Pte Ltd	20 June 2001 Singapore	**100**	100	**1,560**	1,560	Research and development (Singapore)
				3,585	3,585	

On 21 September 2007, M1 Capital Ltd changed its name to M1 Net Ltd.

Other than M1 Net Ltd, the subsidiaries are audited by Ernst & Young, Singapore. There is no statutory audit requirement on the financial statements of M1 Net Ltd as it was dormant during the financial year.

14. JOINT VENTURE

The Group has a 50% interest in a jointly-controlled operation, PLDT (SG) Retail Service Pte Ltd which is involved in prepaid mobile service targeted at the Filipino community in Singapore.

The aggregate amounts of each of current assets, non-current assets, current liabilities, non-current liabilities, income and expenses related to the Group's and Company's interests in the jointly-controlled operation are as follows:

	Group	
	2007 S$'000	2006 S$'000
Assets and liabilities:		
Current assets	**2,104**	1,123
Non-current assets	**537**	740
Total assets	**2,641**	1,863
Current liabilities	**(3,092)**	(2,602)
Total liabilities	**(3,092)**	(2,602)
Results:		
Revenue	**5,343**	1,309
Other income	**53**	37
Expenses	**(5,108)**	(2,085)
Profit/(loss) for the financial year	**288**	(739)

15. INVENTORIES

	Group		Company	
	2007 S$'000	2006 S$'000	2007 S$'000	2006 S$'000
At lower of cost or net realisable value:				
Handsets	**7,525**	4,489	**-**	-
Accessories	**845**	1,075	**295**	256
	8,370	5,564	**295**	256

During the financial year, the Group wrote-back provision for inventory obsolescence of Nil (2006: S$1,000,000) which was recognised in the profit and loss statement.

16. TRADE DEBTORS

Trade debtors are non-interest bearing and are generally on 30 to 90 days terms. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

Debtors that are past due but not impaired:

The Group has trade debtors amounting to S$16,483,000 (2006: S$18,311,000) that are past due at the balance sheet date but not impaired. These debtors are unsecured and the analysis of their aging at the balance sheet date is as follows:

	Group	
	2007 S$'000	2006 S$'000
Trade debtors past due		
30 – 60 days	**11,679**	11,099
61 – 90 days	**2,847**	2,933
More than 90 days	**1,957**	4,279
	16,483	18,311

Debtors that are impaired:

The Group's trade debtors that are impaired have been fully provided for at the balance sheet date. The movement of the provision accounts used to record impairment are as follows:

	Group	
	2007 S$'000	2006 S$'000
Movement in provision for doubtful debt accounts:		
Balance at beginning of financial year	**32,121**	20,613
Charge for the year	**20,317**	21,733
Written-off	**(28,251)**	(10,225)
Balance at end of financial year	**24,187**	32,121

17. OTHER DEBTORS

	Group		Company	
	2007	2006	2007	2006
	S$'000	S$'000	S$'000	S$'000
Deposits	**3,927**	3,631	**3,040**	2,811
Staff loans (Note 12)	**256**	271	**256**	271
Sundry debtors	**6,005**	10,671	**2,619**	3,332
	10,188	14,573	**5,915**	6,414

18. DUE FROM/(TO) RELATED PARTIES

	Group		Company	
	2007	2006	2007	2006
	S$'000	S$'000	S$'000	S$'000
Due from subsidiaries, trade	**-**	-	**2,429**	1,165
Due from other related parties	**66**	306	**60**	302
	66	306	**2,489**	1,467
Due to subsidiaries, trade	**-**	-	**(4,814)**	(6,424)
Due to other related parties	**(6,302)**	(3,385)	**(6,053)**	(3,299)
	(6,302)	(3,385)	**(10,867)**	(9,723)

The amounts due from/(to) related parties are unsecured, interest-free and expected to be repaid within the next 12 months.

19. CASH AND CASH EQUIVALENTS

	Group		Company	
	2007	2006	2007	2006
	S$'000	S$'000	S$'000	S$'000
Time deposits	**16,400**	159,300	**16,400**	159,300
Cash and bank balances	**6,687**	9,332	**6,526**	8,705
	23,087	168,632	**22,926**	168,005

Cash and cash equivalents comprises cash on hand and at banks, and time deposits which earn interest at floating rates offered by short-term money market ranging from 0.5% to 5.1% (2006: 1.5% to 5.1%) per annum. Time deposits are made for varying periods of between 1 day and 3 months depending on the immediate cash requirements of the Group.

Notes to the Financial Statements

20. CREDITORS

	Group		Company	
	2007	2006	2007	2006
	S$'000	S$'000	S$'000	S$'000
Trade creditors	**49,403**	63,013	**39,895**	49,457
Accrued operating expenses	**60,630**	54,918	**55,012**	48,351
Accrued capital expenditure	**52,863**	50,039	**52,586**	49,989
Unearned revenue	**25,001**	25,912	**25,001**	25,912
Interest payable	**800**	1,097	**800**	1,097
Directors' fees payable	**390**	399	**390**	399
Other creditors	**8,931**	5,458	**8,720**	5,367
	198,018	200,836	**182,404**	180,572

Trade and other payables are non-interest bearing and are normally settled on 30 to 90 days term.

21. BORROWINGS

	Group and Company	
	2007	2006
	S$'000	S$'000
Current:		
S$ Syndicated loan	**-**	250,000
S$ Bank loan	**35,000**	-
	35,000	250,000
Non-current:		
S$ Bank term loans	**250,000**	-
	285,000	250,000

The S$250 million syndicated loan was repaid in 2007.

The S$35 million short-term loan is unsecured, bears interest at 2.73% per annum and is repayable upon demand.

The S$250 million term loans are repayable in full in 2010. They bear interest at a rate which is based on the variable Singapore Dollar Swap Offer Rate, payable semi-annually every November and May.

The Group had exchanged the variable Singapore Dollar Swap Offer Rate with a fixed interest rate by entering into interest rate swap agreements with a financial institution whereby it receives interest at the variable Singapore Dollar Swap Offer Rate and pays interest at a fixed Singapore Dollar rates of between 2.61% to 2.80% per annum semi-annually every November and May. The total notional amount of the interest rate swaps is S$250 million.

22. SHARE CAPITAL

	Group and Company	
	2007	2006
	S$'000	S$'000
Issued and fully-paid:		
Balance at beginning of financial year		
990,076,478 (2006: 983,956,978) ordinary shares	**211,985**	196,791
Issued during the financial year		
2,988,300 (2006: 6,119,500) ordinary shares for cash		
on exercise of employee share options	**4,810**	8,037
Transfer of share premium reserve to share capital	-	7,157
Capital distributions		
99,186,996 (2006: Nil) ordinary shares issued by way		
of capitalisation of retained earnings and cancelled immediately	**158,957**	-
99,186,996 (2006: Nil) ordinary shares cancelled and		
returned cash of S$2.22 per share to shareholders	**(220,195)**	-
Returned cash of S$0.046 per share to shareholders	**(41,118)**	-
	(102,356)	-
Balance at end of financial year		
893,877,782 (2006: 990,076,478) ordinary shares	**114,439**	211,985

In accordance with the Singapore Companies (Amendment) Act 2005, on 30 January 2006, the shares of the Company ceased to have par value and the amount standing in the share premium reserve became part of the Company's share capital.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

The Company has an employee share option scheme (Note 26) under which options to subscribe for the Company's shares were granted to employees (including executive director) and non-executive directors of the Company and its subsidiaries.

During the financial year, the Company carried out two Capital Reduction Exercises to distribute capital of an aggregate amount of S$261,313,000.

The first exercise was completed on 25 May 2007 which involved:

a) the capitalisation of S$158,957,000 forming part of the retained profits of the Company and the allotment of 99,186,996 million new shares at the price of S$1.6026 per additional share and thereafter, cancelled in their entirety without any distribution to shareholders of the Company.

b) the cancellation of 99,186,996 ordinary shares of S$2.22 each, representing 10.0% of the issued and paid-up share capital of the Company and a cash distribution of S$220,195,000 to the shareholders of the Company.

The second exercise was completed on 27 December 2007 which involved the reduction of the share capital of the Company by a cash distribution of S$41,118,000 to the shareholders of the Company.

23. HEDGING RESERVE

Hedging reserve records the portion of the fair value changes on derivative financial instruments designated as hedge instruments in cash flow hedges that is determined to be an effective hedge:

	Group and Company	
	2007	2006
	S$'000	S$'000
Balance at beginning of financial year	**(81)**	(1,685)
Net (loss)/gain on fair value changes during the year	**(651)**	1,008
Recognised in profit and loss statement on occurrence of hedge transactions	**475**	596
Balance at end of financial year	**(257)**	(81)

24. SIGNIFICANT RELATED PARTY TRANSACTIONS

Related parties are the substantial shareholders of the Company and their subsidiaries. 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 financial year:

	Group and Company	
	2007	2006
	S$'000	S$'000
Sales	**(17,116)**	(8,017)
Purchases	**29,207**	23,924
Interest income	**(20)**	(44)

25. COMMITMENTS

Operating lease commitments

Rental expenses (principally for land, offices, retail outlets, service centres and base stations) were S$22,481,000 and S$21,121,000 for the financial years ended 31 December 2007 and 2006 respectively.

The Group leases various properties and the future minimum lease payments are as follows:

	Group		Company	
	2007	2006	2007	2006
	S$'000	S$'000	S$'000	S$'000
Within one financial year	**11,926**	11,093	**8,795**	8,190
After one financial year but				
not more than five financial years	**16,223**	15,356	**13,765**	12,512
More than five financial years	**12,357**	12,274	**12,357**	12,274
	40,506	38,723	**34,917**	32,976

26. SHARE OPTIONS

The Company has an employee share option scheme, MobileOne Share Option Scheme (the "Scheme"), for granting of non-transferable options to employees (including executive director) and non-executive directors of the Company and its subsidiaries.

The Remuneration Committee is responsible for administering the Scheme. The Remuneration Committee members are Mr Hsuan Owyang (Chairman of Committee), Mr Low Huan Ping, Mr Roger Barlow and Mr Teo Soon Hoe.

Under the Scheme, options granted have a term of 5 years or 10 years from the date of grant for non-executive directors and Group executives respectively.

The subscription price for each ordinary share in respect of which an option is exercisable shall be determined by the Remuneration Committee as follows:

i) at a price equal to the average of the last dealt prices of the Company's shares on the Singapore Exchange Securities Trading Limited over the five consecutive trading days immediately preceding the date of grant of that option (the "Market Price") or such higher price as may be determined by the Remuneration Committee in its absolute discretion; or

ii) at a price, which is set at the absolute discretion of the Remuneration Committee, at a discount to the Market Price so long as the maximum discount for any option shall not exceed 20% of the Market Price in respect of that option.

For good corporate governance, the Remuneration Committee had in 2003 resolved that the date of grant of share options under the Scheme shall be a pre-determined date; that is, the date falling 14 days immediately after the date of announcement of the Company's full-year results.

Information with respect to the number of options granted under the Scheme is as follows:

Granted on 9 November 2002:

	Balance at 1 January 2007	Exercised	Cancelled*	Balance at 31 December 2007	Subscription price
Directors	**-**	-	-	**-**	S$1.25
Executive officers	**318,000**	106,000	-	**212,000**	S$1.25
Other employees	**10,000**	-	-	**10,000**	S$1.25
Total	**328,000**	106,000	-	**222,000**	

26. SHARE OPTIONS (continued)

Granted on 4 February 2004:

	Balance at 1 January 2007	Exercised	Cancelled*	Balance at 31 December 2007	Subscription price
Directors	**360,000**	-	-	**360,000**	S$1.50
Executive officers	**1,221,000**	847,000	-	**374,000**	S$1.50
Other employees	**1,194,000**	1,023,000	-	**171,000**	S$1.50
Total	**2,775,000**	1,870,000	-	**905,000**	

Granted on 3 February 2005:

	Balance at 1 January 2007	Exercised	Cancelled*	Balance at 31 December 2007	Subscription price
Directors	**1,000,000**	-	-	**1,000,000**	S$1.81
Executive officers	**2,038,000**	394,300	(48,000)	**1,595,700**	S$1.81
Other employees	**2,879,000**	517,000	(200,000)	**2,162,000**	S$1.81
Total	**5,917,000**	911,300	(248,000)	**4,757,700**	

Granted on 2 February 2006:

	Balance at 1 January 2007	Exercised	Cancelled*	Balance at 31 December 2007	Subscription price
Directors	**880,000**	-	-	880,000	S$2.21
Executive officers	**2,025,000**	49,000	(110,000)	1,866,000	S$2.21
Other employees	**3,705,000**	52,000	(382,000)	3,271,000	S$2.21
Total	**6,610,000**	101,000	(492,000)	6,017,000	

Granted on 6 February 2007:

	Balance at 6 February 2007	Exercised	Cancelled*	Balance at 31 December 2007	Subscription price
Directors	**940,000**	-	-	**940,000**	S$2.17
Executive officers	**2,210,000**	-	(170,000)	**2,040,000**	S$2.17
Other employees	**3,820,000**	-	(370,000)	**3,450,000**	S$2.17
Total	**6,970,000**	-	(540,000)	**6,430,000**	

** Cancelled when staff resigned from the Company*

26. SHARE OPTIONS (continued)

The above options will vest over a period of three years from the date of grant and may be exercisable for a period commencing after the first anniversary of the date of grant and expiring on the 10th anniversary of the date of grant.

The weighted average fair value of options granted during the financial year was S$0.27 (2006: S$0.26)

The weighted average share price at the date of exercise of the options exercised during the financial year was S$2.17 (2006: S$2.24).

The weighted average remaining contractual life for options outstanding at the end of the financial year is 8.1 years (2006: 8.3 years).

Information on a director of the Company participating in the Scheme is as follows:

Name of director	Options granted during financial year	Aggregate options granted since commencement of Scheme to end of financial year	Aggregate options exercised since commencement of Scheme to end of financial year	Aggregate options outstanding at end of financial year	Subscription Price
Neil Montefiore	940,000	6,720,000	(3,540,000)	3,180,000	S$1.25 – S$2.17

The fair value of the share options as at the date of grant is computed using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The inputs to the model used for the years ended 31 December 2007 and 31 December 2006 are shown below:

Date of grant	6 Feb 2007	2 Feb 2006
Dividend Yield (%)	5.90	5.95
Expected Volatility (%)	27	27
Risk-free interest rate (%)	2.99	2.83
Expected life of option (years)	3.1	3.1
Share price (S$)	2.17	2.18
Exercise price (S$)	2.17	2.21

The expected life of the option is based on historical date and is not necessary indicative of exercise patterns that may occur. The expected volatility reflects the assumption that historical volatility is indicative of future trends, which may also not necessarily the actual outcome. No other features of the option were incorporated into the measurement of fair value.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's instruments are, in the normal course of business, exposed to interest rate, currency exchange rate, credit and liquidity risks. The Group's risk management strategy aims to minimise the adverse effects of financial risk on the financial performance of the Group. To this extent, financial instruments are used to cover potential commercial exposures and are not held for trade or speculative purposes.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to market risk for changes in interest rates relates primarily to the Group's long-term debt obligation.

The Group's policy is to manage its interest rate cost using variable and fixed rate debts. To manage this in a cost-efficient manner, the Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations. As at 31 December 2007, after taking into account the effect of interest rate swap, the Group's long-term borrowings were at fixed rate of interest.

Foreign currency risk

The Group's revenue and expenditure are primarily transacted in Singapore dollar. The currency exposures are limited to United States dollars and Special Drawing Rights ("SDR"). SDR is an international reserve asset created by International Monetary Fund and is valued on the basis of a basket of key national currencies.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the balance sheet date, such foreign currency balances (mainly in USD and Euro) amount to S$324,000 for both the Group and the Company.

Whenever possible, foreign currency transactions are matched to minimise the exposure. The exchange rates are continually monitored and forward contracts are used when appropriate to hedge against exchange rate fluctuations.

As at the balance sheet date, the Group's currency exposures are insignificant.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group relies on its internal working capital and bank borrowings to fund most of its operating and investing activities. There are sufficient revolving credit facilities available that meet short term funding requirements.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

The table below summarises the maturity profile of the Group's and Company's financial liabilities at the balance sheet date based on contractual undiscounted payments.

	2007			2006		
	1 year or less S$'000	1 to 5 years S$'000	Total S$'000	1 year or less S$'000	1 to 5 years S$'000	Total S$'000
Group						
Creditors	198,018	-	198,018	200,836	-	200,836
Other liabilities and derivatives	54,702	-	54,702	94,431	-	94,431
Borrowings	35,000	250,000	285,000	250,000	-	250,000
	287,720	250,000	537,720	545,267	-	545,267

	2007			2006		
	1 year or less S$'000	1 to 5 years S$'000	Total S$'000	1 year or less S$'000	1 to 5 years S$'000	Total S$'000
Company						
Creditors	182,404	-	182,404	180,572	-	180,572
Other liabilities and derivatives	59,189	-	59,189	100,769	-	100,769
Borrowings	35,000	250,000	285,000	250,000	-	250,000
	276,593	250,000	526,593	531,341	-	531,341

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's credit risk is mitigated by its combination of cash and credit sales. For credit sales, the Group has no significant concentration of credit risk from trade debtors due to its diverse customer base. Credit risk is managed through credit checks, credit reviews and monitoring procedures that includes a formal automated collection process.

The Group's maximum exposure to credit risk in the event the counter-parties fail to perform their obligations as of 31 December 2007 in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of those assets as indicated in the balance sheets.

28. FAIR VALUES OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in forced or liquidation sale.

Financial instruments carried at fair value

The Company has carried all derivative financial instruments at their fair value as required by FRS 39.

Financial instruments whose carrying amount approximate fair value

Management has determined that the carrying amounts of current trade debtors, other debtors, due from related parties, cash and cash equivalents, creditors, due to related parties and borrowings, based on their notional amounts, are reasonable approximation of fair values either due to their short-term nature or they are floating rate instruments that are re-priced to market rates on or near the balance sheet date.

29. DERIVATIVES

As at 31 December 2007, the Company has three (2006: one) interest rate swap agreements in place with total notional amount of S$250 million, whereby it receives interest at the variable Singapore Dollar Swap Offer Rate and pays interest at a fixed Singapore Dollar rate of 2.61% to 2.80% (2006: 4.1%) per annum semi-annually every November and May.

These swaps are designated as cash flow hedges and being used to hedge the cash flow interest rate risk of the Company's floating rate long-term loans. The interest rate swaps and the floating rate long-term loans have the same critical terms and notional amount of S$250 million.

The fair value (liability position) of the interest rate swaps at 31 December 2007 was S$314,000 (2006: S$81,000), which is included in hedging reserve. There was no impact to profit and loss statement.

30. CAPITAL MANAGEMENT

The objective of the Group's capital management policy is to provide capacity to support business requirements and to take advantage of business opportunities that might arise, so as to enhance shareholder value. With prudent capital management, the Group aims to maintain a sustainable regular payout ratio.

The capital structure of the Group consists of borrowings, cash and cash equivalents and shareholders' equity.

30. CAPITAL MANAGEMENT (continued)

There was no change in the Group's approach to capital management during the year.

	Group		Company	
	2007 S$'000	2006 S$'000	2007 S$'000	2006 S$'000
Borrowings				
- Current	**35,000**	250,000	**35,000**	250,000
- Non-current	**250,000**	-	**250,000**	-
Cash and cash equivalents	**23,087**	168,632	**22,926**	168,005
Shareholders' equity	**201,911**	381,968	**204,098**	383,375

31. DIVIDENDS

	Group and Company	
	2007 S$'000	2006 S$'000
Declared and paid during the year:		
Final - the previous year		
7.5 cents (2006: 8.1 cents) per ordinary share (one-tier tax)	**74,406**	80,178
Special - the previous year		
Nil cents (2006: 12.2 cents) per ordinary share (one-tier tax)	**-**	120,762
Interim - the current year		
2.5 cents (2006: 5.8 cents) per ordinary share (one-tier tax)	**22,338**	57,419
	96,744	258,359
Proposed but not recognised as a liability as at 31 December:		
Final		
8.3 cents (2006: 7.5 cents) per ordinary share (one-tier tax)	**74,192**	74,256

The directors propose that a final dividend of 8.3 cents per ordinary share (one-tier tax) in respect of the financial year ended 31 December 2007 for approval by shareholders at the forthcoming Annual General Meeting of the Company.

32. EVENT AFTER BALANCE SHEET DATE

On 30 January 2008, the Company incorporated a wholly-owned subsidiary, Kliq Pte Ltd, with an initial issued and paid-up capital of S$2. The principal activity of Kliq Pte Ltd is investment holding.

33. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2007 were authorised for issue in accordance with a resolution of the directors on 5 February 2008.

Major Properties

Name/Use	Address	Land Area (Sq m)	Date of Purchase	Lease Expiry Date*
Main Operations Centre (MOC) - Head office and Switch Centre	10 International Business Park, Singapore 609928	8,441	8 October 1996	28 February 2026
MiWorld Building - Office	9 International Business Park, Singapore 609915	6,850	15 February 2002	30 June 2022
Regional Operations Centre (ROC) - Office and Switch Centre	4 Aljunied Avenue 1, Singapore 389978	4,816	19 November 2001	30 May 2020

** The Company has the option to lease for a further term of 30 years.*

Issued and fully paid-up capital	: S$115,079,622.72
Class of shares	: Ordinary shares
Voting rights	: One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	3,585	49.18	2,949,209	0.33
1,000 - 10,000	3,120	42.80	10,660,705	1.19
10,001 - 1,000,000	574	7.87	27,442,563	3.07
1,000,001 and above	11	0.15	853,201,305	95.41
TOTAL	7,290	100.00	894,253,782	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Raffles Nominees Pte Ltd	298,372,756	33.37
2	Keppel Telecoms Pte Ltd	177,814,000	19.88
3	SPH Multimedia Pte Ltd	124,453,000	13.92
4	HSBC (Singapore) Nominees Pte Ltd	83,562,829	9.34
5	DBS Nominees Pte Ltd	68,503,963	7.66
6	Citibank Nominees Singapore Pte Ltd	57,869,529	6.47
7	DBSN Services Pte Ltd	21,605,264	2.42
8	United Overseas Bank Nominees Pte Ltd	11,883,854	1.33
9	Morgan Stanley Asia (Singapore) Securities Pte Ltd	4,119,001	0.46
10	DB Nominees (S) Pte Ltd	3,301,259	0.37
11	Thioequities Pte Ltd	1,715,850	0.19
12	Merrill Lynch (Singapore) Pte Ltd	975,082	0.11
13	OCBC Securities Private Ltd	832,270	0.09
14	BNP Paribas Nominees Singapore Pte Ltd	645,850	0.07
15	NTUC Thrift & Loan Co-operative Limited	600,000	0.07
16	Chia Kum Ho	500,000	0.06
17	Prima Portfolio Pte Ltd	495,000	0.06
18	Yeo Seng Kia	487,000	0.05
19	Chan Kam Fai	446,780	0.05
20	ING Nominees (Singapore) Pte Ltd	427,000	0.05
	TOTAL	**858,610,287**	**96.02**

Statistics of Shareholdings
as at 26 February 2008

SUBSTANTIAL SHAREHOLDERS

Name	No. of Shares			
	Direct Interest	Deemed Interest	Total Interest	%
SunShare Investments Ltd	265,410,150	-	265,410,150	29.68
Khazanah Nasional Berhad	-	265,410,150 (1)	265,410,150	29.68
TM International Bhd	-	265,410,150 (1)	265,410,150	29.68
Telekom Malaysia Berhad	-	265,410,150 (1)	265,410,150	29.68
Temasek Holdings (Pte) Ltd	-	178,502,360 (2)	178,502,360	19.96
Keppel Telecoms Pte Ltd	170,297,700	-	170,297,700	19.04
Keppel Communications Pte Ltd	-	170,297,700 (3)	170,297,700	19.04
DataOne (Asia) Pte Ltd	-	170,297,700 (3)	170,297,700	19.04
Keppel Telecommunications & Transportation Ltd	-	170,297,700 (3)	170,297,700	19.04
Keppel Corporation Limited	-	170,297,700 (3)	170,297,700	19.04
SPH Multimedia Private Limited	124,453,000	-	124,453,000	13.92
Singapore Press Holdings Limited	-	124,453,000 (4)	124,453,000	13.92

Notes:

(1) *Each of Khazanah Nasional Berhad, TM International Bhd (formerly known as TM International Sdn Bhd) and Telekom Malaysia Berhad are deemed to be interested in the 265,410,150 Shares held by SunShare Investments Ltd pursuant to Section 7 of the Companies Act.*

(2) *Temasek Holdings (Pte) Ltd is deemed to be interested in the 178,502,360 Shares in which Keppel Corporation Limited, DBS Group Holdings Ltd and Fullerton Fund Management Company Ltd are deemed to have an interest, pursuant to Section 7 of the Companies Act.*

(3) *Keppel Communications Pte Ltd, DataOne (Asia) Pte Ltd, Keppel Telecommunications & Transportation Ltd and Keppel Corporation Limited are deemed to be interested in the 170,297,700 Shares held by Keppel Telecoms Pte Ltd pursuant to Section 7 of the Companies Act.*

(4) *Singapore Press Holdings Limited is deemed to be interested in 124,453,000 Shares held by SPH Multimedia Private Limited pursuant to Section 7 of the Companies Act.*

FREE FLOAT

Approximately 37.01% of the issued share capital of the Company were held in the hands of the public (on the basis of information available to the Company)

Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Corporate Information

Board Of Directors
Lim Chee Onn, Chairman
Neil Montefiore, CEO
Roger Barlow
Low Huan Ping
Hsuan Owyang
Ganen Sarvananthan
Teo Soon Hoe
Reggie Thein
Thio Su Mien
Patrick Yeoh Khwai Hoh
Yusof Annuar Yaacob

Audit Committee
Reggie Thein, Chairman
Thio Su Mien
Patrick Yeoh Khwai Hoh

Remuneration Committee
Hsuan Owyang, Chairman
Roger Barlow
Low Huan Ping
Teo Soon Hoe

Nominating Committee
Thio Su Mien, Chairman
Reggie Thein
Patrick Yeoh Khwai Hoh

Company Secretary
Anil Sachdev s/o Danesh Kumar

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Boardroom Corporate & Advisory Services Pte. Ltd.
3 Church Street
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Facsimile: +65 6536 1360

Auditors
Ernst & Young
Certified Public Accountants
One Raffles Quay
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Singapore 048583
Partner-in-charge (Since 2006): Tan Wee Khim

Principal Bankers
Citibank N.A., Singapore Branch
Oversea-Chinese Banking Corporation Limited
The Development Bank of Singapore Limited

Investor Relations
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