

m1 FOR
EVERY ONE

ANNUAL REPORT 2014

CONTENTS

Business Review

02

At A Glance

10

Performance Highlights

12

Letter to Shareholders

16

Operating and Financial Review

Governance

28

Board of Directors

32

Senior Management

37

Particulars of Directors

Governance

41

Particulars of Senior Management

42

Corporate Governance

58

Investor Relations

Sustainability Report

61

Introduction

66

Our Business

72

Our People

76

Our Community

Sustainability Report

80

Our Environment

82

GRI Content Index

Financials

87

Financial Statements

Additional Information

149

Major Properties

150

Statistics of Shareholdings

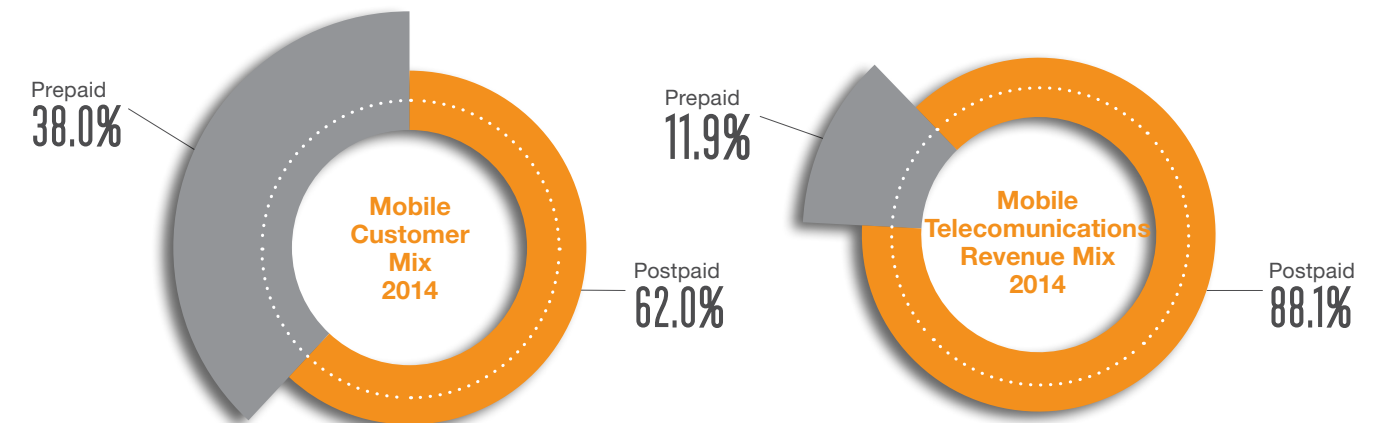
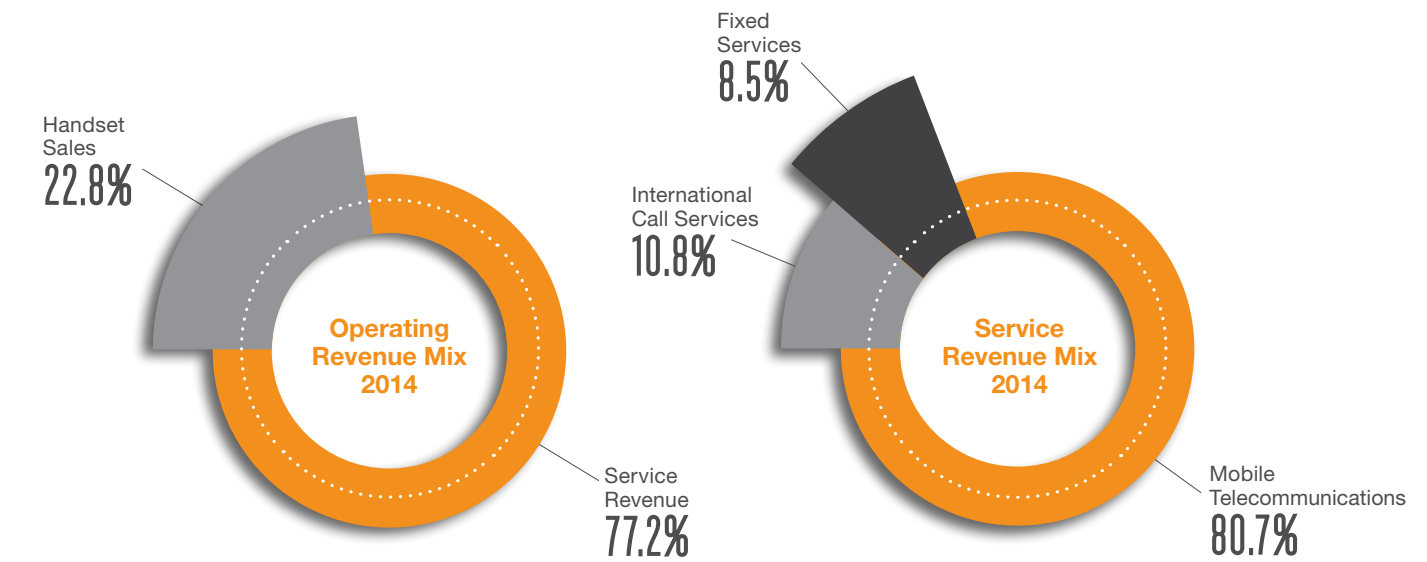
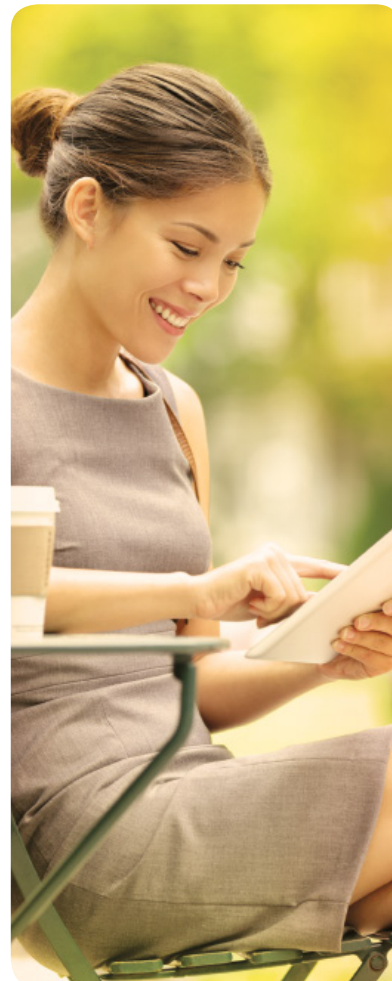
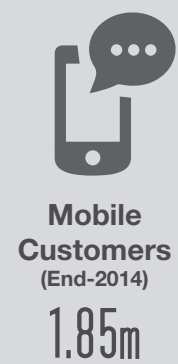
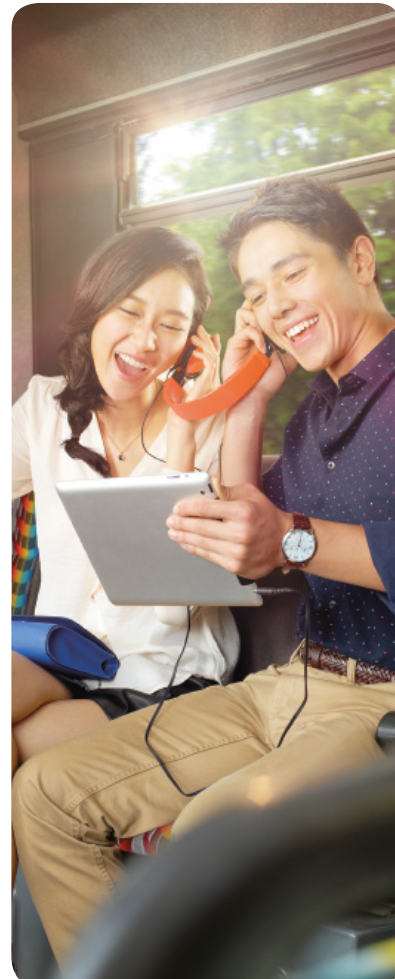
152

Corporate Information

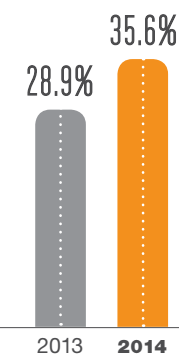
M1 is Singapore's most vibrant and dynamic communications company, providing mobile and fixed services to close to 2 million customers. Established in 1997, M1 achieved many firsts, including the first operator to offer nationwide 4G service, as well as ultra high-speed fixed broadband, fixed voice and other services on the Next Generation Nationwide Broadband Network. With a continual focus on network quality, customer service, value and innovation, M1 links anyone and anything; anytime, anywhere.

For more information, visit www.m1.com.sg

AT A GLANCE



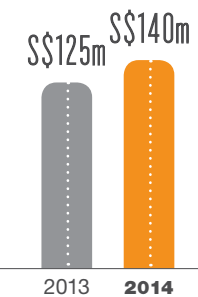
Mobile Data as a % of Service Revenue



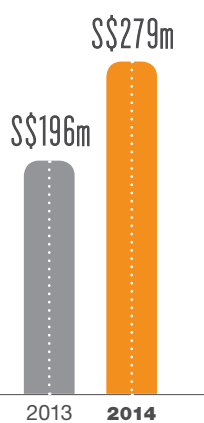
Cash Distribution per Share (Declared)



Capital Expenditure



Net Debt



The image shows two young girls with dark hair, one in a yellow and white striped shirt and the other in a red shirt with white polka dots, sitting at a wooden desk. They are looking at a tablet that displays a photograph of an elderly man and woman smiling. A network diagram with orange dots and lines is overlaid on the image, connecting various points across the scene, including the girls, the tablet, and the background. The background is a softly lit room with a window and some furniture.

BECAUSE WE CONNECT **EVERY** RELATIONSHIP

With the broad range of mobile plans and solutions available on our advanced 4G network capable of speeds of up to 300Mbps nationwide, keeping in touch with your loved ones is now easier than ever.



BECAUSE WE TAKE **EVERY** BUSINESS HIGHER

At M1, we believe in working hand in hand to take your business to the next level. Our comprehensive suite of corporate services, such as our new state-of-the-art data centre and enhanced cloud solutions, enables you to focus on growing your business while we take care of all your communications and IT needs.

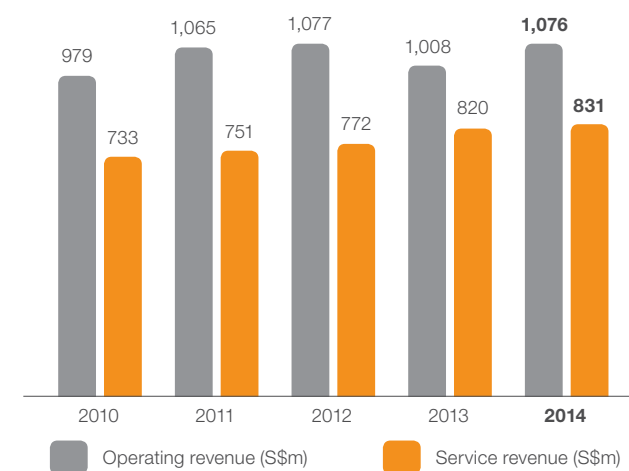
BECAUSE WE ARE COMMITTED TO EVERY ONE OF YOU

Our customers are at the heart of everything we do. We value the trusted relationships we have with each and every customer, and all of us at M1 are committed to delivering a better experience to you.

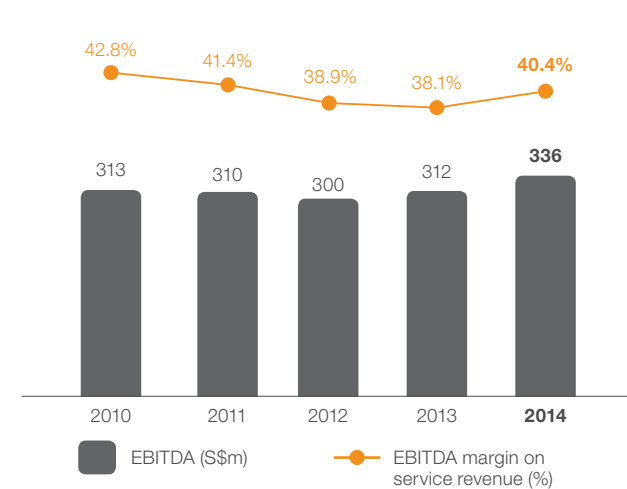


PERFORMANCE HIGHLIGHTS

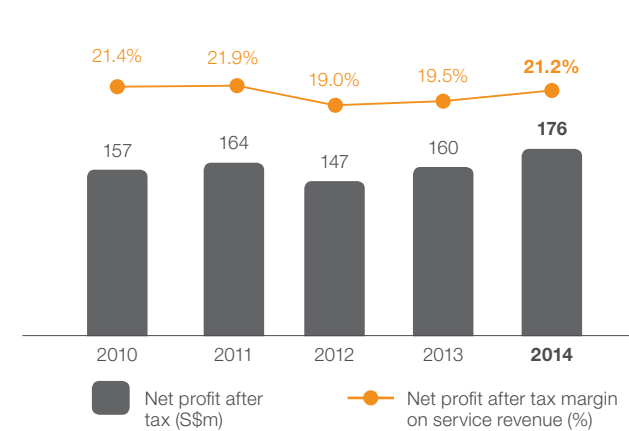
Operating Revenue and Service Revenue



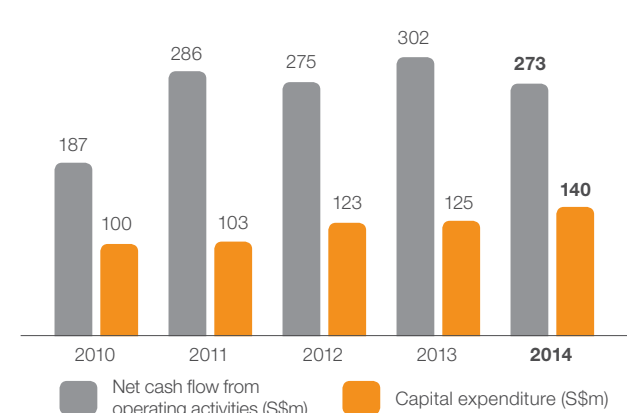
EBITDA



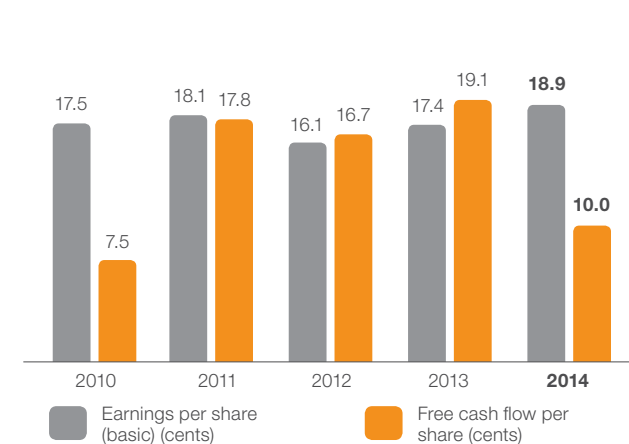
Net Profit After Tax



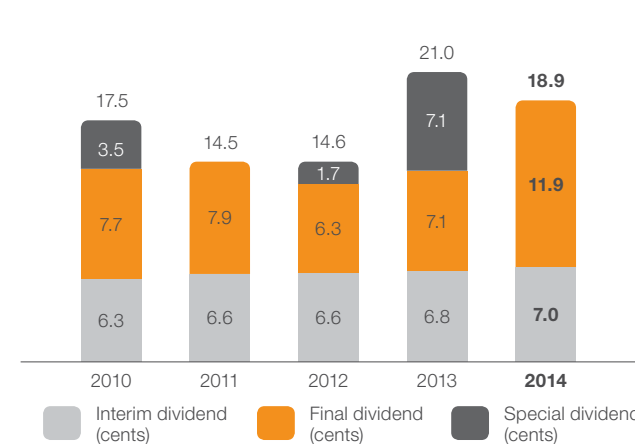
Cash Flow and Capital Expenditure



Earnings and Free Cash Flow Per Share



Cash Distribution Per Share (Declared)



Operating Highlights

Mobile Telecommunications

	2014	2013	Change (%)
Number of mobile customers ('000)			
Postpaid	1,149	1,130	1.7
Prepaid	703	979	-28.2
Total	1,852	2,109	-12.2
Market share ¹ (%)			
Postpaid	24.5	25.0	-
Prepaid	20.7	25.2	-
Overall	22.9	25.1	-
Singapore mobile penetration rate ¹ (%)	148.0	156.0	-
Average revenue per user (ARPU, S\$ per month)			
Postpaid	62.4	61.8	1.0
Postpaid (adjusted) ²	55.6	53.4	4.1
Data plan	18.9	20.8	-9.1
Prepaid	14.5	14.8	-2.0
Non-voice services as a % of service revenue	47.3	41.6	-
Average monthly churn rate (%)	1.1	1.1	-
Acquisition cost per postpaid customer (S\$)	355	346	2.6

Fixed Services

Number of fibre customers ('000)	103	85	21.2
ARPU (Fibre broadband, S\$ per month)	43.9	46.1	-4.8

¹ Based on IDA statistics as at December 2014

² After adjustment for ARPU allocated to handset sales

Financial Highlights

	2014	2013	Change (%)
Operating revenue (S\$m)	1,076.3	1,007.9	6.8
Mobile telecommunications	671.1	644.2	4.2
International call services	89.4	114.0	-21.6
Fixed services	70.6	61.6	14.6
Handset sales	245.3	188.1	30.4
EBITDA (S\$m)	335.5	312.3	7.4
Net profit after tax (S\$m)	175.8	160.2	9.7
Free cash flow (S\$m)	93.2	176.0	-47.0
Net assets (S\$m)	394.6	395.1	-0.1
Net debt (S\$m)	279.2	195.5	42.8
Financial ratios			
Net debt/equity (x)	0.7	0.5	43.0
Net debt/EBITDA (x)	0.8	0.6	32.9
EBITDA/interest (x)	83.0	70.1	18.4
ROE (%)	44.5	43.1	-
ROCE (%)	26.8	26.0	-

Note: Figures may not add up due to rounding

LETTER TO SHAREHOLDERS

In the last two decades, the Internet has grown from a nascent technology enjoyed by a small segment of society to the most pervasive way people, businesses and governments communicate, engage and share.

In doing so, the Internet has created tremendous economic and social impact, delivering significant contribution to nations' GDP, fueling new, innovative industries, and at the same time generating societal change through connecting individuals and communities by providing access to information and education.

The way consumers access the Internet is at the epicenter of this change.

Over the years, access to the Internet has moved from dial-up lines to fixed broadband, and more recently to wireless 3G/4G broadband. Today, with the rapid proliferation of smart devices and faster mobile networks, mobile connectivity is quickly becoming the channel of choice for speedy access to online activities.

Singapore is at the forefront of these developments, with mobile penetration at close to 150% and fibre home penetration at more than 50%. M1 contributed to this through continually leading the industry in empowering our customers in the digitally connected Internet world, from the launch of Singapore's first commercial 3G mobile service in 2005 to Southeast Asia's first nationwide 4G network in 2012. In December 2014, we made available Singapore's first nationwide LTE

(Long Term Evolution) Advanced mobile network, delivering the best 300Mbps coverage. We also strengthened our corporate offerings with the launch of Singapore's first ultra high-speed 10Gbps fixed broadband service on the Next Generation Nationwide Broadband Network (NGNBN) and the provision of an enhanced suite of cloud solutions leveraging on our state-of-the-art data centre.

These achievements are rooted in our commitment to customer centricity, as well as network advancement and resiliency. We will continue to invest in technology advancement to drive further growth in 2015 and beyond.

Financial Highlights

For 2014, M1 reported a record net profit of S\$175.8 million, representing a 9.7% year-on-year growth. Service revenue increased 1.4% to S\$831.1 million. This was mainly driven by growth in postpaid and fixed customer base, as well as higher revenue from mobile data usage. Operating revenue grew 6.8% to S\$1,076.3 million, due to higher handset sales.

Revenue from non-voice services for 2014 increased 5.7 percentage points year-on-year to 47.3% of service revenue, driven by continual growth in mobile data usage. Average data usage per smartphone customer grew to 3.0GB per month in the fourth quarter of 2014, up from 2.5GB per month a year ago.

The Group's balance sheet remained healthy, with net debt-to-EBITDA at 0.8 times as at end-2014.

Performance Highlights

As at end-2014, M1's mobile customer base was 1.85 million. Postpaid customer base increased 19,000 year-on-year to 1.15 million, and the number of customers on tiered data plans increased to 66%, up from 49% a year ago. Prepaid customer base was impacted by a regulatory change in April 2014 which reduced

the number of prepaid SIM cards per customer from ten to three, and consequently decreased to 703,000. Fibre customer base increased during the year by 18,000 to 103,000, driven by our attractive fibre broadband plans and upgraded service offerings.

During the year, we further improved customer experience through the introduction of faster networks, as well as new and enhanced services for retail and corporate customers.

Our continual investment in mobile networks enabled us to double download speeds for customers to 150Mbps in February, and yet again in December to 300Mbps nationwide – a first in Singapore with the launch of our next-generation 4G network. In September, we enhanced our mobile plans to offer more choices and bigger data bundles, to cater to our customers' increased data needs. Through the year, M1 continually championed fibre services with competitive service plans offering customers greater value, including our 1Gbps plan at a promotional offer of S\$49 a month.

The corporate segment has been able to enjoy the benefits of fibre services through our attractively priced 500Mbps and 1Gbps plans. M1's 10Gbps service, the fastest fibre service on the NGNBN, was made available in May to cater to corporate customers with high-bandwidth needs, such as banks and cloud-service providers. The launch of our state-of-the-art data centre in October, alongside a suite of attractive cloud-based solutions, further broadened our proposition to corporate customers.

Customers continue to be at the core of our business, and we continually invest in training, infrastructure and process innovation to improve customer experience at every touch point through the year.

The M1 website was revamped to introduce Singapore's first comprehensive handset pre-order and collection process, as well as first mobile website optimised for smartphones and

Net Profit After Tax

↑ 9.7%
TO
S\$175.8m

tablets, in the telecom industry. The new system enables pre-ordering customers to significantly reduce their waiting time at our shops by allowing them to select their preferred model of handset, make payment and then choose a pickup location online. Alternatively, customers can also have their handsets delivered to their preferred address, through the pre-order website.

The successful revamp of our M1 Shop outlets to streamline the transaction process into a single touch point, thus reducing the need for customers to move between multiple counters and increasing employee productivity, was the highlight of productivity champion Spring Singapore's Learning Journey event in August. Customer feedback on the new retail experience has been positive, with the majority of customers rating their visits Good or Excellent.

Outlook

With our advanced mobile and fixed networks and strong focus on customer centricity, we are well-positioned to capitalise on the growth opportunities in our industry.

Data usage will continue to grow. From social media and online shopping to payment and cloud storage services anytime anywhere, online communications has become an intrinsic part of our lives. Faster network and smarter devices will drive much of the growth in data consumption.

Home fibre penetration rate grew from about 40% last year to over 50% today. With continual fibre adoption in both the consumer and corporate

IN DECEMBER 2014, WE MADE AVAILABLE
SINGAPORE'S FIRST NATIONWIDE LTE
(LONG TERM EVOLUTION) ADVANCED
MOBILE NETWORK, DELIVERING THE BEST
300MBPS COVERAGE.

LETTER TO SHAREHOLDERS

CUSTOMERS CONTINUE TO BE AT THE CORE OF OUR BUSINESS, AND WE CONTINUALLY INVEST IN TRAINING, INFRASTRUCTURE AND PROCESS INNOVATION TO IMPROVE CUSTOMER EXPERIENCE AT EVERY TOUCH POINT THROUGH THE YEAR.

segments, there are opportunities for M1 to further grow our fibre customer base. Particularly for the corporate segment, we will build on our broadened range of product and service offerings launched in 2014, as well as the Government's initiatives to promote high-speed connectivity for businesses through the NGNBN, to further entrench our position in the fixed space.

Increasingly, mobile Internet connections are also being embedded in electronics, vehicles, household devices, signages, buildings and energy systems, as well as other devices to form the Internet of Things, and this is transforming the physical world into a giant, digital connected world.

To ensure that we are able to meet the future needs of our customers, M1 will continue to make the necessary strategic investments to enhance our product and service offerings, including investments into new smart solutions and Machine-to-Machine (M2M) platforms.

Corporate Social Responsibility

M1 believes for a company to be successful in the long term, it should help create value for the community it operates in. Hence, we have a longstanding commitment to conduct our business in a responsible and sustainable way, as well as play a positive role in the well-being of our employees, the community and the environment by promoting sustainability.

In 2014, we raised close to S\$500,000 for our adopted charities Beyond Social Services, the Children At-Risk Empowerment Association and

Brahm Centre, through our annual M1 Charity Golf and Charity Carnival events. M1's passionate employees complemented the Group's efforts by investing their personal time in activities, ranging from helping out at fund-raising events to organising fun-filled activities for our adopted charities' beneficiaries, such as visits to Camp Challenge and Snow City.

We have launched the inaugural M1 Students Support Fund, in partnership with the Ministry of Education, to provide financial assistance to underprivileged school-going children from low income families. Starting with financially needy students from 10 primary schools, M1 will donate S\$200,000 towards the Fund each year to help our beneficiaries have a more enjoyable school life and better opportunities to develop their full potential regardless of their families' background.

In recognition of M1's efforts to help grow the quality, diversity and depth of the Singapore arts scene, we received the Straits Times Life's accolade in its Power List 2014 and were presented with the Distinguished Patron of the Arts Award 2014 by the National Arts Council for the 14th consecutive year. New projects which M1 embarked upon in the year include the M1 Chinese Theatre Festival, the M1 CONTACT Contemporary Dance Festival, M1 Dancing on the Frontier Appreciation Series and M1 Dance Mania 2014.

M1 was the first operator in Singapore to introduce a service plan for Persons with Disabilities, through our specially designed MessageSurf plan for the deaf and hard-of-hearing community in 2000, and has continued to improve our offerings over the years. In 2014, we launched ConnectSurf - Singapore's best-value plan for this segment, featuring generous voice, text and data bundles to meet the varied communications needs of Persons with Disabilities. We are also proud to be appointed by the Media Development Authority of Singapore to help low-income households enjoy access to digital free-to-air TV programming and its superior video and sound quality, through the installation of digital set-top boxes.

Environmental sustainability is a continuous journey and we remain committed to do our part in reducing the environmental impact of our business operations. With the revamp of our M1 Shop outlets, we have been able to reduce paper usage by 20% annually. Our newly completed MiWorld building extension achieved the Building and Construction Authority's Green Mark Gold certification and features energy efficient LED lights and rainwater harvesting tanks. During the year, we also completed the installation of a solar photovoltaic (PV) power system at our offshore base station at St. John's Island, to allow us to tap on renewable energy as an alternative power source.

Distribution to Shareholders

M1 remains committed to pursue a sustainable dividend policy that will enhance long-term shareholder value. In line with this approach, the Board of Directors has proposed a final dividend of 11.9 cents, bringing the total dividends declared for 2014 to 18.9 cents and representing a payout of 100% of our net profit after tax.

In 2014, the increase in M1's share price, together with the total dividends paid out, resulted in a healthy total shareholder return of 16.9%.

A Note of Thanks

We would like to thank our customers, shareholders, business partners and Board of Directors for their continued support in 2014.



Choo Chiau Beng
Chairman

Total Shareholder Return

16.9%
FOR
2014

In particular, we would like to remember our late Chairman, Mr Teo Soon Hoe, who passed away last December. Mr Teo had been a part of M1 since our inception 18 years ago, and his unwavering commitment, leadership and vision was instrumental in our transformation from a mobile communications company to a full service provider today. He had given unstintingly of his dedication and commitment, and the Company deeply appreciates his contributions.

Our employees' passion, ingenuity and hard work have been fundamental to our continued success. We would like to take this opportunity to thank all colleagues for their contributions and look forward to working together to take M1 to the next level.



Karen Kooi Lee Wah
Chief Executive Officer

OPERATING AND FINANCIAL REVIEW



Company Overview

M1 is Singapore's most vibrant and dynamic communications company, providing mobile and fixed services to close to two million customers. Established in 1997, M1 achieved many firsts, including the first operator to offer nationwide 4G service, as well as ultra high-speed fixed broadband, fixed voice and other services on the Next Generation Nationwide Broadband Network (NGNBN). With a continual focus on network quality, customer service, value and innovation, M1's mission is to link anyone and anything; anytime, anywhere.

M1 ACHIEVED MANY FIRSTS, INCLUDING THE FIRST OPERATOR TO OFFER NATIONWIDE 4G SERVICE, AS WELL AS ULTRA HIGH-SPEED FIXED BROADBAND, FIXED VOICE AND OTHER SERVICES ON THE NEXT GENERATION NATIONWIDE BROADBAND NETWORK (NGNBN).

The Group holds Facilities-Based Operator and Services-Based Operator licences issued by the Infocomm Development Authority of Singapore (IDA), for the provision of telecommunication systems and services. M1 also has a Telecommunication Dealer's Class Licence, for the import and sale of telecommunication equipment, as well as licences issued by the Media Development Authority of Singapore, for the provision of Internet and MiBox TV services.

M1 operates nationwide 4G/LTE (Long Term Evolution) Advanced, 3G/High Speed Packet Access (HSPA) and 2G mobile networks, capable of download speeds of up to 300Mbps and upload speeds of up to 150Mbps. Through these networks, we provide customers with a wide range of voice, data and value-added postpaid and prepaid mobile services. To cater to our customers' varied needs, we offer service plans with a choice of voice and data bundles.

We make available to our mobile and fixed-line customers International Direct Dial (IDD) services through the 002 and 021 prefixes, as well as a International Calling Card service using prefix 1818. We also trade wholesale voice minutes with

other international and local service providers, as well as provide dark fibre services to carriers and data centres. Since September 2010, M1 has been offering residential customers a range of fibre broadband services with speeds of up to 1Gbps, including fixed voice and other value-added services.

M1 offers an extensive suite of mobile and fixed services, including connectivity solutions, managed services, cloud solutions and data centre services to the corporate segment. Our dedicated team of corporate account managers are committed to the needs of our customers, and we also have a technical team to provide support on provisioning and technical-related matters.

In the course of our history, we have achieved the following milestones:

- Commercial launch of mobile services in April 1997;
- Achieved 10% mobile market share within one month of launch, and profitability in the first full year of operations in 1998;
- Listed on the Singapore Exchange in December 2002; and
- First operator in Singapore to launch:
 - 3G mobile services commercially in February 2005;
 - Nationwide mobile broadband services in December 2006;
 - Fibre broadband services on the NGNBN commercially in September 2010;
 - Mobile broadband service on our 4G network in June 2011;
 - Nationwide 4G service in September 2012;
 - Singapore's fastest corporate broadband service on the NGNBN in May 2014; and
 - Nationwide LTE-Advanced service in December 2014.

Service Revenue

↑ 1.4%
TO
S\$831.1m

For 2014, M1's operating revenue increased 6.8% year-on-year to S\$1,076.3 million, on higher handset sales. Service revenue increased 1.4% to S\$831.1 million, driven by growth in postpaid mobile and fixed customer base, as well as higher revenue from mobile data. Revenue from non-voice services increased 5.7 percentage points to 47.3% of service revenue. Net profit after tax increased 9.7% to a record S\$175.8 million, with margin on service revenue increasing 1.7 percentage points to 21.2%. Free cash flow was lower at S\$93.2 million, due to higher capital expenditure and S\$40 million payment on spectrum rights. Net debt-to-EBITDA remained healthy at 0.8 times.

As at end-2014, M1 had a total of 1,852,000 mobile customers, comprising 1,149,000 postpaid and 703,000 prepaid customers. During the year, we added 18,000 fibre customers to bring our fibre customer base to 103,000 as at end-2014.

Market Developments

According to IDA's reported statistics, Singapore's market penetration rate decreased to 148.0% as at end-2014, from 156.0% a year ago. The change was largely due to lower prepaid mobile subscriptions. As at end-2014, there were a total of 8,093,300 mobile subscriptions, comprising 57.9% postpaid and 42.1% prepaid subscriptions.

In the fixed broadband segment, the residential broadband penetration rate was stable at 106.0% as at end-2014. The total fibre market, including

OPERATING AND FINANCIAL REVIEW

both residential and corporate subscriptions, increased 39.3% to 708,100. Household fibre broadband penetration rate is estimated to have increased from about 40% in 2013 to over 50% as at end-2014. Over the same period, the number of cable and digital subscription line subscriptions decreased 9.6% to 503,800 and 27.2% to 236,300 respectively.

Postpaid Mobile

The postpaid mobile segment remains the key contributor to our revenue. This segment made up 62.0% of our total mobile customer base as at end-2014 and contributed 88.1% of our 2014 mobile telecommunications revenue. During the year, we added 19,000 postpaid customers to bring our postpaid base to 1,149,000, representing a market share of 24.5%.

Driven by faster networks and devices, mobile data usage continued to grow. Average data usage per smartphone customer grew to 3.0GB per month in the fourth quarter of 2014, up from 2.5GB per month a year ago. Contribution from non-voice services increased to 47.3% of service revenue for 2014, up from 41.6% for 2013. As at end-2014, 66% of our postpaid customers had migrated to tiered data plans, compared to 49% a year ago.

Through the year, we continued to enhance and expand our products and services to cater to customers' changing needs.

In February 2014, the M1 SurfShare supplementary plan was launched to enable customers to sign up and share their data, talktime and message bundles with their family members or loved ones.

The growing appetite for data consumption led to an increased take-up of our data-bundled plans. In September 2014, we discontinued our voice/message-only plans, and revised our data-bundled plans to offer more choices and bigger data bundles. Data add-ons of up to 10GB were also introduced for customers with higher data needs.

In making it easier for our customers travelling overseas to stay connected cost-effectively, we expanded the availability of our \$15/day unlimited data roaming service to additional key destinations, such as India and United States. As at end-2014, this service was available across 18 countries.

Through the year, we continued to work with device manufacturers to make available their new handsets, tablets and accessories to our customers in a timely manner. Key models launched in 2014 included the iPhone 6 and iPhone 6+, iPad Air 2 and iPad mini 3, the Samsung Galaxy Note Edge and Samsung Galaxy S5, as well as the Xiaomi Redmi Note 4G.

Prepaid Mobile

M1's prepaid mobile service is mainly used by the migrant worker community, resident customers including parents who want to manage their children's mobile usage, and transient visitors to Singapore such as business travellers and tourists.

In April 2014, IDA effected a regulatory change which reduced the number of prepaid SIM cards per customer from ten to three. As a result, our prepaid customer base decreased to 703,000 as at end-2014.

During the year, we introduced new prepaid products for tourists, including a 4G prepaid SunSurf data plan offering 1GB of local data with three days validity at an affordable S\$5. New Travel SIM Cards with local/IDD calls, message and data bundles, in S\$30 and S\$50 denominations, were also made available.

In extending our reach to the migrant worker segment, we organised Deepavali carnivals at recreation centres across Singapore. We also participated in International Migrants' Day

celebration through a new collaboration with Migrant Workers' Centre, where we educated migrant workers on data usage and promoted our 30 days 1GB Prepaid SunSurf plan in English, Mandarin, Bengali and Tamil.

To capitalise on the rise of data usage trend in the prepaid segment, we offered a 50% discount on our 30 days 1GB Prepaid SunSurf data plan to further drive usage.

Fixed Services

As at end-2014, Singapore's home fibre penetration rate grew to over 50%, up from about 40% a year ago. During the year, M1 continued to champion fibre services with launch of competitive service plans and complementary services in both the residential and corporate segments and in the process, added 18,000 customers to bring our fibre customer base to 103,000.

To cater to customers' increasing bandwidth requirements, we launched our 1Gbps residential fibre service plan at a promotional offer of S\$49 a month. This allows customers to enjoy greater value and a superior usage experience, such as transfer of large files, high-definition video streaming and online gaming.

In the corporate space, we were first to make available 10Gbps service, the fastest fibre service on the NGNBN, to cater to corporate customers with high-bandwidth needs such as banks and cloud-service providers. This was alongside the introduction of a competitively-priced 1Gbps service. In addition, we broadened our suite of products and services, notably with the launch of our state-of-the-art data centre and enhanced cloud solutions through strategic partnerships with key technology vendors.

New Products and Services

We launched many innovative and exciting products and services in 2014. These include:

- **KyLinTV on mobile:** First introduced on our MiBox Internet TV service in 2013, the KyLinTV service, with 46 live TV channels including CCTV4 Asia and Dragon TV HD,

THE POSTPAID MOBILE SEGMENT REMAINS THE KEY CONTRIBUTOR TO OUR REVENUE. THIS SEGMENT MADE UP 62.0% OF OUR TOTAL MOBILE CUSTOMER BASE AS AT END-2014 AND CONTRIBUTED 88.1% OF OUR 2014 MOBILE TELECOMMUNICATIONS REVENUE.

was extended to mobile devices, including iPads and Android tablets in February 2014. The service is specially designed to meet the needs of multi-generation Chinese families, kids learning Chinese and English-speaking professionals keen to learn more about China;

- **Static IP service:** M1's static IP service, made available in March 2014, allows customers to access devices such as home surveillance cameras and Network-Attached-Storage devices remotely;
- **GrabTaxi:** M1 rolled out Singapore's first carrier billing service for taxi drivers in April 2014. The service allows busy drivers to pay for their GrabTaxi fees through their M1 bill instead of having to make a trip to GrabTaxi's office, saving them time and money;
- **Android and Windows Phone carrier billing:** Our collaboration with Google and Microsoft allows customers to conveniently pay for Android and Windows Phone apps, games and content through their M1 bill;
- **10Gbps corporate fibre:** The fastest broadband service on Singapore's NGNBN, designed to meet the needs of businesses with high-bandwidth demands such as data centres, financial institutions, carriers or cloud service providers, was launched in May 2014. Competitively-priced 1Gbps and 500Mbps services were also made available to corporate customers;



OPERATING AND FINANCIAL REVIEW

- **Charming China:** M1's MiBox Internet TV service was enhanced with the availability of Charming China's hundreds of hours of Chinese language programming in May 2014. The service includes seven new premium channels offering popular programmes such as Amazing Chinese (出彩中国人), Sing My Song (中国好歌曲), Mop Lady's Spring (抹布女也有春天), Star Restaurant (遥控星料理) and Voice (开讲啦), and an additional four channels specially developed for M1 viewers focusing on entertainment, health and food, and children's edutainment content;
- **Next-generation managed security:** In May 2014, M1's partnership with Radware delivered advanced threat protection from distributed denial-of-service (DDoS) attacks for the corporate segment. To help corporate customers further optimise their manpower resources, this service includes monitoring by e-Cop's 24x7 Security Operations Centre manned with cyber-security experts;
- **AG Box:** M1's AG (Aggregation Gateway) Box, developed in collaboration with IDA to enable government agencies to deploy smart devices and services at non-building sites swiftly and affordably, was showcased at the CommunicAsia trade show in June 2014;
- **ConnectSurf plan:** M1 enhanced its support for the Persons with Disabilities community through the ConnectSurf plan, Singapore's best-value plan for the segment. The affordably priced S\$25.68 ConnectSurf plan offers Persons with Disabilities 500 minutes of outgoing calls, 10,000 SMS/MMS messages and a 6GB data bundle;
- **Toggle Prime:** Our partnership with MediaCorp allows customers to conveniently pay for access to Toggle Prime's 20 channels and more than 20,000 on-demand video titles through their M1 bill. Toggle Prime programmes include exclusive Toggle Originals, as well as popular international channels such as Comedy Central Asia,

Bloomberg Television, Nick Jr., KBS World and Aniplus HD;

- **Enhanced 1Gbps service:** A competitively-priced, refreshed 1Gbps fibre offering, with features such as no peer-to-peer throttling, was made available in September 2014 to deliver even better value to residential customers with heavy bandwidth requirements;
- **Next-generation data centre:** M1's state-of-the-art data centre was launched in October 2014. The purpose-built five-storey facility supports more than 900 high-power density racks, triple M1's previous capacity, and is equipped with redundant power and cooling systems, as well as advanced fire suppression and access control measures to give customers added peace of mind;
- **Enhanced cloud application services:** M1 partnered Hitachi Data Systems to deliver a suite of reliable and secured cloud-based infrastructure-, computing-, storage- and productivity-as-a-service offerings, to customers. In addition, cloud-based applications including unified communications, managed wired and wireless network security, and digital signage applications were made available through tie-ups with Alcatel-Lucent, Aruba, E-Cop, Ransnet and Samsung;
- **LTE-Advanced technology:** Singapore's first nationwide next-generation 4G network was launched by M1 in December 2014, delivering download speeds of up to 300Mbps. The service is available at no additional charge to all existing and new mobile customers with devices that support LTE-A technology;
- **Easy e-commerce:** M1's partnership with Rakuten Singapore, announced in December 2014, empowers M1 corporate customers with the tools and knowledge to tap on Singapore's growing e-commerce market.

Sales and Distribution

Our 14 M1 Shop outlets islandwide provide customers with convenient access to our products and services. We also work with a number of exclusive distributors, hold regular roadshows at high-traffic locations such as shopping malls and migrant worker dormitories, and participate in major consumer technology events, to further augment our reach and accessibility.

In 2013, we started revamping our M1 Shop outlets to deliver a refreshed, more personable shopping experience to customers. As at end-2014, all our M1 Shop outlets had been renovated to the new concept. The re-designed store layout and the adoption of counter-less concept streamlined multiple service touch points into a single one, thus allowing customers to enjoy a seamless retail experience served by just one employee. The new layout also allows customers to move around the shop freely to experience the various products showcases.

Our online channels were also revamped to introduce Singapore's first telco handset pre-order and collection service, allowing customers to select their preferred model, make payment and choose a pickup location, through the M1 website. This further reduced waiting times for customers and allowed us to serve more customers, especially during popular handset launch periods. Customers also have the option of having their handsets delivered to their preferred address, through the pre-order website.

Brand

To commemorate our 17th anniversary, M1 customers were treated to free calls and SMS/MMS messages on Sundays in April 2014. The M1 Sunshine Sundays print campaign ran from 6 to 27 April 2014 and received a Silver award at the SPH Ink Awards 2014.

In May 2014, a new campaign to reinforce our brand platform, "M1. For Every One." was launched with a 45-second TV commercial. The campaign focused on the most important part of our business, the customer, and M1's impact in their lives, through heart-warming advertisements featuring interesting personalities connecting to the people that matter most to them, in their own unique way.

The campaign was further extended into the digital space through three web episodes featuring the characters introduced in the TV commercials. To make the films an even more rewarding experience for customers, viewers were invited to engage with the campaign online through our "Make The Connection and Win" contest, featuring exciting prizes including an Audi A5 Sportback TFSI, Samsung home theatre packages and smartphones.



OPERATING AND FINANCIAL REVIEW

OVER THE YEARS, M1'S NETWORK INVESTMENT PROGRAMME HAS CONSISTENTLY ENABLED OUR CUSTOMERS TO BE AT THE FOREFRONT OF THE LATEST TECHNOLOGY DEVELOPMENTS AND ENJOY NEXT-GENERATION PRODUCTS AND SERVICES, OFTEN AHEAD OF COMPETITION.

Customer Experience

We remained focused on delivering customer service excellence across all touch points in 2014.

Customers are increasingly turning to online self-service channels to manage their accounts, resolve queries or sign up services, from simple tasks such as checking data usage or bill balance, to re-contracting their fibre broadband service. In this aspect, we redesigned and transformed our web portal and My M1 mobile app in 2014 to deliver an enhanced experience, including a dedicated mobile portal for smartphones and tablets, as well as improved functionalities such as the ability to pre-order new handsets. Our customers have responded positively through increased usage across these channels.

M1's service standards continued to be highly regarded. We saw improved performance at the annual EXSA (Excellent Service) Awards in 2014, where M1 employees achieved one Star, 16 Gold, and 58 Silver awards, compared to one Star, eight Gold and 32 Silver awards in the year before. The EXSA Awards, managed by the Association of Singapore Attractions and the Singapore Retailers Association, seeks to recognise outstanding service nationally. During the year, our retail outlet at Changi Airport Terminal 3 was also honoured with the Changi Airport Group's Outstanding Outlet Award for the third time in three years.

Network

Over the years, M1's network investment programme has consistently enabled our customers to be at the forefront of the latest technology developments and enjoy next-generation products and services, often ahead of competition. Since inception, we have invested more than S\$1.6 billion in expanding and upgrading our mobile network infrastructure and key network initiatives in 2014 include:

- **Doubling 4G download speeds:** Our 4G network was upgraded to double download speeds to up to 150Mbps in February 2014;
- **900MHz nationwide 3G radio network:** The rollout of this additional 3G radio network was completed in 2014, further improving call connectivity and network performance;
- **Expanded fibre network:** Construction on new fibre rings at Shenton Way and Biopolis commenced in 2014, and is expected to be completed in 2015. This will enable M1 to better serve corporate customers in both areas;
- **Small cell technology:** Following the successful trials of 4G small cell technology in 2013, we deployed this technology at the Singapore Grand Prix in September 2014 and the Marina Bay area during the New Year countdown celebrations to meet the increased demand for mobile data and provide a better customer experience;
- **VoLTE:** Testing for VoLTE (Voice over Long Term Evolution), to enable customers to make voice-over-Internet Protocol calls on our 4G network, commenced in 2014. This service is expected to be available in the first half of 2015;
- **LTE-Advanced technology:** M1 launched Singapore's first nationwide LTE-Advanced network in December 2014, delivering download speeds of up to 300 Mbps.

Financial Review

Operating revenue

	Year Ended 31 December		
	2014	2013	YoY
	S\$'m	S\$'m	Change
Operating revenue			
Mobile telecommunications	671.1	644.2	4.2%
International call services	89.4	114.0	-21.6%
Fixed services	70.6	61.6	14.6%
Total service revenue	831.1	819.8	1.4%
Handset sales	245.3	188.1	30.4%
Total	1,076.3	1,007.9	6.8%

For 2014, operating revenue increased 6.8% to S\$1,076.3 million mainly due to higher handset sales. Service revenue increased 1.4% to S\$831.1 million, driven by growth in postpaid mobile and fixed customers.

Mobile telecommunications revenue

	Year Ended 31 December		
	2014	2013	YoY
	S\$'m	S\$'m	Change
Mobile telecommunications revenue			
Postpaid	591.0	558.4	5.8%
Prepaid	80.1	85.8	-6.7%
Total	671.1	644.2	4.2%

Average revenue per user (ARPU, S\$ per month)

Postpaid	S\$62.4	S\$61.8	1.0%
Postpaid (adjusted) ¹	S\$55.6	S\$53.4	4.1%
Data plan	S\$18.9	S\$20.8	-9.1%
Prepaid	S\$14.5	S\$14.8	-2.0%
Non-voice services as a % of service revenue	47.3%	41.6%	

¹ After adjustment for ARPU allocated to handset sales

Mobile telecommunications revenue increased 4.2% to S\$671.1 million due to higher postpaid revenue. Segmentally, postpaid revenue was 5.8% higher at S\$591.0 million driven by increased data usage. Prepaid revenue at S\$80.1 million was 6.7% lower year-on-year.

Mobile data revenue continued to grow with average smartphone data usage increasing to 3.0GB per month in the fourth quarter of 2014 from 2.5GB per month a year ago. Accordingly, non-voice contribution increased by 5.7 percentage points to 47.3%. Data plan ARPU decreased 9.1% to S\$18.9 due to the bundling with fixed services.

OPERATING AND FINANCIAL REVIEW

International call services revenue

	Year Ended 31 December		
	2014	2013	YoY
	S\$'m	S\$'m	Change
International call services revenue			
Retail revenue	75.2	93.8	-19.8%
Wholesale and bilateral revenue	14.2	20.2	-30.0%
Total	89.4	114.0	-21.6%
Total international retail minutes (in millions)	1,131	1,303	-13.2%

International call services revenue decreased 21.6% to S\$89.4 million mainly due to lower traffic. International retail minutes decreased 13.2% to 1,131 million minutes as a result of lower international calls in the prepaid segment.

Handset sales

Handset sales increased 30.4% to S\$245.3 million due to higher sales volume and selling price.

Operating expenses

	Year Ended 31 December		
	2014	2013	YoY
	S\$'m	S\$'m	Change
Cost of sales	453.0	424.1	6.8%
Staff costs	113.5	108.7	4.5%
Advertising and promotion expenses	24.4	24.7	-1.3%
Depreciation and amortisation	114.4	115.1	-0.6%
Allowance for doubtful debts	11.4	12.7	-10.6%
Facilities expenses	80.7	78.0	3.5%
Leased circuit costs	30.0	25.0	19.8%
Other general and administrative expenses	29.7	24.1	23.6%
Total	857.1	812.4	5.5%

Operating expenses increased 5.5% to S\$857.1 million mainly due to higher cost of sales.

Cost of sales

	Year Ended 31 December		
	2014	2013	YoY
	S\$'m	S\$'m	Change
Handset costs	330.3	284.4	16.1%
Traffic expenses	52.3	69.7	-24.9%
Wholesale costs of fixed services	32.6	30.9	5.7%
Other costs	37.8	39.2	-3.5%
Total	453.0	424.1	6.8%

Cost of sales increased 6.8% to S\$453.0 million mainly due to higher handset costs. Higher sales volume drove handset costs 16.1% higher to S\$330.3 million. Wholesale costs of fixed services increased 5.7% to S\$32.6 million due to an enlarged customer base.

Staff costs

Staff costs increased 4.5% to S\$113.5 million due to annual increment.

Advertising and promotion expenses

Advertising and promotion expenses decreased 1.3% to S\$24.4 million due to lower level of marketing activities.

Depreciation and amortisation

Depreciation and amortisation expenses decreased 0.6% to S\$114.4 million.

Allowance for doubtful debts

Doubtful debt allowance decreased 10.6% to S\$11.4 million due to improved collection.

Facilities expenses

Facilities expenses increased 3.5% to S\$80.7 million, driven by higher base station expenses.

Leased circuit costs

Leased circuit costs increased 19.8% to S\$30.0 million, as 2013 benefited from adjustment due to overprovision.

Other general and administrative expenses

Other general and administrative expenses increased 23.6% to S\$29.7 million in respect of higher backend connectivity for fibre services due to growth in customer base and one-off expenses.

OPERATING AND FINANCIAL REVIEW

Finance costs

Finance costs decreased 9.2% to S\$4.0 million due to lower interest rate.

Taxation

Provision for taxation increased 26.7% to S\$41.3 million as 2013 benefited from overprovision in respect of prior period.

Net profit after tax

	Year Ended 31 December		
	2014 S\$m	2013 S\$m	YoY Change
Net profit after tax	175.8	160.2	9.7%
Net profit after tax margin (on service revenue)	21.2%	19.5%	

Net profit after tax grew 9.7% to S\$175.8 million and net profit after tax margin improved to 21.2% of service revenue.

EBITDA

	Year Ended 31 December		
	2014 S\$m	2013 S\$m	YoY Change
EBITDA	335.5	312.3	7.4%
EBITDA margin (on service revenue)	40.4%	38.1%	

EBITDA increased 7.4% to S\$335.5 million driven by higher service revenue.

EBITDA margin, as a percentage of service revenue, was higher at 40.4%.

Capital expenditure and commitments

Capital expenditure incurred for 2014 was higher at S\$139.6 million due to network capacity expansion and coverage enhancement, as well as building extension.

Capital commitment as at 31 December 2014 was S\$94.7 million which included S\$64.0 million commitment for the 4G spectrum rights.

Liquidity and capital resources

	Year Ended 31 December		
	2014 S\$m	2013 S\$m	YoY Change
Profit before tax	217.1	192.8	12.6%
Non-cash item and net interest expense adjustments	86.6	85.7	1.1%
Net change in working capital	(30.8)	23.5	-231.1%
Net cash provided by operating activities	272.9	302.0	-9.6%
Net cash used in investing activities	(178.4)	(122.4)	45.8%
Net cash used in financing activities	(126.1)	(136.8)	-7.8%
Net change in cash and cash equivalents	(31.7)	42.8	-173.9%
Cash and cash equivalents at beginning of financial period	54.5	11.6	@
Cash and cash equivalents at end of financial period	22.8	54.5	-58.2%
Free Cash flow ¹	93.2	176.0	-47.0%

@ Denotes more than +/-300%

¹ Free cash flow refers to net cash provided by operating activities less current year capital expenditure and payment for spectrum rights

Operating cash flow decreased 9.6% to S\$272.9 million. Free cash flow was 47.0% lower at S\$93.2 million following spectrum rights payment of S\$40.0 million in December 2014.

Financial leverage

As at 31 December 2014, gearing ratio was 0.7 times compared to 0.5 times as at 31 December 2013. Interest coverage ratio (EBITDA/Interest) was 83.0 times for 2014, compared to 70.1 times for 2013.

BOARD OF DIRECTORS



Choo Chiau Beng, 67
Chairman

Mr Choo Chiau Beng was Chief Executive Officer of Keppel Corporation from 1 January 2009 to 31 December 2013. Before that, he was CEO of Keppel FELS from 1983 to 2008 and Chairman and CEO of Keppel Offshore & Marine from 2002 to 2008. He was Executive Director of Keppel Corporation since 1983 and Senior Executive Director since 2005. Upon his retirement on 1 January 2014, Mr Choo was appointed Senior Advisor to the Board of Keppel Corporation.

Mr Choo sits on the Board of several organisations, including Keppel Care Foundation Limited, KrisEnergy Ltd, Energy Studies Institute, National University of Singapore (NUS) and National Research Foundation, Prime Minister's Office. He is also Chairman of Centre for Maritime Studies, NUS and the Board of Governors of Raffles Institution, as well as Singapore's Non-Resident Ambassador to Brazil.

Mr Choo was conferred the Public Service Star Award (BBM) in August 2004, NTUC Medal of Commendation (Gold) Award in May 2007, The Meritorious Service Medal in 2008 and Doctor of Civil Law by the University of Newcastle upon Tyne in 2009.

Mr Choo was awarded the Colombo Plan Scholarship to study Naval Architecture in the University of Newcastle upon Tyne. He graduated with a Bachelor of Science (First Class Honours) in 1970 and a Master of Science degree in Naval Architecture in 1971. He attended the Programme for Management Development in Harvard Business School in 1982 and is a Member of Wharton Society of Fellows, University of Pennsylvania.



Karen Kooi Lee Wah, 60
Chief Executive Officer

Ms Kooi was appointed as Chief Executive Officer and Executive Director of M1 on 22 April 2009. Ms Kooi was also the Acting Chief Executive Officer of M1 from 1 February 2009 to 22 April 2009.

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 in large public listed companies, including Singapore Press Holdings Limited and City Developments Limited. She has over 30 years of experience in general and financial management.

Ms Kooi is a Fellow of the Association of Chartered Certified Accountants (UK) and holds a Master of Business Administration degree in Investment and Finance (Distinction) from the University of Hull in the UK.



Roger Barlow, 65

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 Hong Kong-based telecommunications consultancy company operating in Asia and with a focus on Southeast Asia. Mr Barlow is also an independent director of Planet, a wireless broadband service provider in Laos.

Mr Barlow was formerly the 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 had also been 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.



Chow Kok Kee, 63

Mr Chow was appointed to M1's Board of Directors on 16 February 2009. He is Managing Director of ACTA Investment & Services Pte Ltd, which provides business and financial-related services to companies.

Mr Chow has more than 15 years of extensive experience in the financial services industry. He worked in the government Administrative Service for six years from 1976, holding management positions in the Ministries of Defence and Education before joining DBS Bank in 1982. He was Senior Vice President of International and Correspondent Banking at DBS Bank.

A Colombo Plan Scholar, he holds a First Class Honours Bachelor of Engineering degree and a Bachelor of Commerce degree from the University of Newcastle, Australia, and a Master of Business Administration from the National University of Singapore. Mr Chow is a Fellow of the Singapore Institute of Directors, member of the Institute of Engineers, Australia and an associate of the Institute of Chartered Secretaries and Administrators, UK.

BOARD OF DIRECTORS



Jamaludin Ibrahim, 55

Dato' Sri Jamaludin Ibrahim was appointed to M1's Board of Directors on 21 August 2008. He is President and Group Chief Executive Officer of Axiata Group Berhad, which he joined in March 2008. He is also a board member of Axiata Group Berhad, the Chairman of Celcom Axiata Berhad (Malaysia's premier mobile telecommunications company), and sits on the boards of PT XL Axiata Tbk (Indonesia) and Dialog Axiata PLC (Sri Lanka). He is also the Deputy Chairman of the GSM Association.

He has about 33 years of experience in the ICT and telecommunications industry, holding management positions at IBM and Digital Equipment Malaysia. In 1997, Dato' Sri Jamaludin Ibrahim joined Maxis Communications Berhad, and was appointed Chief Executive Officer in 1998. In 2006, he was re-designated Group Chief Executive Officer. He joined Axiata, then called TM International Berhad, a month before the demerger with Telekom Malaysia Berhad, in 2008.

Dato' Sri Jamaludin Ibrahim graduated from California State University in 1978 with a Bachelor of Science in Business Administration and minor in Mathematics. He obtained his Master of Business Administration from Portland State University, Oregon in 1980.



Kannan Ramesh, 49

Mr Ramesh was appointed to M1's Board of Directors on 11 February 2011. He is the Managing Partner of a law firm, Tan Kok Quan Partnership, where he heads the Litigation and Dispute Resolution, and Insolvency and Restructuring practice groups. Mr Ramesh is a Director of Singapore Aerospace Manufacturing Pte Ltd, which is a member company of the Singapore Technologies Group.

Mr Ramesh obtained his LLB (Honours) from the National University of Singapore and was called to the bar in 1991. He was appointed Senior Counsel on 6 January 2012 by the Senior Counsel Selection Committee of the Singapore Academy of Law. He is also a Fellow of the Insolvency Practitioners Association of Singapore. Mr Ramesh is a member of the International Insolvency Institute (which is based in New York) and INSOL International.



Low Huan Ping, 58

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.

He is currently serving on the Board of iFast Corporation Pte Ltd, Shareinvestor.com Holdings Ltd, MediaCorp Press Ltd and MediaCorp TV Holdings Pte Ltd.

Mr Low holds a Bachelor of Arts (Honours) and Master of Arts from Cambridge University, where he read Engineering and a Master of Science from the National University of Singapore. He also graduated from Harvard Business School's Advanced Management Program.



Alan Ow Soon Sian, 68

Mr Ow was appointed to M1's Board of Directors on 16 February 2009.

Mr Ow has extensive years of experience in the tax industry. He was the Senior Deputy Commissioner of IRAS and Chief Executive Officer of the Tax Academy of Singapore until 30 November 2007.

He holds a Bachelor of Social Sciences degree (Honours) from the University of Singapore. He also attended the International Tax Program in Harvard Law School and the Advanced Management Program in Harvard Business School.

Mr Ow is the recipient of several Public Administration Medals (Bronze-1981, Silver-1985 and Gold-1997).

SENIOR MANAGEMENT



Karen Kooi Lee Wah
Chief Executive Officer

Please see Ms Kooi's profile on page 28.



Patrick Michael Scodeller
Chief Operating Officer and
Chief Technical Officer

Mr Scodeller joined M1 in August 1995. In January 2013, he was appointed as Chief Operating Officer responsible for the day-to-day activities of the main operational support functions, departments and infrastructure within M1, namely Engineering, Information Systems and Customer Service. He was a key member of the senior management team that planned, built and launched M1's networks from inception.

He has more than 35 years of experience in the telecommunications industry, including various positions held with Telkom in South Africa, Cable and Wireless plc in the United Kingdom, Hong Kong (with Hong Kong Telecom CSL Limited) and in Malaysia.

Mr Scodeller is an Incorporated Engineer and a Member of the Institution of Engineering and Technology. He is a member of the Board of Wireless Intellect Labs Pte Ltd, and currently the Chairman and a member of the Board of Singapore Internet Exchange Limited.



Lee Kok Chew
Chief Commercial Officer

Mr Lee joined M1 in August 2007 as Director, Business Development and Strategic Planning. He assumed responsibility as Head of Finance in April 2009 and was Chief Financial Officer from May 2010 to February 2014.

In January 2013, he was appointed as Chief Commercial Officer to provide added focus on corporate strategy and commercial initiatives to drive business growth.

He was previously with Singapore Press Holdings Limited 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.



Raymond Yeo
Chief Financial Officer

Mr Yeo joined M1 in September 2013 as Director, Finance and was appointed Chief Financial Officer in March 2014. He has more than 23 years of work experience in auditing, as well as local and regional financial management.

Mr Yeo began his career with PricewaterhouseCoopers LLP and has since held various senior financial positions in public listed companies and multinational corporations in infocomms and technology sectors where he was involved in several initial public offering and due diligence exercises. Prior to joining M1, Mr Yeo's last appointment was Vice President, Finance and Administration, Asia Pacific of TomTom Asia Pacific Pte Ltd.

Mr Yeo holds a Bachelor of Accountancy degree from the National University of Singapore and is a member of the Institute of Singapore Chartered Accountants.



Poopalasingam Subramaniam
Chief Marketing Officer

Mr Subramaniam joined M1 in October 1999 and heads the Consumer and Marketing Communications functions. He also oversees the Company's distribution network, comprising both M1 Shop outlets and exclusive distributors.

With more than 30 years of local and regional sales and marketing experience in telecommunications, media and fast moving consumer goods, Mr Subramaniam began his career at the Telecommunications Authority of Singapore and worked at New Zealand Milk Products (S) Pte Ltd and Singapore Press Holdings Limited 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 the University of London.



Alan Goh
Chief Information Officer

Mr Goh joined M1 in March 2011. He leads the Information Systems department and is responsible for the overall information technology strategy, planning, implementation and operations of M1's technology infrastructure and application systems. These systems support business activities across sales, customer care, billing, payments, and call centre functions.

Prior to M1, he spent 14 years in the consulting business, with most of that time focusing in the communications and media industries.

Mr Goh holds a Bachelor of Science degree in Computer Science from the National University of Singapore.

SENIOR MANAGEMENT



Willis Sim
Director, Product Development
and Corporate Solutions

Mr Sim joined M1 in October 2009 and is in charge of Product Development and Corporate Solutions.

Prior to joining M1, he was one of the Managing Directors and owners of QALA Singapore Pte Ltd and the QMax group of companies. While leading the group operations at QALA and QMax, he was responsible for the first commercial WiMAX service in Singapore as well as the islandwide deployment of Wi-Fi coverage in Singapore under the Wireless@SG initiative by IDA.

With over 14 years of industry and operational experience in data and telecommunication products and services, Mr Sim has played major roles in various national telecommunication projects initiated by government agencies such as the Maritime Port Authority of Singapore, Ministry of Education and IDA.

Mr Sim holds a Bachelor of Science degree in Computer and Information Sciences (Honours) from the National University of Singapore.



Lim Sock Leng
Director, Regulatory and Enterprise
Risk Management

Ms Lim joined M1 in October 1995. She is in charge of the Regulatory and Enterprise Risk Management departments.

Prior to joining M1, Ms Lim 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 obtained a Bachelor of Arts (Honours) degree in Economics from the University of Tasmania, Australia, on a Colombo Plan Scholarship.



Anil Sachdev
Director, Legal Services

Mr Sachdev joined M1 in July 2007 as Head of Legal Services.

Prior to joining M1, Mr Sachdev was Vice President and Head, Legal at American Eagle Tankers Limited (AET), a global tanker shipping company with a significant presence in Asia, US and Europe. Mr Sachdev enjoyed a legal career in private practice in top law firms including Drew & Napier LLC and Rajah & Tann Singapore LLP, as well as in-house practice in Neptune Orient Lines Limited and AET. He has a background in both litigation and corporate transactions.

Mr Sachdev graduated from the National University of Singapore (NUS) in 1991 with an LLB (Honours). He was called to the Singapore Bar in 1992 and to the Bar of England and Wales in 2004. He recently successfully completed the Graduate Certificate in International Arbitration examinations conducted by the Faculty of Law, NUS, and received the Singapore International Arbitration Centre Prize for the best paper in Arbitration Law & Practice.



Stamford Low
Director, Customer Service

Mr Low joined M1 in January 2015 and heads the Customer Service department.

In his previous role at Carlson Wagonlit Travel, Mr Low led the Asia Pacific operations in customer experience management, contact channel management, productivity and efficient strategic initiatives, as well as business continuity and crisis management. Prior to this, Mr Low led the International SOS global service delivery for Concierge and Lifestyle services, focusing on service delivery structure, training and systems.

Before joining International SOS Pte Ltd, Mr Low has also managed two award-winning call centres at DHL Express (Singapore) Pte Ltd and MobileOne Ltd. He is a certified COPC-2000(r) Coordinator as well as a COPC Six-Sigma Coordinator, and has represented Asia on the COPC Standards Committee.

Mr Low holds a Bachelor of Science degree from the National University of Singapore.



Denis Seek
Director, Engineering

Mr Seek joined M1 in November 2014 as Director, Engineering. He has over 22 years of work experience in the telecommunications industry.

Prior to joining M1, Mr Seek was with Maxis Berhad and was based in Malaysia for more than eight years. His last held position there was Head of Technology, Strategy and Network Planning.

Mr Seek started his career with Singapore Telecommunications Limited where he was involved in the planning and implementation of the initial mobile network in the Philippines. Thereafter, he was with M1 as Head of Radio Planning and Technology Development for more than ten years before joining Maxis Berhad.

Mr Seek holds a Bachelor degree in Electrical Engineering (First Class Honours) from the National University of Singapore, a "Diplôme d'ingénieur" (equivalent to a Master's degree in Telecommunications) from the "Institut National des Telecommunications", France and a Master of Business Administration with distinction from Warwick University in the UK.



Koh Ann Huat
Director, Procurement and
Facilities

Mr Koh joined M1 in August 1997 and has held various positions in Finance, Sales and Marketing, Information Systems and Engineering. In Mr Koh's most recent appointment as the Director of Procurement, he leads and is responsible for a diverse portfolio, including the centralised Procurement function, SIM and Number Management, as well as Facilities Management.

Prior to joining M1, Mr Koh was with the Defence Science and Technology Agency responsible for the planning, implementation and management of projects. Mr Koh was also formerly the Vice President of Procurement with Prudential Assurance Company Singapore (Pte) Ltd where he was instrumental in centralising the Procurement function and driving organisational change to ensure alignment and acceptance of the new function.

Mr Koh holds a Bachelor of Engineering (Honours) degree from the Nanyang Technological University.

SENIOR MANAGEMENT



Teo Wee Seng
Director, Human Resource

Mr Teo joined M1 in May 2014 and is in charge of the Human Resource department. He has more than 25 years of work experience in human resource, consulting, training and organisation development.

Mr Teo has held various positions in financial institutions, consulting firms, and public sector organisations such as the National Library Board and Public Service Division (Prime Minister's Office). Prior to joining M1, he was the Vice President, Human Resource of Jurong Port Pte Limited.

Mr Teo holds a Bachelor of Social Science (Honours) degree in Economics from the National University of Singapore.



Ivan Lim
Director, Corporate Communications and Investor Relations

Mr Lim joined M1 in September 2002 and has held positions in the Finance and Business Development departments before taking on his current appointment as Head of Corporate Communications and Investor Relations in January 2011.

Prior to joining M1, he was an Investment Analyst for over four years with various companies, including Indosuez Wl Carr Securities Limited and OCBC Securities Private Limited.

Mr Lim holds a Bachelor of Science degree in Economics from the National University of Singapore and is a Chartered Financial Analyst.



Kwan Wai Ling
General Manager, Management Assurance Services

Ms Kwan joined M1 as Head of Management Assurance Services in June 2014. She has more than 20 years of work experience spanning financial and government sectors in areas such as technology, financial and operational assurances.

Holding various international and local roles with Standard Chartered Bank (Singapore) Limited and the former National Computer Board, Ms Kwan's contributions also extended to methodology development and special reviews of global projects and key initiatives of these organisations.

Ms Kwan has a Masters of Accountancy from Charles Sturt University in Australia and a Bachelor of Science (Computer and Information Sciences) degree from the National University of Singapore. She is also a Certified Public Accountant (Australia).

PARTICULARS OF DIRECTORS

As at 31 December 2014

Name of Director/Age	Academic & Professional Qualifications	Date First Appointed	Length of Service	Directorships or Chairmanships in other listed companies & other major appointments, both present and held over the preceding three years	
				Title	Company
Choo Chiau Beng 67 yrs	Bachelor of Science 1st class Hons, University of Newcastle upon Tyne, UK	12.01.2015	N.A.	<i>Present Appointments</i> <i>Listed Companies</i>	
				Director	KrisEnergy Ltd
	<i>Principal or Other Directorships</i>				
	Director			Keppel Care Foundation Limited	
	<i>Major Appointments (other than Directorships)</i>				
	Nil				
	<i>Past Directorships</i>				
	Director			k1 Ventures Limited	
	Chairman			Keppel Land China Limited	
	Director			Asian Lift Pte Ltd	
	Director			Keppel Capital Pte Ltd	
	Director			Keppel Capital Holdings Pte Ltd	
	Director			Keppel Capital One Pte Ltd	
	Director / CEO			Keppel Corporation Limited	
	Director / Chairman			Keppel Energy Pte Ltd	
	Director / Chairman			Keppel FELS Limited	
	Director / Chairman			Keppel Infrastructure Holdings Pte. Ltd.	
	Director / Chairman			Keppel Land Limited	
	Director / Chairman			Keppel Offshore & Marine Ltd	
Director	Keppel Offshore & Marine Technology Centre Pte Ltd				
Director / Chairman	Keppel Shipyard Limited				
Director	Tianjin Eco-city Keppel New Energy Development Co., Ltd				
Karen Kooi Lee Wah 60 yrs	Fellow, Association of Chartered Certified Accountants (UK)	22.04.2009	5 years 8 months	<i>Present Appointments</i> <i>Listed Companies</i>	
				Nil	
	<i>Principal or Other Directorships</i>				
	Director			M1 Net Ltd.	
	Director			M1 Connect Pte. Ltd.	
	Director			M1 Shop Pte Ltd	
	Director			Wireless Intellect Labs Pte Ltd	
	Director			Kliq Pte. Ltd.	
	<i>Major Appointments (other than Directorships)</i>				
	Nil				
	<i>Past Directorships</i>				
	Nil				

PARTICULARS OF DIRECTORS

As at 31 December 2014

Name of Director/Age	Academic & Professional Qualifications	Date First Appointed	Length of Service	Directorships or Chairmanships in other listed companies & other major appointments, both present and held over the preceding three years	
				Title	Company
Roger Barlow 65 yrs	Bachelor of Science (Economics), University of London	22.05.2002	12 years 7 months	<u>Present Appointments</u>	
				<u>Listed Companies</u>	
	Master of Arts, University of Essex			Nil	
				<u>Principal or Other Directorships</u>	
				Director	M1 Net Ltd.
				Director	M1 Shop Pte Ltd
				Director / Chairman	RJB Consultants Limited - Hong Kong
				Director	RJB Consultants Limited - British Virgin Islands
				Director	Planet Pty Limited
				Director	Planet Computers Company Limited
				Director	Alliance Base International Limited
				<u>Major Appointments (other than Directorships)</u>	
				Nil	
				<u>Past Directorships</u>	
				Director	Badabu Media Hong Kong Limited
				Director	Viettel Hong Kong Limited
Chow Kok Kee 63 yrs	Bachelor of Engineering 1st class Hons, University of Newcastle, Australia	16.02.2009	5 years 10 months	<u>Present Appointments</u>	
				<u>Listed Companies</u>	
				Director	Chosen Holdings Ltd
	Bachelor of Commerce University of Newcastle, Australia			Director	Tuan Sing Holdings Ltd
				Director	Valuetronics Holdings Ltd
				<u>Principal or Other Directorships</u>	
	Master of Business Administration National University of Singapore			Director	ACTA Investment & Services Pte Ltd
				Director	Transwater Services Pte Ltd
	Fellow of the Singapore Institute of Directors			<u>Major Appointments (other than Directorships)</u>	
				Nil	
	Member of Institute of Engineers, Australia			<u>Past Directorships</u>	
				Director	Innovalues Ltd
	Associate of Institute of Chartered Secretaries and Administrators, UK			Director	Meiban Group Ltd
				Director	Thai Village Holdings Ltd

Name of Director/Age	Academic & Professional Qualifications	Date First Appointed	Length of Service	Directorships or Chairmanships in other listed companies & other major appointments, both present and held over the preceding three years	
				Title	Company
Jamaludin Ibrahim 55 yrs	Master of Business Administration (Specialising in Quantitative Methods) from Portland State University, Oregon, USA	21.08.2008	6 years 4 months	<u>Present Appointments</u>	
				<u>Listed Companies</u>	
				Director/GCEO	Axiata Group Berhad
	Bachelor of Science in Business Administration and a minor in Mathematics from California State University, USA			Director	Dialog Axiata PLC
				Director	PT XL Axiata Tbk
				<u>Principal or Other Directorships</u>	
				Director / Chairman	Celcom Axiata Berhad
				Director	Axiata SPV2 Berhad
				Director	Malaysian Global Innovation & Creativity Centre Berhad
				Director	Axiata Foundation
				Director	edotco Group Sdn Bhd (formerly known as Axiata SPV3 Sdn Bhd)
				Director	edotco Malaysia Sdn Bhd (formerly known as Celcom Services Sdn Bhd)
				Director	Escape Axiata Sdn Bhd
				Director	Axiata Digital Services Sdn Bhd
				<u>Major Appointments (other than Directorships)</u>	
				Nil	
				<u>Past Directorships</u>	
				Director	Axiata Investments (Indonesia) Sdn Bhd
				Director	Axiata Investments (Singapore) Limited
				Director	Universiti Tun Abdul Razak Sdn Bhd
				Director	Multimedia Development Corporation Malaysia
				Member	National Visual Arts Gallery of Malaysia
				Member	Academy of Science Malaysia (ASM) Science Education Committee
Kannan Ramesh 49 yrs	Bachelor of Law (Hons), National University of Singapore	11.02.2011	3 years 10 months	<u>Present Appointments</u>	
				<u>Listed Companies</u>	
				Nil	
	Director & Executive Committee Member			<u>Principal or Other Directorships</u>	
				Director & Executive Committee Member	Singapore Aerospace Manufacturing Pte Ltd
				<u>Major Appointments (other than Directorships)</u>	
	Managing Partner			Managing Partner	Tan Kok Quan Partnership
				<u>Past Directorships</u>	
				Nil	

PARTICULARS OF DIRECTORS

As at 31 December 2014

Name of Director/Age	Academic & Professional Qualifications	Date First Appointed	Length of Service	Directorships or Chairmanships in other listed companies & other major appointments, both present and held over the preceding three years	
				Title	Company
Low Huan Ping 58 yrs	Bachelor of Arts (Hons), Master of Arts, Cambridge University	01.09.1994	20 years 3 months	<u>Present Appointments</u> <u>Listed Companies</u>	
				Nil	
	Master of Science, National University of Singapore			<u>Principal or Other Directorships</u>	
				Director	SPH Multimedia Private Limited
				Director	SPH AsiaOne Ltd
				Director	Zaobao.com Ltd
				Director	iFast Corporation Limited
	Advanced Management Program, Harvard Business School			Director	MediaCorp Press Ltd
				Director	Shareinvestor.com Holdings Ltd
				Director	Shareinvestor Pte Ltd
				Director	SI.com (Thailand) Co Ltd
				Director	clickTRUE Pte Ltd
				Director	Kyosei Ventures Pte Ltd
				Director	Invest Media Pte Ltd
				Director	Magzter Inc.
				Director	SPH Media Fund Pte Ltd
				Director	Digi Ventures Private Limited
				Alternate Director	MediaCorp TV Holdings Pte Ltd
				Alternate Director	701Search Pte Ltd
				Alternate Director	CoSine Holdings
				Alternate Director	StreetSine Singapore Pte Ltd
				<u>Major Appointments (other than Directorships)</u>	
				Member of Advisory Committee (Information and Communications Technology Degree Programme)	
				<u>Past Directorships</u>	
				Nil	
Alan Ow Soon Sian 68 yrs	Bachelor, Social Sciences (Hons), University of Singapore	16.02.2009	5 years 10 months	<u>Present Appointments</u> <u>Listed Companies</u>	
				Director	Keppel Infrastructure Fund Management Pte Ltd (the Trustee-Manager of K-Green Trust)
	Special Agent in Tax Fraud Training IRS, USA			<u>Principal or Other Directorships</u>	
				Nil	
	International Tax Program, Harvard Law School			<u>Major Appointments (other than Directorships)</u>	
				Senior Tax Consultant/ Non - legal practitioner	GSM Law LLP
	Advanced Management Program, Harvard Business School			Vice President	Morning Star Community Services
				<u>Past Directorships</u>	
				Nil	

PARTICULARS OF SENIOR MANAGEMENT

As at 31 December 2014

Name of Senior Management	Directorships or Chairmanships in other listed companies & other major appointments, both present and held over the preceding three years	
	Present Directorships	Past Directorships
Patrick Michael Scodeller	Wireless Intellect Labs Pte Ltd Singapore Internet Exchange Limited	None
Lee Kok Chew	Kliq Pte. Ltd. M1 Connect Pte. Ltd. M1 Net Ltd. M1 Shop Pte Ltd Wireless Intellect Labs Pte Ltd	None
Raymond Yeo	None	TomTom Asia Pacific Pte Ltd TomTom Asia Pacific Pte Ltd (Korea Branch) TomTom India Pvt Ltd TomTom Navigation (Thailand) Co Ltd TomTom Navigation Malaysia Sdn Bhd PT TomTom Indonesia Beijing GoldenTom Information Technology Co Ltd
Poopalasingam Subramaniam	None	None
Alan Goh	None	None
Willis Sim	M1 Connect Pte. Ltd. Astiv Pte Ltd Cinenow Singapore Pte. Ltd.	QMax Communications Pte. Ltd. QMax Singapore Pte. Ltd. QMax Pte. Ltd. Valas Pte. Ltd.
Lim Sock Leng	Kliq Pte. Ltd. M1 Net Ltd. M1 Shop Pte Ltd Wireless Intellect Labs Pte Ltd	None
Anil Sachdev	None	None
Stamford Low	None	None
Denis Seek	None	None
Koh Ann Huat	None	None
Teo Wee Seng	None	None
Ivan Lim	None	None
Kwan Wai Ling	None	None

CORPORATE GOVERNANCE

M1 Limited 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 2012 (Code) 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 & 11)

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 providing entrepreneurial leadership, approving the Group's objectives and strategic directions; monitoring and reviewing the performance of the Company; approving annual budgets and investment proposals; monitoring the effectiveness of the Company's risk management framework; reviewing management performance and appointing Directors. 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 eight Directors, all of whom are non-executive except for the Chief Executive Officer (CEO), and four of whom are independent. The independent Directors make up 50% of the Board. The Board does not have any alternate Directors. 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 37 to 40 of the Annual Report.

To facilitate effective management, certain functions have been delegated to various Board Committees, namely the Nominating Committee, Remuneration Committee, Audit Committee and Risk Committee, each of which has its own written terms of reference. The Board members and Board Committee members are set out below:

Name	Status	Board	Nominating Committee	Remuneration Committee	Audit Committee	Risk Committee
Non-executive						
Choo Chiau Beng ¹	N	Chairman		Member		
Roger Barlow	I	Member	Member	Chairman		
Chow Kok Kee	I	Member	Chairman	Member	Member	
Jamaludin Ibrahim	N	Member				
Kannan Ramesh	I	Member	Member		Member	Chairman
Low Huan Ping	N	Member		Member		Member
Alan Ow Soon Sian	I	Member		Member	Chairman	Member
Executive						
Karen Kooi Lee Wah	N	Member				

N: Non-independent

I: Independent

¹ Mr Choo Chiau Beng was appointed as a Director and Board Chairman with effect from 12 January 2015 and was appointed to the Remuneration Committee with effect from 19 January 2015

1. Board of Directors (cont'd)

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

Name	Age	Position	Date of Initial Appointment	Date of Last Re-election or Re-appointment
Choo Chiau Beng	67	Chairman & Director	12.01.2015	N.A.
Karen Kooi Lee Wah	60	Executive Director	22.04.2009	05.04.2012
Roger Barlow	65	Director	22.05.2002	05.04.2013
Chow Kok Kee	63	Director	16.02.2009	05.04.2013
Jamaludin Ibrahim	55	Director	21.08.2008	07.04.2014
Kannan Ramesh	49	Director	11.02.2011	07.04.2014
Low Huan Ping	58	Director	01.09.1994	05.04.2012
Alan Ow Soon Sian	68	Director	16.02.2009	07.04.2014

To enable the Board to fulfil its responsibilities, Directors are provided with monthly management financial statements setting out actual against budget, as well as previous year's comparatives and explanations on any material variances. In addition, management provides the Board with financial and operating reports reviewing performance in the most recent quarter, and relevant background or explanatory information required to support the decision-making process on a regular and timely basis. Directors and senior management can securely access and read Board and Board Committee papers prior to and at meetings via tablet devices.

All Directors have separate and independent access to senior management, and to the Company Secretary whose appointment and removal is decided by the Board. The Company Secretary administers, attends and prepares minutes of Board and Board Committee meetings, and assists 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, the Securities and Futures Act and SGX-ST, are complied with. The Company Secretary also acts 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.

CORPORATE GOVERNANCE

1. Board of Directors (cont'd)

Regular quarterly Board meetings are scheduled yearly in advance. Additional meetings are scheduled in between to provide technical updates and to facilitate discussion or deliberations on strategic or compliance issues where necessary. The non-executive Directors meet without the presence of management from time to time. During the year, six Board meetings were held. The Company's Articles of Association provide for telephonic and videoconference meetings. The number of applicable Board meetings held in 2014, as well as the attendance of every Board member at those meetings applicable to them are as follows:

Director	Number of Applicable Board Meetings Held in 2014	Number of Applicable Board Meetings Attended
Teo Soon Hoe ¹	6	5
Karen Kooi Lee Wah	6	6
Roger Barlow	6	6
Chow Kok Kee	6	6
Jamaludin Ibrahim	6	4
Kannan Ramesh	6	5
Low Huan Ping	6	6
Alan Ow Soon Sian	6	6

¹ The late Mr Teo Soon Hoe passed away on 14 December 2014

For newly-appointed Directors, the Company will send a formal letter of appointment to explain their duties and responsibilities as Directors. All newly appointed Directors undergo a comprehensive orientation programme including management presentations on the businesses, strategic plans and objectives of the Company and its Group, and site visits to the Company's call, data and network operating centres.

2. Chairman and Chief Executive Officer

(Code of Corporate Governance Principle 3)

Mr Choo Chiau Beng is the Chairman of the Company and Ms Karen Kooi Lee Wah is the 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.

The late Mr Teo Soon Hoe, the previous Chairman of the Company, passed away on 14 December 2014. He had served the Company as a Director for over 18 years and as Chairman of the Board for the last five years. Mr Teo was instrumental in the growth and transformation of the Company from a mobile communication player to a full service provider.

3. Nominating Committee (NC)

(Code of Corporate Governance Principles 2, 4 & 5)

The NC comprises entirely independent Directors, namely Mr Chow Kok Kee as Chairman, Mr Roger Barlow and Mr Kannan Ramesh.

The NC, which has written terms of reference approved by the Board, performs the following functions taking into account the relevant principles in the Code and other salient factors:

- Ensure a strong and independent element on the Board, with independent Directors making up at least one-half of the Board;
- Determine the size of the Board which facilitates effective decision making, taking into account the scope and nature of the operations of the Company;
- 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;
- Implement and disclose a formal and transparent process for the appointment of new Directors to the Board;
- 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;
- Determine annually if a Director is independent; and review the independence of any independent Director who has served on the Board beyond nine years from the date of first appointment, and making the appropriate recommendations to the Board on such Director's independence;
- Decide if a Director is able to and has been adequately carrying out his duties as a Director of the Company, including recommending to the Board the maximum number of listed company board representations and principal commitments which any Director may hold;
- 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;
- 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;
- Reviewing and recommending to the Board appropriate training and development programmes for the Directors; and
- 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.

CORPORATE GOVERNANCE

3. Nominating Committee (NC) (cont'd)

The number of applicable NC meetings held in 2014 and the attendance of each member at those meetings are as follows:

NC Member	Number of Applicable NC Meetings Held in 2014	Number of Applicable NC Meetings Attended
Chow Kok Kee	4	4
Roger Barlow	4	4
Kannan Ramesh	4	4

The NC determines on an annual basis the independence of a Director taking guidance from the Code on the definition of an “independent” Director and existence of relevant relationships or circumstances. The NC reviewed the independence of the Directors and arrived at its conclusions regarding each Director as set out in Section 1.

The NC noted that under the Code, the independence of a Director who has served for more than nine years since date of first appointment should be subject to rigorous review, and that Mr Roger Barlow (who was first appointed to the Board on 22 May 2002) has been with the Board for over nine years. The Board concurred with the NC that Mr Barlow had retained strong independent-mindedness in Board and Board Committee functions, notwithstanding his tenure of service, and that Mr Barlow had consistently exercised independent judgement in the best interests of the Company in the discharge of his Director’s duties and should be deemed independent.

During the year, 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 the purpose of the evaluation exercise, an independent consultant was appointed 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 years and as updated by the NC. The consultant provided summarised findings, interpretation of findings and preliminary recommendations for the Board’s consideration. In addition, the Company also appointed an independent advisor to provide valuable insight to the Chairman and the Board on the results of the evaluation. The consultant and the advisor do not have any other direct connection with the Company or any of its Directors.

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

- Board composition and independence
- Board role and functioning
- Board processes
- Information management
- Monitoring company performance
- Board Committee effectiveness
- Managing risks and adversity
- CEO performance management and succession planning
- Corporate integrity and social responsibility
- Director development and management
- Overall perception of the Board

3. Nominating Committee (NC) (cont'd)

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 (including Board Committees) and self-evaluation exercises annually to identify areas of improvement and as a form of good Board management practice.

The Board accepted, as a guide, the NC’s recommendation that a Director of the Company should not have more than six listed company board representations and other principal commitments, taking into consideration the definition of “principal commitments” in the Code. After considering the competing time commitments faced by Directors who serve on multiple boards and who have other principal commitments, the Board, in concurrence with the NC, determined that in fact, all the Directors have six or less listed company board representations and other principal commitments, and that the Directors were able to and have been adequately carrying their respective duties and responsibilities as Directors of the Company.

Directors are provided with continuing education or briefings in areas such as changes in financial reporting standards and issues which have a direct impact on financial statements, corporate governance, changes in laws and regulations, risks identification, as well as industry trends and updates, so as to update the Directors on relevant matters. In addition, Directors are invited from time to time to attend professional programs for Directors conducted by the Singapore Institute of Directors, and other relevant bodies.

4. Remuneration Committee (RC)

(Code of Corporate Governance Principles 7 & 8)

The RC comprises Mr Roger Barlow as Chairman, Mr Choo Chiau Beng, Mr Low Huan Ping, Mr Chow Kok Kee and Mr Alan Ow Soon Sian, all of whom are non-executive Directors. Mr Roger Barlow, Mr Chow Kok Kee and Mr Alan Ow Soon Sian are the independent Directors on the RC.

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

CORPORATE GOVERNANCE

4. Remuneration Committee (RC) (cont'd)

The RC, which has written terms of reference approved by the Board, performs the following functions taking into account the relevant principles in the Code and other salient factors:

- (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 of the Board for endorsement of 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.

The number of applicable RC meetings held in 2014 and the attendance of each member at those meetings are as follows:

RC Member	Number of Applicable RC Meetings Held in 2014	Number of Applicable RC Meetings Attended
Roger Barlow	5	5
Chow Kok Kee	5	5
Low Huan Ping	5	5
Teo Soon Hoe ¹	5	4
Alan Ow Soon Sian	5	5

¹ The late Mr Teo Soon Hoe passed away on 14 December 2014

5. Disclosure on Remuneration

(Code of Corporate Governance Principles 8 & 9)

The Company sets remuneration packages to ensure that they are 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.

5. Disclosure on Remuneration (cont'd)

Directors' fees are subject to shareholders' 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 payable to each non-executive Director for 2014 is as follows:

Board	Chairman	S\$100,000 per annum
	Member	S\$50,000 per annum
Audit Committee	Chairman	S\$40,000 per annum
	Member	S\$25,000 per annum
Risk Committee	Chairman	S\$30,000 per annum
	Member	S\$25,000 per annum
Nominating Committee	Chairman	S\$30,000 per annum
	Member	S\$25,000 per annum
Remuneration Committee	Chairman	S\$30,000 per annum
	Member	S\$25,000 per annum

The annual remuneration of non-executive Directors payable for 2014 is as follows:

Non-Executive Director	Position Held	Director's Fee
Teo Soon Hoe¹	Board Chairman RC member Risk Committee member ²	S\$132,808
Roger Barlow	Board member RC Chairman NC member	S\$105,000
Chow Kok Kee	Board member NC Chairman AC member RC member	S\$130,000
Jamaludin Ibrahim	Board member Risk Committee member ³	S\$56,713
Kannan Ramesh	Board member Risk Committee Chairman AC member NC member	S\$130,000
Low Huan Ping	Board member RC member Risk Committee member	S\$100,000
Alan Ow Soon Sian	Board member AC Chairman RC member Risk Committee member	S\$140,000

¹ The late Mr Teo Soon Hoe passed away on 14 December 2014

² The late Mr Teo was appointed to the Risk Committee with effect from 30 May 2014. Mr Teo passed away on 14 December 2014

³ Dato' Sri Jamaludin Ibrahim resigned as a Risk Committee member with effect from 9 April 2014

CORPORATE GOVERNANCE

5. Disclosure on Remuneration (cont'd)

For each non-independent non-executive Director, fees are paid to the relevant shareholder nominating him, save that fees in respect of the late Mr Teo Soon Hoe will be payable to his estate directly, for the period from 1 June 2014 to 14 December 2014, following his retirement from the Keppel Group of Companies with effect from 1 June 2014.

Non-Executive Directors' fees for 2014 have been adjusted to market rate, taking into consideration the size of the Company and increased responsibilities of the Directors.

In setting the remuneration packages of the 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. In view of the competitive pressures in the talent market, the remuneration paid to the CEO and the top five key management personnel are disclosed in bands. In 2014, the level and mix of the annual remuneration of the 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	Central Provident Fund	Benefits- in-kind	Share Options	Number of Share Options Granted
Above S\$1,000,000 to S\$1,250,000						
Karen Kooi Lee Wah	40%	38%	1%	7%	14%	800,000
Above S\$750,000 to S\$1,000,000						
Patrick Michael Scodeller	43%	24%	1%	20%	12%	500,000
Above \$500,000 to \$750,000						
Poopalasingam Subramaniam	58%	24%	2%	5%	11%	300,000
Above S\$250,000 to S\$500,000						
Lee Kok Chew	55%	24%	3%	6%	12%	300,000
Alan Goh	58%	26%	3%	6%	7%	200,000
Lim Sock Leng	58%	24%	3%	7%	8%	200,000

In 2014, share 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 89 to 91 of the Annual Report.

The aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO) is between S\$2,500,000 to S\$2,750,000.

The Company does not have any employee who is an immediate family member of a Director or the CEO in 2014.

6. Audit Committee (AC)

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

The AC comprises Mr Alan Ow Soon Sian as Chairman, Mr Kannan Ramesh and Mr Chow Kok Kee as members, all of whom, including the Chairman, are independent Directors. Two of the members, including the Chairman, have accounting, tax or related financial management expertise or experience.

The AC, which has written terms of reference approved by the Board, performs the following functions taking into account the relevant principles set out in the Code and other salient factors:

- Review with the external auditor 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;
- 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 the external auditor;
- Review the independence and objectivity of the external auditor;
- Review the nature and extent of non-audit services performed by the external auditor;
- Examine the scope of internal audit procedures and the results of the internal audit;
- Review the adequacy of the Company's internal controls, including financial, operational, compliance and information technology controls, policies and systems established by management and reporting on any pertinent aspects of risks thereto (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 auditor;
- 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;

CORPORATE GOVERNANCE

6. Audit Committee (AC) (cont'd)

- (k) Review interested person 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 the external auditor, and approve the audit fees and terms of engagement of the external auditor; and
- (m) Review arrangements 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 applicable AC meetings held in 2014 and the attendance of each member at those meetings were as follows:

AC Member	Number of Applicable AC Meetings Held in 2014	Number of Applicable AC Meetings Attended
Alan Ow Soon Sian	4	4
Kannan Ramesh	4	3
Chow Kok Kee	4	4

During the year, the AC had full access to and cooperation from the Company's management, and internal and external auditors. The CEO, Chief Financial Officer (CFO) and Chief Commercial Officer (CCO), 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.

The AC reviewed the financial statements of the Group 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, and the effectiveness of the Group's system of accounting and internal controls.

The AC considered the volume of non-audit services provided by the external auditor to the Group, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor, confirmed their re-nomination. The aggregate amount of fees paid to the external auditor in FY 2014 and a breakdown of the fees paid in respect of audit and non-audit services is stated in the notes to the financial statements.

7. Risk Committee

(Code of Corporate Governance Principle 11)

The Risk Committee was established by the Board on 16 July 2012 to assist the Board in discharging its duties to shareholders on risk management, and to help improve Board monitoring of the risk management system, framework and processes of the Company and the Group. The Risk Committee comprises Mr Kannan Ramesh as Chairman, Mr Low Huan Ping, and Mr Alan Ow Soon Sian as members, all of whom are non-executive Directors and two of whom, including the Chairman, are independent Directors.

7. Risk Committee (cont'd)

The Risk Committee, which has written terms of reference approved by the Board, performs the following functions taking into account the principles set out in the Code and other salient factors:

- (a) Advise the Board on the Company's overall risk exposure and strategy;
- (b) Review the effectiveness of the Company's risk management system and policies;
- (c) If deemed necessary by the Board, before a decision to proceed on a significant transaction is taken by the Board, advise the Board on the proposed actions thereto, if any, on the risk aspects and implications of risk exposures thereto;
- (d) Report to the Board on material matters, finding and recommendations, on the financial, operational and compliance risks and any other material risks applicable to the Company;
- (e) Obtain regular updates from management on key enterprise wide risks faced by the Company, so as to enable the Risk Committee to clearly define its oversight responsibilities and review the process available to manage these risks;
- (f) Set up process for the accurate and timely monitoring of significant exposures and risk types of critical importance;
- (g) Review the Company's overall risk profile; and
- (h) Review the risk policies and processes, where applicable and ensure that a review of the robustness and effectiveness of the risk policies and processes is conducted at least annually, which review may be facilitated by the external auditor or advisors.

The number of Risk Committee meetings held in 2014 and the attendance of each member at those meetings are as follows:

Risk Committee Member	Number of Applicable Risk Committee Meetings Held in 2014	Number of Risk Committee Meetings Attended
Kannan Ramesh	5	5
Jamaludin Ibrahim ¹	1	0
Low Huan Ping	5	5
Alan Ow Soon Sian	5	5
Teo Soon Hoe ²	3	1

¹ Dato' Sri Jamaludin Ibrahim resigned from the Risk Committee with effect from 9 April 2014

² The late Mr Teo Soon Hoe was appointed to the Risk Committee with effect from 30 May 2014. Mr Teo passed away on 14 December 2014

CORPORATE GOVERNANCE

7. Risk Committee (cont'd)

During the year, the Risk Committee had full access to and cooperation from the Company's management, the Company Secretary and Head of Risk Management. The CEO, Chief Operating Officer, CCO, CFO and the Head of Risk Management attended the meetings of the Risk Committee.

The Risk Committee may invite from time to time persons who have the relevant experience to assist the Committee, and obtain at the Company's expense, external legal or other professional advice on any matter within its terms of reference.

8. Risk Management

(Code of Corporate Governance Principle 11; Listing Manual Rule 1207(4)(b)(iv))

The Company is committed to continually improve its approach to managing risks to ensure that it maintains a strong, integrated risk and compliance culture.

The Board, assisted by the Risk Committee, has general oversight of the Company's risk management system and mitigation strategies. This includes reviewing of the Company's portfolio of risks and assessing the appropriateness of management's response to risk exposures. A senior management executive team is responsible for driving the risk management processes and ensuring compliance throughout the Company. Risk accountability is clearly assigned across all departments and functional units.

The internal controls, including financial, operational, compliance and information technology controls, and risk management systems are continually reviewed by the Board to improve consistency and effectiveness of risk identification and assessment across the Company. Risk training programmes are also conducted on an on-going basis to inculcate and reinforce a proactive risk management culture within the Company.

Overall, the Board considers that the Company, in its risk management system, adopts a prudent and proactive approach to achieve an optimal balance between risks and returns, mitigating key risks and maximising opportunities, thereby enhancing the Company's decision making capabilities and organisational resilience.

9. Internal Controls

(Code of Corporate Governance Principle 11)

The Group has established a system of internal controls to address the financial, operational, compliance and information technology risks of the Group. Based on the work performed by the internal and external auditors, and the reviews performed by management, the AC and the Board, the Board, with the concurrence of the AC, is of the opinion that, as at the date of this report, the Group's internal controls are adequate to address the abovementioned risks of the Group in its current business environment.

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 Controls (cont'd)

The Board receives assurance from the CEO and CFO during the meetings of the Board, Audit and Risk Committees:

- (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) regarding the effectiveness of the Company's risk management and internal control systems.

10. Internal Audit

(Code of Corporate Governance Principle 13)

The Group has an internal audit function that is independent of the activities it audits, and the Internal Auditor has access to the relevant records of the Company.

The Internal Auditor reports primarily to the Chairman of the AC and administratively to the CEO. The AC approves the hiring, removal and evaluation of the Internal Auditor. 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.

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.

11. Communication with Shareholders

(Code of Corporate Governance Principles 14, 15 & 16)

Communication with shareholders and the investment community forms an integral part of the Group's corporate governance and commitment to transparent, comprehensive and prompt disclosure. Various communication channels are used to inform shareholders about the performance of the Company and to provide updates on pertinent developments. These include annual reports, 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, audio webcasts and call transcripts of quarterly results presentations, including question and answer sessions, are also made available on the Company's website.

In 2014, 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. Conference calls with media and analysts were held jointly immediately after the release of results. 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, and is mindful of the remedial action required to make public disclosure as soon as practicable, should there be an event of inadvertent disclosure.

CORPORATE GOVERNANCE

11. Communication with Shareholders (cont'd)

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. The Annual Report and notice of the AGM were sent to all shareholders more than two weeks prior to the AGM which was held on 7 April 2014, to give shareholders sufficient time to review the information. 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.

All resolutions were put to vote by electronic polling at the AGM on 7 April 2014, and announcements of the detailed results showing the number of votes for and against each resolution and the respective percentages were also made at that AGM. Minutes of the AGM that include substantial and relevant comments and queries from shareholders relating to the agenda of the meeting, and responses from the Board and members of senior management, was promptly prepared by the Company post-AGM and made available to shareholders upon request.

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, through a dedicated Investor Relations team.

M1 remains focused on creating long-term value for shareholders. This is exhibited through our long-standing policy of maintaining a sustainable dividend payout ratio and returning excess cash to shareholders in the absence of value-enhancing opportunities. For 2015, we will continue to maintain a dividend policy of at least 80% of net profit after tax.

12. Securities Transactions

(Listing Manual Rule 1207(19))

The Group has issued a Code for Dealings in M1 Shares (M1 Code) for the guidance of Directors, management and other officers. The M1 Code, which is based on the SGX-ST Listing Rule 1207(19) with respect to dealings in securities, stipulates that Directors, management and other 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 two weeks before the announcement of the Group's first and third quarter results and one month before the announcement of the Group's half and full year results and ending on the date of the announcement of such results; and when they are in possession of price-sensitive and confidential information, in accordance with the laws of insider trading.

The M1 Code also includes the prohibition that an officer should not deal in the Company's shares on short-term considerations. The M1 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 other 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.

13. Interested Person Transactions and Material Contracts

(Listing Manual Rule 907 & 1207(8))

Interested person transactions carried out during the financial year ended 31 December 2014 by the Group were as follows:

	Aggregate Value of All Interested Person Transactions during the Financial Year under Review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920) 2014 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 S\$100,000) 2014 S\$'000
Transactions for the Purchase of Goods and Services¹		
Singapore Telecommunications Limited & its associates	-	4,660
Telekom Malaysia Berhad	-	9,867
Axiata Group Berhad	-	503
Keppel Logistics Pte Ltd	-	996
Keppel FMO Pte Ltd	-	867
CapitaMall Trust	-	1,377
Starhub Ltd	-	1,357
Temasek Holdings (Private) Limited & its associates	-	7,398
Transactions for the Sale of Goods and Services		
Telekom Malaysia Berhad	-	9,774
Axiata Group Berhad	-	292
Temasek Holdings (Private) Limited & its associates	-	457
Total Interested Person Transactions	-	37,548

¹ 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.

INVESTOR RELATIONS

Effective communications with the investment community, shareholders and other interested parties remains a key objective of our investor relations (IR) programme, which we seek to fulfil through a series of planned IR activities and timely dialogues. Throughout the year, we have provided our stakeholders with relevant and prompt updates, to facilitate their having an informed opinion of M1 and the industry which we operate in.

In 2014, we continued to publicly release quarterly, interim and full-year results within one month of period end. All materials relating to the Company's results, including presentation slides and press releases, were made available immediately on our website, after posting with the Singapore Exchange (SGX). Analysts, investors and the media were invited to join our conference calls, which were accompanied by question and answer sessions with senior management, on the same day of every results announcement. Audio webcasts and transcripts of these events were also made available on the M1 website.

Key developments for M1 in 2014 included the introduction of new 4G smartphone plans which provide customers with larger data bundles to better meet their usage requirements, and the launch of M1's nationwide next-generation 4G network, which doubled download speeds to up to 300Mbps. The IR team continued to ensure all interested parties are kept abreast of major developments, through timely distribution of press releases and a proactive approach in answering related queries.

As part of our ongoing commitment to open communication and regular engagement with the investment community, senior management remained directly accessible to analysts and investors, providing them with updates of the Company's developments and outlook through various avenues, such as one-on-one and group meetings, teleconferences, non-deal roadshows (NDRs) and investor conferences, both locally and abroad. These interactions have allowed us to understand analysts' and investors' views on the Company's performance and strategy and better address any possible concerns.

As at 2 March 2015, the free float¹ of M1 shares was approximately 39.0%, with the majority shares held by institutional investors across Asia, the UK and the USA. To maintain our engagement with current and potential institutional investors in these regions, we undertook NDRs

in 2014 to Hong Kong, Japan, the UK and the USA. Locally, we participated in five investor conferences, namely Nomura ASEAN All Access Conference, Bank of America Merrill Lynch ASEAN Stars Conference, Deutsche Bank Access Asia Conference, Nomura Investment Forum Asia Conference and Macquarie ASEAN Conference.

The IR team is easily accessible to analysts, current and potential investors who may need to seek clarification or provide feedback with regard to the Company. All email queries are welcomed and can be addressed to ir@m1.com.sg. Shareholders and interested parties are also encouraged to access the M1 corporate website at www.m1.com.sg for the latest updates.

The Annual General Meeting (AGM) is an important platform for shareholders to communicate directly with the Board and members of the senior management team. We continue to host our AGMs at a central and accessible location for shareholders' convenience. Board members and members of the senior management team make their best effort to attend the AGM. Our 12th AGM, held on 7 April 2014 at The Fullerton Hotel, was well attended by shareholders. The minutes of the AGM included substantial and relevant comments and queries from shareholders relating to the agenda of the meeting, and responses from the Board and members of senior management. These were promptly prepared after the AGM and made available to shareholders upon request.

M1 remains focused on creating long-term value for shareholders. This is exemplified through our long-standing practice of maintaining a sustainable dividend payout ratio and returning excess cash to shareholders in the absence of value-enhancing opportunities. For 2014, we announced an interim dividend of 7.0 cents per share and a final dividend of 11.9 cents per share, bringing the total dividend declared to 18.9 cents per share. M1's total shareholder return (comprising capital gains and cash distributions received) for 2014 was 16.9% on the amount invested at the start of the year. For 2015, we will continue to maintain a dividend policy of at least 80% of net profit after tax.

¹ 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)

Historical Capital Distributions

Year	Interim Dividend (cents)	Final Dividend (cents)	Special Dividend (cents)	Other Distributions (cents) ²
2014	7.0	11.9 ¹	-	-
2013	6.8	7.1	7.1	-
2012	6.6	6.3	1.7	-
2011	6.6	7.9	-	-
2010	6.3	7.7	3.5	-
2009	6.2	7.2	-	-
2008	6.2	7.2	-	-
2007	2.5	8.3	-	4.6
2006	5.8	7.5	-	22.2
2005	5.0	8.1	12.2	-
2004	4.9	5.8	-	11.0
2003	3.9	5.5	-	-

Note: On per share and declared basis

¹ Subject to shareholders' approval at the forthcoming AGM

² M1 undertook capital reduction exercises in 2004, 2006 and 2007

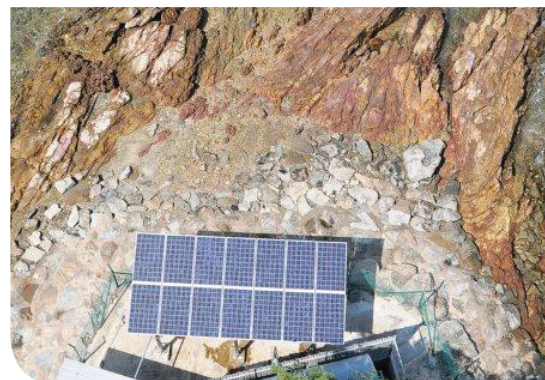
Financial Calendar for 2015

Date	Event/Announcement
19 January 2015	Release of 2014 full year results
13 April 2015	Annual General Meeting
30 April 2015	Payment of 2014 final dividend (subject to shareholders' approval at the AGM)
April 2015 ¹	Release of 2015 first quarter results
July 2015 ¹	Release of 2015 half year results
August 2015 ¹	Payment of 2015 interim dividend (if applicable)
October 2015 ¹	Release of 2015 third quarter results

¹ Actual date will be released through M1's and SGX's websites, closer to the event/announcement



SUSTAINABILITY REPORT



Introduction

M1 has a longstanding commitment to conduct its business in a responsible and sustainable way, and to play a meaningful role in the well-being of our stakeholders, the community we live in and the environment through our sustainability efforts.

We are pleased to present our fourth annual sustainability report, covering M1's economic, environmental, social and corporate governance performance for 2014.

This document has been prepared in accordance with Global Reporting Initiative's (GRI) G4 "Core" level guidelines, in describing key materiality issues and impact on our stakeholders.

Details of M1's corporate practices and our initiatives to further improve in this area, such as our new Supplier Code of Conduct, can be found in the Our Business section. We continue to provide a holistic, inclusive and collaborative workplace for all employees, and we have provided a description of our human resource policies and practices, with additional statistics, in the Our People section. The Our Community and Our Environment sections detail our various contributions to the community, and our continued efforts to minimise our environmental footprint.

Internationally accepted measurement units are used in the reporting of performance data and indicators, and no previously reported data has been restated. A full listing of reported General Standard Disclosures and Specific Standard Disclosures can be found on pages 82 to 86 of this Annual Report.

M1 HAS A LONGSTANDING COMMITMENT TO CONDUCT ITS BUSINESS IN A RESPONSIBLE AND SUSTAINABLE WAY, AND TO PLAY A MEANINGFUL ROLE IN THE WELL-BEING OF OUR STAKEHOLDERS, THE COMMUNITY WE LIVE IN AND THE ENVIRONMENT THROUGH OUR SUSTAINABILITY EFFORTS.

We continually review our sustainability performance, as well as monitoring and reporting processes for further enhancements or improvements.

We welcome feedback on this report and possible areas of improvement at corpcomms@m1.com.sg

Reporting Scope and Boundaries

The report is limited to M1 operations under its direct control for the period 1 January to 31 December 2014.

In preparing this report, we reviewed our business operations to assess and identify key environmental, social and governance issues, and addressed areas of interest highlighted by our stakeholders. We then applied the GRI's G4 reporting principles, including stakeholder inclusiveness, key materiality, the sustainability context, and indicator comparability; to the identified key material issues most relevant to our business operations and stakeholders, and presented the results accordingly.

SUSTAINABILITY REPORT

Introduction

Stakeholder	Main engagement channels	Stakeholder's expectations	How M1 addresses concerns and notable initiatives
Consumer and corporate customers	24-hour contact centre - M1 Shop outlets - Mobile sales team - Corporate sales team - Technical support team - M1 website and Facebook page feedback forms	- Reliable, quality network access - Relevant and affordable products and services - Effective customer service - Data protection	- Continual investment in networks to benefit customers. In 2014, we launched Singapore's first nationwide 300Mbps 4G mobile network to deliver faster mobile Internet access to customers - Continual investment in customer service and employee training - Clear disclosure of all information relevant to customers in marketing materials - Procedures to ensure the privacy of our customer's personal data
Institutional and retail investors	- Access to our Investor Relations team and senior management through: - Email - Teleconferences - Meetings - Investor conferences - Investor roadshows - Annual General Meeting (AGM) - Annual Reports	- Sustainable business growth - Ability to generate expected returns on their investment - Good corporate governance - Transparency in business strategy and operations - Protection under laws for minority shareholders' interest - Relevant Corporate Social Responsibility initiatives	- M1's Investor Relations team is committed to responding to investors' concerns in a timely manner - Quarterly financial results briefing and Q&A sessions are conducted within a month of period end. M1 is Singapore's only communications company to report within such a time frame - Senior management is present and responsive in investor meetings, teleconferences, roadshows and AGMs
Business partners and suppliers	- Meetings - Emails - Telephone	- Transparent and fair procurement and other business practices - Compliance with terms and conditions of business contracts	- Communicate M1's business policies to employees - Transparent business processes in the selection of winning tenderers - Avenues to report incidents of abuse and corruption - Whistleblower policy - M1's Supplier Code of Conduct, to further encourage best practices in procurement, was developed in 2014 and launched in January 2015

Stakeholder	Main engagement channels	Stakeholder's expectations	How M1 addresses concerns and notable initiatives
Employees	- Employee feedback - Team-building sessions - Annual employee appraisal sessions - Bi-annual townhall events - Quarterly CEO messages - Grievance handling channel through Human Resource Department - Union representation	- Safe working environment - Fair remuneration and benefits - Non-discriminatory practices - Career growth - Relevant employee training	- Maintain a safe and pleasant working environment - Recruit, reward and promote employees based on performance and merit - Continual investment in human capital
Regulators	- Regular formal and informal discussions - Teleconferences - Active participation, including written submissions, in relevant industry consultation sessions	- Compliance with regulations and service requirements - Deliver continued socio-economic benefits to society - Work with industry to maintain consistent technological standards	- Policies to ensure compliance with regulations and laws - Swift remedial action in case of any regulatory or legislative violation - Network upgrading initiatives
Analysts and the media	- Access to our Corporate Communications and Investor Relations teams through: - Email - Teleconferences - Meetings - Organised visits and industry events - Quarterly results conferences and teleconferences	- Timely and transparent disclosure of corporate information - Access to senior management - Prompt response to queries	M1's Corporate Communications and Investor Relations team works closely with these stakeholders to ensure they have access to the information they need, and respond to their queries in a timely manner
Trade associations	Membership in and engaging with trade bodies and associations, including the Contact Centre Association of Singapore, National Trade Union Congress, Singapore Internet Exchange, and Singapore National Employer Federation	- Deliver industry approved products and services - Adoption of industry best practices	- Participation in industry events and dialogue sessions - Harmonise our company policies and networks with globally accepted technologies and standards
Non-governmental organisations and community partners	- Discussions with community groups - Participation in relevant conferences - Reporting on our sustainability strategy and performance	- Minimise any social, public health or environmental impact - Support deserving community efforts and underprivileged groups	- Continual support of adopted community causes and conservation efforts - Ensure products and services address the needs of and are available to underserved communities - Continually review and enhance sustainability performance and reporting

SUSTAINABILITY REPORT

Introduction

Key Materiality Issues, Aspects and Sustainability Context

The following section is a summary of the key issues material to our operations in the wider context of sustainability, as determined through our engagement with stakeholders, and inputs from our management and employees. We have also provided an indication of the impact of the issues, and a summary of our management approach toward each issue.

Material Issues	Material Aspects	Sustainability Context	Management Approach	Internal impact	External impact
Network access and coverage	- Good quality and reliable network access - Affordable selection of products and services - Digital inclusion	- We provide mobile and fixed services to close to 2 million customers - The availability and affordability of our services greatly enhance our customers' productivity and quality of life	As at end-2014, we have invested more than S\$1.6 billion into our mobile networks and we continually invest in technology to enhance our networks for the benefit of our customers	Yes	Yes
Ethics and integrity	- Transparency in business practices including marketing communications, recruitment and procurement - Data privacy	Maintaining a high standard of corporate governance is key to protecting the interests of our stakeholders, including customers, employees, business partners and shareholders	The company has strict guidelines and policies with regard to procurement and staff conduct in our business, and we abide by all relevant laws including those governing data protection	Yes	Yes
Employees	- A safe and conducive working environment - Relevant training	We provide employment to 1,488 full-time employees, who form an important stakeholder segment and a critical component to our continued success in the competitive marketplace	- We maintain a safe and conducive working environment - We have a merit-based recruitment and promotion policy - Our human resource function, management and employees work together to identify suitable and relevant training programmes to enhance employees' skill sets	Yes	No

Material Issues	Material Aspects	Sustainability Context	Management Approach	Internal impact	External impact
Economic performance	Continued, sustainable business growth	- We contribute toward Singapore's economy by responsibly paying our taxes and introducing business opportunities for our business partners - Our shareholders benefit through regular dividend payouts and share price performance - Our employees share in the company's success, through monetary rewards and staff benefits - Our continuous network investment and introduction of innovative products and services have a positive impact on the level of competition in our industry for the benefit of both retail and corporate consumers in Singapore	We continually invest in our networks to enhance customer experience, delivering relevant products and services that bring value to our customers, and providing a positive customer experience, to drive our business forward	Yes	Yes
Community support	Supporting deserving community initiatives and underprivileged groups	We believe that for a company to be successful in the long term, it should help create value for the community it operates in	- We are a long-term supporter of such causes, by providing financial assistance and conducting outings through the efforts of the M1 SunCare Club volunteers. - We focus our efforts on the arts and sports causes in their start-up stage, where our contributions can make a meaningful impact	Yes	Yes
Environmental footprint	Energy usage	- Energy is required to drive our business - As a non-extractive business, M1 does not have a significant environmental footprint	We continually review our environmental footprint to identify feasible initiatives to make the most efficient use of limited resources in a sustainable way	Yes	Yes

In addition to the stated key material issues above, we note that there may also be other important sustainability-related issues, such as our impact on biodiversity. We have not included these issues in our report as they are not material to our business, due to our operating environment or the nature of our business.

SUSTAINABILITY REPORT

Our Business

WE HAVE A STRONG FOCUS ON CUSTOMERS' NEEDS AND ARE COMMITTED TO QUALITY AND INNOVATION IN ORDER TO DELIVER SUPERIOR CUSTOMER EXPERIENCE AND TO OFFER MEANINGFUL VALUE. WE CONSTANTLY REVIEW OUR PRODUCTS AND SERVICES TO ENSURE THEY ARE RELEVANT, AND ENABLE MORE PEOPLE TO ENJOY THE BENEFITS OF DIGITAL CONNECTIVITY.

M1 engages in fair, transparent and responsible business practices in our dealings with all stakeholders, including customers, suppliers and business partners. We comply with regulatory requirements, and meet or surpass the expectations of our customers.

Financial Performance

Our key financial indicators are as follows:

Financial indicators	2014 (S\$m)	2013 (S\$m)
Operating revenue	1,076.3	1,007.9
Net profit after tax	175.8	160.2
Operating expenses	857.1	812.4
Staff costs	113.5	108.7
Dividends paid to shareholders	196.9	136.3

For a more detailed discussion on our financial performance, please refer to the Financial Statements section of this Annual Report.

Network Investments

The performance and resiliency of our networks is key to customer experience, and we continually invest in technology to upgrade and enhance our networks to deliver a better experience for our customers.

Since our inception, we have invested more than S\$1.6 billion in expanding and upgrading our mobile network infrastructure, including resiliency

enhancement and implementation of the latest technology. These investments have enabled us to launch Singapore's first nationwide 4G network in 2012, as well as the first 300Mbps nationwide LTE (Long Term Evolution) Advanced network in 2014.

In 2014, we committed S\$140 million to upgrade our networks and systems, as well as construct a building extension. Details of key network enhancements can be found in the Operating and Financial Review section of this Annual Report.

Quality Products and Services

We have a strong focus on customers' needs and are committed to quality and innovation in order to deliver superior customer experience and to offer meaningful value. We constantly review our products and services to ensure they are relevant, and enable more people to enjoy the benefits of digital connectivity.

For the underprivileged or underserved communities, such as Persons with Disabilities, we understand how access to mobile technology can make a significant difference in their lives. In 2014, we built on our earlier efforts for this community by enhancing our service offerings through the new ConnectSurf plan, to help them make the most of their mobile devices.

To cater better to our customers' increasing usage of mobile data, we revised our service plans in September 2014 to offer more choices and bigger data bundles. From December 2014 onwards, customers were also able to enjoy faster data access speeds at no additional charge with the launch of our upgraded 300Mbps nationwide LTE-Advanced network.

During the year, we worked with the Media Development Authority of Singapore (MDA) to help low-income households enjoy free access to digital free-to-air TV programming. In this project, M1 supplied and installed DVB-T2 (Digital Video Broadcasting – Second Generation Terrestrial) set-top boxes to eligible households, allowing them to access and enjoy the improved video and sound quality of digital TV programming.



In the corporate segment, a wide range of customers have benefited from our new state-of-the-art data centre, which offered advanced features such as “cold aisle” containment, and temperature, humidity and power utilisation sensors on all server racks – options previously available only to large corporate users. “Cold aisle” containment prevents the mixing of hot exhaust with cold air for cooling resulting in improved cooling efficiency and better equipment performance.

Regulatory Compliance

We conduct our business in a socially responsible and ethical manner, in compliance with all applicable laws and regulations. We also support voluntary codes and best practice guidelines that benefit our stakeholders and society at large.

Key laws and regulations include the Telecommunications Act which governs our core telecommunications business, as well as the Telecoms Competition Code 2012 which establishes quality of service (QoS) delivery standards to our customers. Our media-related services are operated in accordance with the Broadcasting Act, and we block access to websites as directed under applicable laws or by MDA.

We protect vulnerable customers such as children and youth from undesirable content, and worked with the other mobile operators to create the Voluntary Code of Self-Regulation of Mobile Content in Singapore, to protect minors

from accessing prohibited content via mobile phones. We have made available a variety of tools to enable parents to monitor the access of their children to sites online.

Additionally, we abide with all applicable business, health, manpower, consumer protection, data protection and marketing-related laws and regulations.

M1 was not fined by any authority in 2014 for non-compliance with such laws and regulations.

Data Protection

We respect our customers' privacy and do not collect, use or disclose their personal data other than as permitted or required under applicable laws and/or regulations, including the Personal Data Protection Act 2012 (“Act”).

Our employees who handle customers' personal data have been trained on their obligations under the Act. We have also appointed two senior executives of the Company as Data Protection Officers to oversee compliance with the Act in relation to both customer and employee personal data. To further empower our customers, our account management web portal has been revamped to enable them to choose if, and how, they want to receive marketing materials from M1.

M1 was not fined for any non-compliance with the Act in 2014.

SUSTAINABILITY REPORT

Our Business



Responsible Marketing

M1 clearly labels all our products and services in our advertisements and marketing collaterals, and provides relevant details in customers' contracts. Prior to processing any customer's transaction, our employees will strive to explain the following in a clear and concise manner:

- Prices;
- Product specifications;
- Excess charges;
- Value-added services offered on a promotional or trial basis; and
- Early termination charges.

Telecommunications and Public Safety

We recognise the public's interest on radio frequency (RF) radiation from telecommunications equipment, including mobile devices and base stations.

We are committed to public health and safety, and continued to work with agencies, such as the National Environment Agency and IDA, to ensure the levels of exposure of RF radiation from our networks are well within the guideline limits.

The World Health Organisation has found no substantiated link between exposure to RF radiation and adverse impact on human health. In Singapore, IDA exercises strict control over the installation and transmitter power limits of M1's base station equipment, and conducts site visits to ensure compliance with the International

Commission on Non-Ionising Radiation Protection's standards.

M1 will continue to monitor RF radiation levels at our base stations and further scientific developments, to ensure our networks meet all relevant guidelines and we will continue to be open and transparent in the area of public health and safety.

Customer Experience

Providing excellent customer service is one of our core tenets and we continually invest in training to ensure we constantly deliver a positive customer experience across all touch points of our business operations.

To help our employees better appreciate customers' needs and achieve service excellence, all new employees undergo an attachment at our customer contact centre and retail outlets during their orientation programme. In addition, our senior management also participate in a frontline attachment programme at the centre or outlets to ensure that they continue to be customer-centric in carrying out their duties.

We recognise the importance of customer feedback in helping us further improve our customer service, and we obtain such information through a multitude of channels including our 24-hour contact centre, retail outlets, letters to the media, mystery shopping surveys, and from social media networks such as Facebook.

Sustainable Procurement

M1 purchases the following key products and systems from time to time, to support our business operations:

- Networks and related application systems;
- Application systems and computers;
- Mobile phones, computer tablets, accessories, and other consumer devices; and
- Furniture, fittings and equipment for our offices.

Our group procurement function adheres to a transparent procurement process, and suppliers are selected based on merit based or criteria such as vendor experience and track record, ability to meet the requirement specifications, price competitiveness, and level of after sales' support.

To further enhance ethical practices on the part of our suppliers, we commenced work on a M1 Supplier Code of Conduct in 2014. This Code sets out M1's expectations of our suppliers, including their compliance with all applicable laws, prohibition on illegal or unethical behaviour such as bribery and corruption, and protection of customer data. The Code has been implemented in 2015.

For financial details of M1's procurement, please refer to the Financial Statements of this Annual Report, under Fixed assets and Inventories.



Delivering Advanced Technology Sustainably

The launch of our next-generation data centre in October 2014 offered state-of-the-art features previously only available to large corporate users, such as "cold aisle" containment, as well as temperature, humidity and power utilisation sensors on all server racks, to a wide spectrum of customers from large corporates to small and medium enterprises. "Cold aisle" containment prevents the mixing of hot exhaust with cold air for cooling from mixing, resulting in improved equipment performance and cooling efficiency. To further minimise our environmental footprint, our new data centre also uses NEWater, or reclaimed water, for cooling.



Enabling Communications for People with Special Needs

M1 has supported the Persons with Disabilities community since 2000, with the launch of Singapore's first customised mobile plan featuring an enlarged SMS bundle, to meet this segment's needs. In 2011, this plan was enhanced with a data bundle to cater to smartphone usage. Following a further review in 2104, we launched ConnectSurf, Singapore's best-value plan for this segment, with a specially designed voice, SMS/MMS and data bundle at a highly affordable price point. For information on M1's ConnectSurf plan, please visit: <https://www.m1.com.sg/personal/mobile/plans/connectsurf>

Apart from the Persons with Disabilities community, we also offer customised packages with benefits relevant to respective segments such as senior citizens, as well as make available Singapore's lowest-entry prices for fibre broadband and smartphone plans.

SUSTAINABILITY REPORT

Our Business



Delivering Convenience to Customers

In 2014, we completed the revamp of all our M1 Shop outlets to deliver a warmer, more personal retail experience. Key changes including removing service counters and streamlining multiple service touch points into a single one through the innovative use of hand-held tablets. The new retail concept has been well-received by customers, with 88% of customers rating the service “Good” or “Excellent”.

To further enhance the retail experience, we launched a new comprehensive online pre-order and collection system for customers to pick up or have their chosen handsets delivered to them at their preferred address conveniently. This reduces waiting times and allows us to serve more customers during busy handset launch periods. In addition, M1 was the first operator in Singapore to launch an optimised mobile website to provide a better experience to customers accessing it via their mobile devices.

Ethical Behaviour

We subscribe to a high standard of corporate governance, with a “zero tolerance” policy on fraud, corruption and other forms of unethical behaviour or conduct.

We have in place policies and processes that manage risk, deter fraud and ensure accountability and integrity. Employees are encouraged to report suspicious or irregular behaviour they encounter in the course of work. We keep confidential the identity of any whistle-blower.

Acts that violate our Policy for Disclosure of Reportable Conduct include:

- Unlawful acts;
- Theft, misuse or wilful damage of M1 resources;
- Dishonest, fraudulent or corrupt activities;
- Misuse or abuse of power or authority for any unauthorised or ulterior purpose;
- Unsafe work practices.

M1 will investigate allegations raised, and firm action will be taken to deal with corrupt behaviour or illegal acts. Significant cases will be escalated to members of senior management and the Board of Directors, and/or referred to the appropriate authorities, such as the Singapore Police Force, Commercial Affairs Department or Corrupt Practices Investigation Bureau.

Individuals who make a report under this Policy will be protected from reprisal if he/she:

- Makes the report in good faith and without malice;
- Reasonably believes the matters referred to in the report to be substantially true;
- Does not seek any personal or financial gain from making the report; and
- Follows the reporting procedure set out in the Policy.

If there are any attempts at reprisal against the whistle-blower, he/she will be given the opportunity to bring the matter to the attention of the appropriate level of senior management and/or the Board’s Audit Committee Chairman.

For a fuller description of our corporate governance practices, please refer to our Corporate Governance section in this Annual Report.

Employee Code of Conduct

M1 has a Code of Conduct which all employees are required to adhere to. The key tenets of this Code, which is available on our company’s intranet, include the following:

- Employees are prohibited from activities that may lead to conflicts of interest when dealing with suppliers, customers and other business partners. If a conflict of interest arises, their manager must be informed immediately;
- Employees and their family members are prohibited from soliciting or accepting any gifts or favours from any suppliers or clients. If refusal is difficult, the employee must report the gift to his/her line manager. The gift should be handed over to M1’s Human Resource department for further handling and appropriate disposal;
- Employees are not allowed to download hacking tools or file-sharing programmes for the purpose of downloading pirated and other illegal materials;
- Employees should not distribute content disparaging colleagues, customers or business partners;
- Employees are expected to maintain appropriate relationships with other employees. Employees should disclose family or close personal relationships between themselves to their managers, with such employees being strictly prohibited from working in a supervisor-subordinate relationship.



Bringing Your Loved Ones Closer

We believe technology can help bring people closer together. To encourage our customers to pick up their mobile phones and connect with their loved ones on Sunday, a day when most have more free time, we offered our customers free local calls and SMS/MMS messages on every Sunday in April 2014. This offer, part of our Sunshine Sundays customer appreciation campaign, was well-received by our customers.

SUSTAINABILITY REPORT

Our People

IN RECRUITMENT, CANDIDATES ARE EVALUATED ON THEIR QUALIFICATIONS, EXPERIENCE AND MERITS, REGARDLESS OF GENDER, AGE OR ETHNICITY. ANNUAL EMPLOYEE EVALUATIONS ARE CONDUCTED THROUGH A TRANSPARENT APPRAISAL PROCESS, AND PERFORMANCE TARGETS FOR THE FOLLOWING YEAR ARE SET WITH THE EMPLOYEE'S INPUTS.

Our People

M1's passionate, dedicated and hardworking employees are instrumental to our continued success in the marketplace. We embrace diversity and inclusiveness, with equal opportunities for all as we continually engage, motivate and develop our people.

Employee Profile

As at end-2014, M1 employed 1,488 people with the majority engaged in technology, marketing, customer service and retail functions. Most of our employees are employed on a full-time basis, with a small number of part-timers and contract hires.

Type of Employment

	2013	%	2014	%
Full-time	1,439	95.1	1,415	95.1
Part-time	35	2.3	21	1.4
Contract	40	2.6	52	3.5
Total	1,514	100.0	1,488	100.0

Length of Service

	2013	%	2014	%
< 5 years	831	54.9	817	54.9
5 - 10 years	210	13.9	199	13.4
> 10 years	473	31.2	472	31.7
Total	1,514	100.0	1,488	100.0

Equality and Diversity

M1 adopts a strategic and proactive focus in seeking diverse talents and believes in fully utilising the potential contributions of all employees.

In recruitment, candidates are evaluated on their qualifications, experience and merits, regardless of gender, age or ethnicity. Annual employee evaluations are conducted through a transparent appraisal process, and performance targets for the following year are set with the employee's inputs.

M1 is a signatory to the Tripartite Alliance for Fair Employment Practices' Employers' Pledge of Fair Employment Practices, which promotes fair, responsible and merit-based employment practices. We did not receive any complaints in 2014 on discriminatory practices.

2014	Male %	Female %
Senior Management	69.8	30.2
Mid-Management	56.6	43.4
Executive	51.1	48.9
Non-Executive	39.7	60.3
Total	46.8	53.2

2013	Male %	Female %
Senior Management	72.5	27.5
Mid-Management	55.2	44.8
Executive	53.4	46.6
Non-Executive	41.6	58.4
Total	48.0	52.0

M1 female workforce 2014

Age	Chinese	Indian	Malay	Others	Total
< 20	–	–	–	–	–
20 - 29	156	9	10	36	211
30 - 39	228	12	22	90	352
40 - 49	143	7	17	19	186
50 - 59	29	1	3	3	36
≥ 60	6	1	–	–	7
Total	562	30	52	148	792
%	71.0	3.8	6.6	18.7	100.0

M1 female workforce 2013

Age	Chinese	Indian	Malay	Others	Total
< 20	–	–	–	–	–
20 - 29	165	7	13	37	222
30 - 39	240	16	23	89	368
40 - 49	123	7	12	20	162
50 - 59	30	1	1	1	33
≥ 60	2	1	–	–	3
Total	560	32	49	147	788
%	71.1	4.1	6.2	18.7	100.0

M1 male workforce 2014

Age	Chinese	Indian	Malay	Others	Total
< 20	–	–	–	–	0
20 - 29	116	5	11	23	155
30 - 39	214	7	11	52	284
40 - 49	162	4	10	15	191
50 - 59	47	2	6	4	59
≥ 60	5	1	–	1	7
Total	544	19	38	95	696
%	78.2	2.7	5.5	13.6	100.0

M1 male workforce 2013

Age	Chinese	Indian	Malay	Others	Total
< 20	–	–	1	–	1
20 - 29	150	9	9	30	198
30 - 39	224	7	12	56	299
40 - 49	152	5	10	6	173
50 - 59	41	2	7	2	52
≥ 60	2	–	1	–	3
Total	569	23	40	94	726
%	78.4	3.2	5.5	12.9	100.0



SUSTAINABILITY REPORT

Our People



Compensation and Benefits

We offer employees competitive remuneration packages commensurate with their experience, performance and job responsibilities. Depending on the performance of the Company, eligible employees receive an annual variable performance bonus, as well as share options under the M1 Employee Share Option Scheme. This enables us to align the interests of eligible employees with the Company's long-term performance and to retain talent.

M1 is also committed to our employees' physical and mental health and well-being.

Full-time employees are entitled to both outpatient and inpatient medical coverage, as well as regular health screenings and group insurance coverage.

As part of our Fun!@M1 initiative launched in 2013, we organise regular lunch-time talks on topics such as stress management and parenting, as well as company-wide sporting events like basketball, futsal and bowling competitions, which enjoyed high participation rates. Employees who enjoy working up a healthy sweat can make use of our fully-equipped gymnasium, which is open for use round the clock. There are also facilities such as bicycle racks and shower rooms, to support employees who wish to walk, run or cycle to work.

Our flexible benefits programme allows employees to tailor their benefits portfolio according to their needs, through a variety of products and services including dental treatment, personal insurance and childcare fees. We also offer subsidised meals to all employees at our staff canteen.

Complimentary passes to popular attractions such as the Singapore Zoological Gardens, River Safari, Night Safari and Jurong Bird Park, as well as chalet rentals at subsidised rates, are also available throughout the year for employees and their families to enjoy.

To improve team bonding and foster camaraderie, the departments organise teambuilding and de-stress activities such as games, craft-work, and meals. The annual Company Dinner and Dance continues to be a key highlight of our Company's social calendar.

Supporting Pro-Families Initiatives

M1 supports pro-family initiatives, and our employees have enjoyed benefits such as paternity leave and shared parental leave schemes, ahead of legislative development and extended medical coverage to their dependents. Our offices feature dedicated on-site nursing facilities and a childcare centre.

As a strong advocate of family values, we support the annual national "Eat With Your Family Day" initiative, whereby employees are allowed to leave work earlier to dine with family members and staging of our 'Bring Your Kids to Work Day', where children of our staff were invited to spend a day with their parents at work and introduced to the work environment and daily job duties of their parents.

Workplace Safety

To promote a safe and healthy work environment, we have in place safety procedures that all employees, contractors and visitors must comply with. We also conduct regular workshops to familiarise and keep employees up to date with our workplace safety and health procedures and regulations.

First aid kits and automated external defibrillators (AEDs) are available in our offices and selected retail outlets, and we have trained 30 employees in the use of the AEDs and cardio-pulmonary resuscitation techniques in case of a medical emergency.

There were no workplace accidents or injuries sustained by our employees in 2014.

Training

Recognising that people are our most important resource, we continually invest in employee training to enhance their professional knowledge and skills, as well as support their personal development.

Besides regular in-house programmes such as in the areas of effective negotiations, managing conflict and interpersonal communications, we are also supportive of employees who attend external courses and conferences relevant to their work, as well as encourage longer-term learning options such as post-graduate studies and certification courses, through subsidies and measures such as examination leave.

The average employee training hours in 2014 was 36.6 hours.

Open and Transparent Communications

Open and regular communications with our employees is fundamental to employee engagement.

Through our monthly newsletter Voice and regular company-wide email updates, employees are apprised of developments in the Company. The CEO also sends out a quarterly message to all employees on the Company's financial performance and pertinent developments in the quarter. In addition, townhall-style discussion sessions are conducted twice a year to enable employees to interact with senior management and share their views on company-related matters.

Labour Rights

M1 adheres to all regulations governing employment in Singapore such as the Employment Act that prohibits the employment of children and youth under the age of 16.

Employees who resign can leave the Company after they serve or pay out their contracted notice period and in the event of an organisational change, affected employees will be considered for redeployment elsewhere within the organisation.

We support the union's efforts to further worker welfare and labour-management harmony and have a Collective Agreement with the Singapore Industrial & Services Employees Union, covering matters such as working hours, overtime pay, and notice periods. As at end-2014, 54% of eligible M1 employees are union members, compared to 41% a year ago.

During 2014, we developed the M1 Supplier Code of Conduct to encourage our suppliers to abide by relevant labour regulations and employment best practices, such as non-discrimination and fair compensation.

SUSTAINABILITY REPORT

Our Community

LAST YEAR MARKED THE 10TH ANNIVERSARY OF THE M1 SINGAPORE FRINGE FESTIVAL. FROM ITS HUMBLE YET GROUNDBREAKING BEGINNINGS IN 2005, THE FESTIVAL HAS GROWN, EVOLVED AND WOWED MANY OVER THE YEARS.

In 2014, M1 continued to actively engage and support the community with corporate social responsibility projects that cover the arts, sports and youth causes.

Arts Power

Over the years, we have worked with various arts groups and supported numerous arts-related projects to help grow the quality, diversity and depth of the Singapore arts scene. As a result, M1 has earned a strong reputation as a leading corporate supporter of the arts, and a key partner in the development of local contemporary dance. For our longstanding contribution to the arts, we received the Straits Times Life's accolade in its Power list 2014 and were presented with the Distinguished Patron of the Arts Award 2014 by the National Arts Council (NAC) for the 14th consecutive year.

Last year marked the 10th anniversary of the M1 Singapore Fringe Festival. From its humble yet groundbreaking beginnings in 2005, the Festival has grown, evolved and wowed many over the years. Today, it continues to feature culturally diverse, as well as socially significant, contemporary and provocative works that touch our hearts and challenge our minds. In commemoration of this milestone year and our continual efforts to make the arts more accessible to the community, ticket prices to the 12-day festival with the well chosen theme "Art and the People" featuring 15 works, 31 performances and four exhibitions by local and international artistes, were kept at an affordable S\$19.

During the year, we further expanded our support for the arts with the title sponsorship of the M1 Chinese Theatre Festival, which ran for three weeks over June and July 2014. The Festival featured six acclaimed, original productions from Singapore and abroad. In partnership with The Theatre Practice, the Festival seeks to address the lack of variety in Chinese theatre performances locally, as well as to make professional performances more accessible to adults and children.

We have also deepened our collaboration with two leading homegrown dance companies, T.H.E Dance Company and Frontier Danceland, to further promote contemporary dance. In



partnership with T.H.E Dance Company, the inaugural M1 CONTACT Contemporary Dance Festival 2014, held from November to December 2014, featured 17 days of exhilarating dance performances, choreographic workshops and technique classes. Included in the line-up was the M1 Open Stage – a distinctive platform for young, talented and aspiring dancers to showcase their works. With Frontier Danceland, we kick-started the M1 Dancing on the Frontier Appreciation Series to introduce contemporary dance to students from secondary schools and tertiary institutions, as well as introduced the M1-Frontier Danceland PULSE scholarship programme for aspiring and talented dancers.

The A-List, Singapore's definitive new guide book to all things arts and culture was launched by the NAC in October 2014, and M1 is proud to be the sole corporate partner for this long awaited showcase of Singapore's vibrant and diverse arts offerings to locals and visiting arts fans.

Spirit of Sportsmanship

M1 believes sports convey admirable values such as team spirit, fair play, perseverance over adversity, as well as healthy living.



This drives our continued support for Netball Singapore's initiatives, which focus on promoting netball in schools and youth activities, particularly through the M1 Schools Challenge League and the M1 Talent Identification Programme.

We also partnered Netball Singapore to host the M1 Corporate Challenge – Singapore's biggest mixed-corporate annual netball competition – for a second consecutive year last November at the Kallang Netball Centre. The one-day event saw the participation of over 40 teams across a wide spectrum of companies including Allen & Gledhill, Changi General Hospital, Deloitte SG, the Inland Revenue Authority of Singapore, Microsoft and Singapore Airlines. The event's highlight was a unique exhibition match featuring Singapore's Members of Parliament (MPs) play off against M1's senior management team. Players on the MPs' team included Senior Minister of State Indranee Rajah, Minister of State Teo Ser Luck, MP Zaqy Mohamad, Deputy Speaker of Parliament Seah Kian Peng and South West District Mayor Low Yen Ling. In appreciation of the MPs' participation, M1 pledged a S\$50,000 donation to the underprivileged children and youth-at-risk causes of our adopted charities.



SUSTAINABILITY REPORT

Our Community

THE PRIMARY FOCUS OF M1'S FUND-RAISING EFFORTS IN 2014 REMAINED ON THE UNDERPRIVILEGED CHILDREN AND YOUTHS-AT-RISK CAUSES.

Helping Underprivileged Children and Youths-at-Risk

The primary focus of M1's fund-raising efforts in 2014 remained on the underprivileged children and youths-at-risk causes.

The annual M1 Charity Golf 2014 and M1 80s Flash-Back Charity Carnival were two key fundraising events successfully staged during the year and passionately supported by our staff and families, business partners and associates, as well as members of the community. More than S\$300,000 was raised for the beneficiaries of our adopted charities, Beyond Social Services (BSS), Children-at-Risk Empowerment Association and Brahm Centre. In addition, the relevant funds raised were matched by the national Care and Share Movement.

To broaden our support for children causes, we initiated the M1 Students Support Fund, in partnership with the Ministry of Education,

to provide supplementary financial aid to underprivileged school-going children from low income families. To be launched in the first quarter of 2015, M1 will commit S\$200,000 each year towards the inaugural Fund, which financially needy students from 10 primary schools will be able to tap on for payment of school-related expenses. We hope this Fund will help our beneficiaries have a more enjoyable school life and better opportunities to develop their full potential, regardless of their families' background.

During the year, our staff volunteers from the M1 SunCare Club continued to organise regular outings for the beneficiaries of our adopted charities, including visits to Camp Challenge and Snow City. To foster greater volunteerism within the organisation, M1 staff and their family members were also invited and encouraged to participate in these outings.

In December 2014, M1 presented the Jay Chou Opus 2 concert and invited beneficiaries from our adopted charity BSS to attend the sold-out concert, with two of the children receiving exclusive backstage passes to meet and take photos with the superstar.

Bonding with the Community

In maintaining our engagement with the community, we initiated the M1 Dance Mania 2014 event to broaden the appeal of dance in



Singapore, and to bring dance closer to the masses. Held at the Sengkang Community Club Hardcourt and supported by the People's Association Youth Movement, the community-centred event encompassed an invigorating dance competition judged by renowned international and Singapore dance masters, and featured a community mass dance activity – the Mass Bokwa+Zumba Combi Workout.

M1's 80s Flash-Back Charity Carnival was held alongside the dance event, with enthusiastic employees volunteering their time and effort to bring cheer to the underprivileged children and youth of M1's adopted charities, through an afternoon of fun and food at the Carnival. The whole event, with Mr Lawrence Wong, Minister for Culture, Community and Youth and Second Minister for Communications and Information as the Guest-of-Honour and Mr Teo Ser Luck, Minister of State for Trade and Industry as Special Guest, saw more than 1,000 participants. In addition, we took the opportunity to invite 32 children from our adopted charity BSS to take part in a special dance master class, to interact and learn from US-based dance guru Mike Fallorina.

M1 was once again proud to be the principal partner sponsor of the National Day Parade (NDP) 2014 - Our People, Our Home. Held at The Float at Marina Bay against Singapore's striking

cityscape, the signature event drew more than 100,000 spectators with its spectacular displays and heart-warming performances, in celebration of Singapore's 49th year of independence.

In partnership with the Singapore Red Cross Society, we organised two on-site blood donation drives during the year at our main office building. A total of 161 M1 staff and visitors donated and 122 units of blood were collected for the blood bank, which in turn will benefit over 360 patients.



SUSTAINABILITY REPORT

Our Environment

WE CONTINUALLY REVIEW OUR BUSINESS OPERATIONS TO IDENTIFY WAYS TO HELP US MAKE THE MOST EFFECTIVE USE OF LIMITED RESOURCES AND REDUCE IMPACT TO THE ENVIRONMENT

We strive to conduct our business operations efficiently, to minimise our environmental footprint and to make effective use of limited resources. We are committed to adhering to all applicable environmental regulations, and have not been fined or otherwise sanctioned for any environment-related violations in 2014.

Environmental Footprint

The main resource consumed by us in the delivery of our services is energy, generated from both renewable and non-renewable sources.

Our mobile networks, offices and data centre operations used 58,986,153kWh of electrical power in 2014, 7.8% higher than the year before. The increase was due to growth in business requirements including the addition of 80 new base stations to support the increase in mobile voice and data traffic, as well as commencement of our new data centre operations.

We operate three offshore base stations at Pulau Satumu, Pulau Tekong and St. John's Island. As these islands are not connected to Singapore's power grid, on-site diesel generators provide electricity for the base station equipment. In 2014, the three sites used 70,680 litres of diesel fuel, 4.0% higher than 2013, to support higher voice and data traffic.

We maintain a fleet of vehicles, which is used by our field engineers to install new mobile equipment and perform site maintenance or repairs. In 2014, fuel consumption for our diesel vehicle fleet was 21,662 litres, 10.1% higher than the year before, and 13,939 litres for our petrol vehicle fleet, 6.8% lower than the year before.

Our retail operations used an estimated 336,119kWh of electrical power, lower compared to 387,532kWh in 2013. This was mainly driven by the closure of our 313@Somerset retail outlet in October 2014, and temporary renovation for some other outlets.

Water is also used for drinking, cleaning and equipment cooling purposes in our daily operations. Water consumption in 2014 was 57,212m³, 4.1% higher than the year before. The increase in usage was mainly due to the on-going construction of the MiWorld building extension and data centre, which was completed in the third quarter of 2014.

Electricity consumption

	2013 (kWh)	2014 (kWh)
M1 buildings and data centre operations	28,819,931	30,627,609
Mobile networks	25,532,962	28,022,425
Retail outlets¹	387,532	336,119
Total	54,740,425	58,986,153

¹ Estimated based on utility bills; Our 313@Somerset outlet closed in October 2014

Fuel consumption

	2013 (in litres)	2014 (in litres)
Diesel (offshore base stations)	67,936	70,680
Diesel (fleet)	19,671	21,663
Petrol (fleet)	14,955	13,940

Water consumption

	2013 (m³)	2014 (m³)
Total usage	54,974	57,212

Environmental Conservation

We continually review our business operations to identify ways to help us make the most effective use of limited resources and reduce impact to the environment. These initiatives include:



Singapore's Tallest Solar Photovoltaic Power System

As part of our continuous effort to minimise impact on the environment, we conducted a survey on the feasibility of using solar photovoltaic (PV) power systems at our offshore base stations, to replace diesel fuel with cleaner renewable solar power.

The survey found the Pulau Satumu site suitable, and we successfully installed a solar PV power system in 2012 capable of generating 2,580Wp (Watt-peak). Watt-peak describes the maximum power output under optimal weather conditions.

However, the St. John's Island site was considered unsuitable for a solar PV power system, due to limited deployment space and heavy foliage cover. Undeterred, we explored various alternatives to the traditional "flat" solar PV array layout. Through an innovative, custom-designed solar PV array elevated above the tree line, we were able to deploy a solar PV power system capable of generating 4,500Wp within the limited space.

- **Efficient base station network**

Our base stations network, which enables us to deliver mobile voice and data services to our customers, makes up approximately half of our energy consumption.

We continually review our base station operations over the years to identify ways to reduce energy consumption. In 2011, we completed our 2G base station modernisation programme to replace 1,200 base stations with multi-radio ones that do not require air-conditioning, yielding power savings of 6,876,600kWh a year.

Solar photovoltaic (PV) power systems were installed at our base station sites on Pulau Satumu and St. John's Island to reduce the use of diesel, in 2012 and 2014 respectively. These generated power savings of 5,687kWh last year, and depending on weather conditions, are expected to generate an estimated 10,000kWh in power supplement annually. Although solar PV power systems are not suitable for use at our Pular Tekong site, an overhaul of the base station's generators this October 2015 will enhance their efficiency and reduce diesel usage.

- **Efficient facilities**

To cater to our increased business requirements, we began construction of a new building extension in 2012, next to our MiWorld building in Jurong. This new five-storey annex building, which was completed late last year, is outfitted with environmentally-friendly features such as light-emitting diode (LED) lights and rainwater harvesting tanks and has successfully achieved the Building and Construction Authority's Green Mark Gold certification. The building also utilises NEWater industrial water and recycled condensate water, instead of potable water, for cooling purposes.

Following a review of our lighting requirements, we began a programme to replace 6,600 fluorescent light fittings at our buildings in Jurong and Aljunied, with energy-efficient LED lights. This programme was completed in 2014, and yields an estimated 450,000kWh of power savings a year.

- **Efficient retail operations**

We began revamping our retail outlets in 2012 to enhance productivity and customer experience, and this was completed in late 2014. Through a streamlined transactions process using wireless tablets, we have cut down on the use of printed brochures, receipts, forms and other non-recyclable materials by 20% annually.

SUSTAINABILITY REPORT

GRI Content Index

General Standard Disclosures

Page or Direct Reference

Strategy and Analysis		
G4-1	Provide a statement from the most senior decision-maker of the organisation (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.	14-15
Organisational Profile		
G4-3	Report the name of the organisation.	M1 Limited
G4-4	Report the primary brands, products, and services.	16-22
G4-5	Report the location of the organisation's headquarters.	10 International Business Park, Singapore 609928
G4-6	Report the number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Singapore
G4-7	Report the nature of ownership and legal form.	101, 150-151
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	16-22
G4-9	Report the scale of the organisation, including:	2-3, 10-11, 16-22, 72
	Total number of employees	
	Total number of operations	
	Net sales (for private sector organisations) or net revenues (for public sector organisations)	
	Total capitalization broken down in terms of debt and equity (for private sector organisations)	
	Quantity of products or services provided	
G4-10	Report the total number of employees by employment contract and gender.	72-75
	Report the total number of permanent employees by employment type and gender.	
	Report the total workforce by employees and supervised workers and by gender.	
	Report the total workforce by region and gender.	
	Report whether a substantial portion of the organisation's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.	
	Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	54% of eligible employees
G4-12	Describe the organisation's supply chain.	69

G4-13	Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain, including:	16-22
	Changes in the location of, or changes in, operations, including facility openings, closings, and expansions	
	Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organisations)	
	Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination	
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation.	80-81
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	66-71
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation:	Mr Patrick Michael Scodeller, Chief Operating Officer, is the Chairman of the Singapore Internet Exchange
	• Holds a position on the governance body	
	• Participates in projects or committees	Mr Alan Goh, Chief Information Officer, is a Council Member of the Information Technology Management Association, and a Committee Member of the Singapore International Chamber of Commerce's Information & Communications Technology Committee
	• Provides substantive funding beyond routine membership dues	
	• Views membership as strategic	Mr Stamford Low, Director, Customer Service, is the Honorary Treasurer of the Contact Centre Association of Singapore
Identified Material Aspects and Boundaries		
G4-17	List all entities included in the organisation's consolidated financial statements or equivalent documents.	M1 Limited
	Report whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the report.	
G4-18	Explain the process for defining the report content and the Aspect Boundaries.	61-65
	Explain how the organisation has implemented the Reporting Principles for Defining Report Content.	
G4-19	List all the material Aspects identified in the process for defining report content.	61-65
G4-20	For each material Aspect, report the Aspect Boundary within the organisation.	M1 Limited
G4-21	For each material Aspect, report the Aspect Boundary outside the organisation.	61-65
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	There are no restatements of information provided in previous reports
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Our reporting period remains our financial year

SUSTAINABILITY REPORT

GRI Content Index

General Standard Disclosures		Page or Direct Reference
Stakeholder Engagement		
G4-24	Provide a list of stakeholder groups engaged by the organisation.	62-63
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	61-63
G4-26	Report the organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	61-63
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	61-63
Report Profile		
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	2014
G4-29	Date of most recent previous report (if any).	2013
G4-30	Reporting cycle (such as annual, biennial).	Annual
G4-31	Provide the contact point for questions regarding the report or its contents.	corpcomms@m1.com.sg
G4-32	Report the 'in accordance' option the organisation has chosen. Report the GRI Content Index for the chosen option. Report the reference to the External Assurance Report, if the report has been externally assured.	61-65
G4-33	Report the organisation's policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. Report the relationship between the organisation and the assurance providers. Report whether the highest governance body or senior executives are involved in seeking assurance for the organisation's sustainability report.	This sustainability report has not been externally assured
Governance		
G4-34	Report the governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	42-57
Ethics and Integrity		
G4-56	Describe the organisation's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	66-71

Specific Standard Disclosures		Page or Direct Reference	
Material Aspects	Indicators	Description	
Good quality and reliable network access	IO 1	Capital investment in telecommunication network infrastructure broken down by country/region.	22, 26, 66, 124-126
	PA 1	Policies and practices to enable the deployment of telecommunications infrastructure and access to telecommunications products and services in remote and low population density areas.	16-22
	PA 2	Policies and practices to overcome barriers for access and use of telecommunication products and services including: language, culture, illiteracy, and lack of education, income, disabilities, and age.	14, 69
	PA 3	Policies and practices to ensure availability and reliability of telecommunications products and services and quantify, where possible, for specified time periods and locations of down time.	12-14, 16-22, 66-71
	PA 4	Quantify the level of availability of telecommunications products and services in areas where the organisation operates.	16-22
	G4-EC7	Development and impact of infrastructure investments and services supported.	12-14, 16-22, 66-71
	G4-EC8	Significant indirect economic impacts.	12-15, 16-22, 66-71
	Affordable selection of products and services	G4-DMA	
	PA 2	Policies and practices to overcome barriers for access and use of telecommunication products and services including: language, culture, illiteracy, and lack of education, income, disabilities, and age. Include an explanation of business models applied.	69
Digital inclusion	PA 2	Policies and practices to overcome barriers for access and use of telecommunication products and services including: language, culture, illiteracy, and lack of education, income, disabilities, and age. Include an explanation of business models applied.	14, 69

SUSTAINABILITY REPORT

GRI Content Index

Specific Standard Disclosures			Page or Direct Reference
Material Aspects	Indicators	Description	
Transparency in business practices including marketing communications, recruitment and procurement	PA 10	Initiatives to ensure clarity of charges and tariffs.	68
Data privacy	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	One
A safe and conducive working environment	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity.	28-31, 37-40, 42-48, 72-73
Relevant training	G4-LA9	Average hours of training per year by gender and by employee category.	The average employee training hours in 2014 was 36.6 hours. We do not breakdown training hours by gender or rank.
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	All full-time employees receive regular performance appraisals.
Continued, sustainable business growth	G4-DMA		66-71
	G4-EC1	Direct economic value generated and distributed.	58-59, 66
Supporting deserving community initiatives and underprivileged groups	G4-DMA		76-79
Energy usage	G4-EN3	Energy consumption within the organisation.	80-81
	G4-EN6	Reduction of energy consumption.	

CONTENTS

Financial Statements

88	96	100
Directors' Report	Consolidated Statement of Comprehensive Income	Consolidated Cash Flow Statement
93	97	101
Statement by Directors	Statements of Financial Position	Notes to the Financial Statements
94	98	
Independent Auditor's Report	Statements of Changes In Equity	

DIRECTORS' REPORT

The directors are pleased to present their report to the members together with the audited consolidated financial statements of M1 Limited (the “Company”) and its subsidiaries (collectively, the “Group”) and the statement of financial position and statement of changes in shareholders’ equity of the Company for the financial year ended 31 December 2014.

1. Directors

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

Choo Chiau Beng	Chairman (appointed on 12 January 2015)
Karen Kooi Lee Wah	Chief Executive Officer
Roger Barlow	
Chow Kok Kee	
Jamaludin Ibrahim	
Kannan Ramesh	
Low Huan Ping	
Alan Ow Soon Sian	

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 director, who held office at the end of the 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:

Name of director	Ordinary shares Held in the name of director		
	At beginning of financial year	At end of financial year	As at 21 January 2015
M1 Limited			
Karen Kooi Lee Wah	600,000	900,000	900,000

DIRECTORS' REPORT

3. Directors’ interests in shares and debentures (cont’d)

Name of director	Options to subscribe for ordinary shares Held in the name of director		
	At beginning of financial year	At end of financial year	As at 21 January 2015
M1 Limited			
Karen Kooi Lee Wah	3,880,700	4,180,700	4,180,700

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 of the financial year or at the end of the financial year.

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 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 financial interest.

5. Share options

The Company has 2 employee share option schemes for granting of non-transferable options to employees (including executive director) and non-executive directors of the Company and its subsidiaries.

- (i) M1 Share Option Scheme 2002 (the “2002 Scheme”) which was approved by shareholders on 8 November 2002. The 2002 Scheme had expired on 7 November 2012. Options already granted under the 2002 Scheme remain valid and exercisable until the end of the relevant exercise period; and
- (ii) M1 Share Option Scheme 2013 (the “2013 Scheme”), for granting of non-transferable share options to employees (including executive director) and non-executive directors of the Company and its subsidiaries was adopted and approved by shareholders in general meeting on 5 April 2013.

The Remuneration Committee (“Committee”) is responsible for administering the 2002 Scheme and 2013 Scheme (collectively, the “Schemes”). The Remuneration Committee members are Mr Roger Barlow (Chairman), Mr Choo Chiau Beng (appointed as a committee member with effect from 19 January 2015), Mr Chow Kok Kee, Mr Low Huan Ping and Mr Alan Ow Soon Sian. The majority of the Committee comprises of independent directors, including the Committee Chairman.

Under the Schemes, options granted have a term of 5 or 10 years from the date of grant for non-executive directors and employees (including executive director) respectively.

DIRECTORS' REPORT

5. Share options (cont'd)

The subscription price for each ordinary share in respect of which an option is exercisable shall be determined by the Committee in its absolute discretion, on the date of grant to be either:

- (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 Committee; or
- (ii) at a price, which is set at a discount to the Market Price provided that the maximum discount for any option shall not exceed 20% of the Market Price in respect of that option.

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

Date of grant	Balance as at 1 January 2014 or date of grant	Exercised	Cancelled*	Balance as at 31 December 2014	Subscription price
2002 Scheme					
3 February 2005	100,700	(80,700)	–	20,000	S\$1.81
2 February 2006	1,100,000	(330,000)	(110,000)	660,000	S\$2.21
6 February 2007	1,532,000	(777,000)	–	755,000	S\$2.17
11 February 2008	689,000	(186,000)	–	503,000	S\$1.90
2 February 2009	356,000	(75,000)	–	281,000	S\$1.60
3 February 2010	1,867,000	(1,219,300)	–	647,700	S\$2.04
15 June 2010	40,000	(40,000)	–	–	S\$2.04
7 February 2011	5,502,500	(2,629,000)	(150,000)	2,723,500	S\$2.44
30 January 2012	7,218,000	(1,952,000)	(220,000)	5,046,000	S\$2.43
2013 Scheme					
2 May 2013	8,420,000	(628,000)	(340,000)	7,452,000	S\$3.24
23 January 2014	9,420,000	–	(550,000)	8,870,000	S\$3.31
	36,245,200	(7,917,000)	(1,370,000)	26,958,200	

* 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.

DIRECTORS' REPORT

5. Share options (cont'd)

Information on relevant participants under the Schemes is as follows:

Name of employee	Options granted during financial year	Aggregate options granted since commencement of Schemes to end of financial year	Aggregate options exercised since commencement of Schemes to end of financial year	Aggregate options outstanding at end of financial year	Subscription price
Karen Kooi Lee Wah (Chief Executive Officer)	800,000	8,515,000	4,334,300	4,180,700	S\$1.25 - S\$3.31
Patrick Michael Scodeller	500,000	4,960,000	3,990,000	970,000	S\$1.25 - S\$3.31

Since the commencement of the Schemes, save as disclosed above, no options were granted to directors, no employees have received 5% or more of the total options available under the Schemes and no options have been granted to the controlling shareholders of the Company and their associates.

The 2002 Scheme was approved by shareholders on 8 November 2002. The 2002 Scheme had expired on 7 November 2012. Options already granted under the 2002 Scheme remain valid and exercisable until the end of the relevant exercise period.

The 2013 Scheme was approved by shareholders on 5 April 2013.

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 auditor the audit plan including the nature and scope of the audit before commencement, auditor's reports and their 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 auditor;
- Review the independence and objectivity of the external auditor;
- Review the nature and extent of non-audit services performed by external auditor;
- Examine the scope of internal audit procedures and the results of the internal audit;

DIRECTORS' REPORT

6. Audit Committee (cont'd)

- Review the adequacy of the Company's financial, operational, compliance and information technology controls, policies and system established by management (collectively "internal controls") and reporting on any pertinent aspects of risks thereto, 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 auditor;
- 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 person 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 auditor, and approve the audit fees and terms of engagement of external auditor; 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.

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

7. Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:



Choo Chiau Beng
Chairman



Karen Kooi Lee Wah
Director

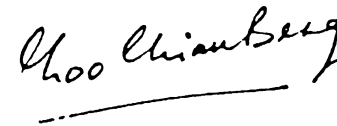
Singapore
27 February 2015

STATEMENT BY DIRECTORS

We, Choo Chiau Beng and Karen Kooi Lee Wah, being two of the directors of M1 Limited, do hereby state that, in the opinion of the directors:

- (a) the accompanying statements of financial position, consolidated statement of comprehensive income, statements of changes in 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 Group and of the Company as at 31 December 2014 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date, and
- (b) 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:



Choo Chiau Beng
Chairman



Karen Kooi Lee Wah
Director

Singapore
27 February 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF M1 LIMITED

For the financial year ended 31 December 2014

Report on the financial statements

We have audited the accompanying financial statements of M1 Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 96 to 148, which comprise the statements of financial position of the Group and the Company as at 31 December 2014, the statements of changes in equity of the Group and the Company, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's 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 about 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 judgement, 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 of financial statements that give a true and fair view 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 management, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF M1 LIMITED

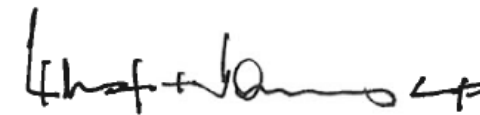
For the financial year ended 31 December 2014

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in 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 2014 and of the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

27 February 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2014

	Notes	2014 S\$'000	2013 S\$'000
Operating revenue	4	1,076,344	1,007,888
Operating expenses	5	(857,115)	(812,391)
Other income	6	1,888	1,754
Operating profit		221,117	197,251
Finance costs	7	(4,043)	(4,455)
Profit before tax		217,074	192,796
Taxation	8	(41,296)	(32,586)
Net profit for the year		175,778	160,210
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss			
Net fair value changes on interest rate swap		–	196
Total comprehensive income for the year		175,778	160,406
Earnings per share (cents)	9		
Basic		18.9	17.4
Diluted		18.8	17.4
EBITDA (S\$'000)	10	335,526	312,304

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014

	Notes	Group		Company	
		2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Non-current assets:					
Fixed assets	11	685,857	649,445	675,043	640,573
Licences and spectrum rights	12	102,066	73,772	102,066	73,772
Other intangibles	13	13,873	13,916	125	125
Staff loans	14	100	201	100	201
Interests in subsidiaries	15	–	–	7,100	7,000
Due from a subsidiary	16	–	–	16,930	16,930
		801,896	737,334	801,364	738,601
Current assets:					
Inventories	17	30,333	29,055	112	308
Trade debtors	18	149,661	144,785	146,564	142,479
Other debtors and deposits	19	13,926	11,824	9,794	8,833
Prepayments		8,716	8,826	8,408	8,508
Due from related parties and subsidiaries	16	515	183	4,363	2,613
Cash and cash equivalents	20	22,783	54,450	22,416	54,265
		225,934	249,123	191,657	217,006
Current liabilities:					
Creditors and accruals	21	(157,285)	(180,951)	(112,940)	(155,450)
Unearned revenue		(26,432)	(24,718)	(24,648)	(23,254)
Due to related parties and subsidiaries	16	(96)	(584)	(24,247)	(11,512)
Borrowings	22	(52,000)	–	(52,000)	–
Income tax payable		(38,705)	(28,547)	(38,156)	(28,483)
		(274,518)	(234,800)	(251,991)	(218,699)
Net current (liabilities)/assets		(48,584)	14,323	(60,334)	(1,693)
Non-current liabilities:					
Borrowings	22	(250,000)	(250,000)	(250,000)	(250,000)
Deferred tax liabilities	8	(108,742)	(106,561)	(108,708)	(105,682)
Net assets		394,570	395,096	382,322	381,226
Represented by:					
Share capital	23	200,589	179,840	200,589	179,840
Share option reserve		4,897	5,035	4,897	5,035
Retained profits		189,084	210,221	176,836	196,351
Total equity		394,570	395,096	382,322	381,226

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2014

	Attributable to equity holders of the Company				
	Share capital	Hedging reserve	Share option reserve	Retained profits	Total
	(Note 23) S\$'000	(Note 24) S\$'000	reserve S\$'000	profits S\$'000	S\$'000
2014 Group					
As at 1 January 2014	179,840	–	5,035	210,221	395,096
Net profit	–	–	–	175,778	175,778
Total comprehensive income for the year	–	–	–	175,778	175,778
<u>Contributions by and distributions to owners</u>					
Issuance of ordinary shares on exercise of employee share options	20,749	–	(1,953)	–	18,796
Grant of share options	–	–	1,815	–	1,815
Dividends (Note 32)	–	–	–	(196,915)	(196,915)
Total contributions by and distributions to owners	20,749	–	(138)	(196,915)	(176,304)
As at 31 December 2014	200,589	–	4,897	189,084	394,570

2013 Group

As at 1 January 2013	155,886	(196)	5,896	186,328	347,914
Net profit	–	–	–	160,210	160,210
Other comprehensive income for the year	–	196	–	–	196
Total comprehensive income for the year	–	196	–	160,210	160,406
<u>Contributions by and distributions to owners</u>					
Issuance of ordinary shares on exercise of employee share options	23,954	–	(2,409)	–	21,545
Grant of share options	–	–	1,548	–	1,548
Dividends (Note 32)	–	–	–	(136,317)	(136,317)
Total contributions by and distributions to owners	23,954	–	(861)	(136,317)	(113,224)
As at 31 December 2013	179,840	–	5,035	210,221	395,096

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2014

	Attributable to equity holders of the Company				
	Share capital	Hedging reserve	Share option reserve	Retained profits	Total
	(Note 23) S\$'000	(Note 24) S\$'000	reserve S\$'000	profits S\$'000	S\$'000
2014 Company					
As at 1 January 2014	179,840	–	5,035	196,351	381,226
Net profit	–	–	–	177,400	177,400
Total comprehensive income for the year	–	–	–	177,400	177,400
<u>Contributions by and distributions to owners</u>					
Issuance of ordinary shares on exercise of employee share options	20,749	–	(1,953)	–	18,796
Grant of share options	–	–	1,815	–	1,815
Dividends (Note 32)	–	–	–	(196,915)	(196,915)
Total contributions by and distributions to owners	20,749	–	(138)	(196,915)	(176,304)
As at 31 December 2014	200,589	–	4,897	176,836	382,322

2013 Company

As at 1 January 2013	155,886	(196)	5,896	144,545	306,131
Net profit	–	–	–	188,123	188,123
Other comprehensive income for the year	–	196	–	–	196
Total comprehensive income for the year	–	196	–	188,123	188,319
<u>Contributions by and distributions to owners</u>					
Issuance of ordinary shares on exercise of employee share options	23,954	–	(2,409)	–	21,545
Grant of share options	–	–	1,548	–	1,548
Dividends (Note 32)	–	–	–	(136,317)	(136,317)
Total contributions by and distributions to owners	23,954	–	(861)	(136,317)	(113,224)
As at 31 December 2013	179,840	–	5,035	196,351	381,226

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2014

	Notes	2014 S\$'000	2013 S\$'000
Cash flows from operating activities:			
Profit before tax		217,074	192,796
Adjustments for:			
Depreciation of fixed assets		102,618	103,242
Gain on disposal of fixed assets		(639)	(1,156)
Amortisation of licences, spectrum rights and other intangibles		11,791	11,811
Share-based payments		1,815	1,548
Interest income		(107)	(85)
Interest expense		4,043	4,455
Operating cash flows before working capital changes		336,595	312,611
Changes in:			
Inventories		(1,278)	4,055
Trade debtors		(4,876)	35,175
Other debtors and deposits		(2,110)	1,360
Prepayments		109	(1,108)
Non-current staff loans		101	68
Creditors and accruals		(23,669)	(6,722)
Unearned revenue		1,714	(10,215)
Related parties		(819)	911
Cash generated from operations		305,767	336,135
Interest received		115	77
Interest paid		(4,041)	(4,568)
Tax paid		(28,956)	(29,656)
Net cash flows from operating activities		272,885	301,988
Cash flows from investing activities:			
Purchase of fixed assets		(139,684)	(125,303)
Acquisition of intangible assets		–	(699)
Purchase of spectrum rights		(40,127)	–
Proceeds from sale of licence		85	–
Proceeds from disposal of fixed assets		1,293	3,629
Net cash flows used in investing activities		(178,433)	(122,373)
Cash flows from financing activities:			
Proceeds from bank loans		110,000	2,500
Repayment of bank loans		(58,000)	(24,500)
Dividends paid on ordinary shares by the Company		(196,915)	(136,317)
Proceeds from issuance of ordinary shares on exercise of employee share options		18,796	21,545
Net cash flows used in financing activities		(126,119)	(136,772)
Net changes in cash and cash equivalents		(31,667)	42,843
Cash and cash equivalents at beginning of financial year	20	54,450	11,607
Cash and cash equivalents at end of financial year	20	22,783	54,450

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

1. Corporate information

M1 Limited (the “Company”) is a public limited liability company, which is incorporated and domiciled 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 telecommunications services, international call services and fixed services, retail sales of telecommunication equipment and accessories, and customer services.

2. Summary of significant accounting policies

2.1 Basis of preparation

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

The financial statements have been prepared on the 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.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2014. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 19 <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Improvements to FRSs (January 2014)	
(a) Amendments to FRS 102 <i>Share Based Payment</i>	1 July 2014
(b) Amendments to FRS 103 <i>Business Combinations</i>	1 July 2014
(c) Amendments to FRS 108 <i>Operating Segments</i>	1 July 2014
(d) Amendments to FRS 16 <i>Property, Plant and Equipment</i> and FRS 38 <i>Intangible Assets</i>	1 July 2014
(e) Amendments to FRS 24 <i>Related Party Disclosures</i>	1 July 2014
Improvements to FRSs (February 2014)	
(a) Amendments to FRS 103 <i>Business Combinations</i>	1 July 2014
(b) Amendments to FRS 113 <i>Fair Value Measurement</i>	1 July 2014
(c) Amendments to FRS 40 <i>Investment Property</i>	1 July 2014
FRS 114 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to FRS 16 and FRS 41 <i>Agriculture - Bearer Plants</i>	1 January 2016
Amendments to FRS 27 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRS 16 and FRS 38 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to FRS 111 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 January 2016
(b) Amendments to FRS 107 <i>Financial Instruments: Disclosures</i>	1 January 2016
(c) Amendment to FRS 19 <i>Employee Benefits</i>	1 January 2016
(d) Amendment to FRS 34 <i>Interim Financial Reporting</i>	1 January 2016
Amendments to FRS 110 and FRS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	1 January 2016
Amendments to FRS 1 <i>Disclosure Initiative</i>	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2017
FRS 109 <i>Financial Instruments</i>	1 January 2018

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

Except for FRS 115 *Revenue from Contracts with Customers*, the directors expect that the adoption of the other standards and interpretations above will have no impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 is described below.

FRS 115 Revenue from Contracts with Customers

FRS 115 *Revenue from Contracts with Customers* is effective for financial periods beginning on or after 1 January 2017.

FRS 115 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue. The Group is currently assessing the impact of FRS 115.

2.4 Basis of consolidation

Business combinations from 1 January 2010

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

All intra-group balances, 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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation (cont'd)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.9(a).

Business combinations before 1 January 2010

In comparison to the above mentioned requirements, the following differences applied:

Business combinations are accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

2.5 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

2.6 Fixed assets

All items of fixed assets are initially recorded at cost. Subsequent to recognition, fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of fixed assets 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.

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 recognised in profit or loss 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.

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 on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.7 Depreciation

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

Leasehold buildings	–	10 – 30 years
Networks and related application systems	–	5 – 25 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.

2.8 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 any accumulated amortisation and any accumulated impairment losses.

Licences and spectrum rights are amortised on a straight-line basis over the estimated economic useful life of 6 to 17 years. The amortisation period and the amortisation method are reviewed at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense is recognised in profit or loss through the 'depreciation and amortisation' line item.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.9 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

(b) Club membership

Club membership acquired is measured initially at cost less any accumulated impairment losses.

(c) Internet protocol ("IP") address

Internet protocol address acquired is measured initially at cost. Following initial recognition, IP address is measured at cost less accumulated amortisation and any accumulated impairment losses.

IP address is amortised on a straight-line basis over the estimated economic useful life of 15 years. The amortisation period and the amortisation method are reviewed at each financial year-end. The amortisation expense is recognised in profit or loss through 'depreciation and amortisation' line item.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.10 Financial assets

Financial assets are recognised on the statement of financial position 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 rate method. Gains and losses are recognised in profit or loss 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.

Included in the trade debtors balance are accrued service revenue and accrued handset revenue.

Accrued service revenue relates to services rendered but not billed to customers. They will be billed at the following bill cycle.

Accrued handset revenue relates to revenue recognised for handsets sold with services. The accounting policy relating to specific recognition criteria for handset revenue and service revenue is disclosed in Note 2.21.

Allowance 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 2.12 below.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and time deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. They are carried in the statement of financial position, classified and accounted for under FRS 39.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.11 Financial liabilities

Financial liabilities are recognised on the statement of financial position 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 rate method.

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

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and when the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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 profit or loss when the liabilities are derecognised as well as through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.12 Impairment of financial assets

The Group assesses at each reporting date 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 profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtors and default or significant delay in payments.

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

2.13 Derecognition of financial assets and liabilities

(a) Financial assets

A financial asset 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 profit or loss.

(b) 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 profit or loss when the liabilities are derecognised or impaired, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.14 *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 profit or loss 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 applies hedge accounting for certain hedging relationships which qualify for hedge accounting.

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.

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:

- 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 profit or loss.

Amounts taken to hedging reserve are reclassified to profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.14 *Derivative financial instruments and hedging activities (cont'd)*

- Cash flow hedges (cont'd)

If the forecast transaction is no longer expected to occur, amounts previously recognised in hedging reserve are reclassified to profit or loss. 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 or loss.

2.15 *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.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

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

2.16 *Provisions*

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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 statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

2.17 *Government grants*

Government grants are recognised at their fair value where there is reasonable assurance that the grants will be received and all attaching conditions will be complied with.

Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.18 Employee benefits

(a) 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.

(b) Employee share option plan

Employees (including the executive director) and non-executive directors of the Group may receive remuneration in the form of share-based payment transactions. 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 of the options 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 profit or loss on a straight-line basis over the vesting period, with a corresponding increase in share option reserve. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The movement in cumulative expenses recognised at the beginning and end of a reporting period is charged or credited to profit or loss with a corresponding adjustment to share option reserve.

No expense is recognised for options that do not ultimately vest, except for options 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. In the case where the option does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation. The share option reserve is transferred to retained profits upon expiry of the share option.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.19 Taxes

(a) Current income tax

Current income 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 statement of financial position date.

(b) Deferred tax

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

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred 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 except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.19 Taxes (cont'd)

(b) *Deferred tax (cont'd)*

The carrying amount of deferred tax assets is reviewed at each statement of financial position 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 tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each statement of financial position 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 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 statement of financial position date.

Deferred 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.

(c) *Goods and services tax*

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

- Where the goods and services tax incurred in a purchase of goods and services is not recoverable from the taxation authority, in which case the goods and services 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 goods and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

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 or cash generating unit's fair 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 profit or loss 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 profit or loss. 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 telecommunications, international call services and fixed services rendered and sale of handsets.

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, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. 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 statement of financial position as unearned revenue.
- Revenue from sale of prepaid cards but for which services have not been rendered is deferred on the statement of financial position as unearned revenue. Upon termination of the prepaid cards, any unutilised value of the prepaid cards will be taken to profit or loss.
- Revenue from sale of handset is recognised upon the passing of risk and rewards of ownership of the handset to the customer which generally coincides with delivery and acceptance of the handsets sold.
- Revenue on award credits are recognised based on the number of award credits that have been redeemed in exchange for free or discounted goods and services, relative to the total numbers of awards credit expected to be redeemed.
- Interest income is recognised using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.22 Customer acquisition costs

Customer acquisition costs are accounted for in profit or loss when incurred.

2.23 Operating leases

Operating lease payments are recognised as an expense in profit or loss 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 Foreign currency

The Group's consolidated financial statements are presented in Singapore dollars, which is also the Company and subsidiary companies' functional 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 statement of financial position 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 statement of financial position date are recognised in profit or loss.

2.25 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.25 Related parties (cont'd)

- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.26 Segment reporting

The Company and its subsidiaries operate in Singapore in one business segment, that of provision of telecommunications services, international call services and fixed services, retail sales of telecommunication equipment and accessories, and customer services.

2.27 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity.

2.28 Contingencies

A contingent liability is:

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) A present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated 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 end of each reporting period. 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 periods.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group.

- Useful lives of network and related application systems*

The cost of network and related application systems is 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 5 to 25 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 life and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amounts of the Group's and Company's network and related application systems at the statement of financial position date are disclosed in Note 11 to the financial statements.

- Impairment of non-financial assets*

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill is tested for impairment at least on an annual basis.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the key assumptions applied in the impairment assessment of goodwill are given in Note 13 to the financial statements.

- Impairment of loans and receivables*

The Group and the Company assess at each statement of financial position 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 amounts of the Group's and the Company's loans and receivables at the statement of financial position date are disclosed in Note 30 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

3. Significant accounting judgements and estimates (cont'd)

Key sources of estimation uncertainty (cont'd)

- Income taxes*

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payable and deferred tax liabilities at 31 December 2014 were S\$38,705,000 (2013: S\$28,547,000) and S\$108,742,000 (2013: S\$106,561,000) respectively. The carrying amount of the Company's income tax payable and deferred tax liabilities at 31 December 2014 were S\$38,156,000 (2013: S\$28,483,000) and S\$108,708,000 (2013: S\$105,682,000) respectively.

4. Operating revenue

	Group	
	2014	2013
	S\$'000	S\$'000
Mobile telecommunications	671,105	644,205
International call services	89,398	113,998
Handset sales	245,275	188,086
Fixed services	70,566	61,599
	1,076,344	1,007,888

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

5. Operating expenses

	Group	
	2014	2013
	S\$'000	S\$'000
Cost of services	122,749	139,721
Cost of handsets sold	330,154	284,239
Write-down of inventories	116	125
Staff costs	113,535	108,660
Advertising and promotion expenses	24,375	24,685
Depreciation and amortisation	114,409	115,053
Allowance for doubtful debts	13,035	14,760
Bad debts recovered	(1,652)	(2,063)
Facilities expenses	80,679	77,973
Leased circuit costs	29,967	25,024
General and administrative expenses	29,748	24,214
	857,115	812,391

Cost of services includes mainly traffic expenses, wholesale costs of fixed services and connection incentives payable to dealers.

General and administrative expenses include billing costs, licence fees and other administrative costs.

Total operating expenses included the following:

	Group	
	2014	2013
	S\$'000	S\$'000
Audit fees paid to auditors of the Company	214	203
Non-audit fees paid to auditors of the Company	114	22
CPF contributions	10,947	10,852
Share-based payments	1,815	1,548
Key executives' remuneration	5,981	5,472
Fees paid to Directors of the Company	795	483
Foreign exchange loss, net	310	43
Gain on disposal of fixed assets, net	(639)	(1,156)

Key executives' remuneration included in the staff costs and share-based payments are as follows:

Short term employee benefits	5,212	4,574
CPF contributions	147	134
Share-based payments	622	764
Total compensation paid to key executives	5,981	5,472

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

6. Other income

	Group	
	2014	2013
	S\$'000	S\$'000
Interest income from banks	107	85
Government grants	422	505
Miscellaneous income	1,359	1,164
	1,888	1,754

Included in miscellaneous income is project management fee income.

7. Finance costs

	Group	
	2014	2013
	S\$'000	S\$'000
Interest expense on bank loans	4,043	4,272
Fair value loss on interest rate swap (Note 24)	–	183
	4,043	4,455

8. Taxation

Major components of income tax expense

Major components of income tax expense for the years ended 31 December 2014 and 2013 are:

	Group	
	2014	2013
	S\$'000	S\$'000
Current income tax		
- Current year	37,980	31,525
- Under/(over) provision in respect of prior year	27	(2,611)
Deferred income tax		
- Origination and reversal of temporary differences	2,887	3,902
- Under/(over) provision in respect of prior year	402	(230)
Income tax expense recognised in profit or loss	41,296	32,586
Deferred tax related to other comprehensive income		
- Fair value changes on interest rate swap	–	40

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

8. Taxation (cont'd)

Relationship between statutory tax rate and effective tax rate

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 2014 and 2013 are as follows:

	Group	
	2014	2013
	%	%
Statutory rate	17.0	17.0
Adjustments for the tax effect of:		
Expenses not deductible for tax purposes	1.9	1.0
Income not subject to taxation	(0.1)	–
Under/(over) provision in respect of prior years	0.2	(1.3)
Others	–	0.2
Effective tax rate	19.0	16.9

Deferred tax liabilities

Deferred taxation at 31 December 2014 and 2013 are related to the following:

	Group				Company	
	Consolidated statement of financial position		Consolidated statement of comprehensive income		Statement of financial position	
	2014	2013	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000

Deferred tax liabilities

Difference in depreciation	108,742	106,561	3,289	3,672	108,708	105,682
----------------------------	---------	---------	-------	-------	---------	---------

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

9. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to owners of the Company by the weighted average number of ordinary shares on issue during the financial year.

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

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

	Group	
	2014	2013
	S\$'000	S\$'000
Net profit attributable to owners of the Company for basic and diluted earnings per share	175,778	160,210
Weighted average of ordinary shares on issue applicable for basic earnings per share computation	928,737	920,506
Effect of dilution:		
Share options	5,756	1,514
Adjusted weighted average of ordinary shares on issue applicable for diluted earnings per share computation	934,493	922,020

10. Earnings before interest, tax, depreciation and amortisation ("EBITDA")

EBITDA is derived as follows:

	Group	
	2014	2013
	S\$'000	S\$'000
Profit before tax	217,074	192,796
Adjustments for:		
Amortisation of licences, spectrum rights and other intangibles	11,791	11,811
Depreciation of fixed assets	102,618	103,242
Finance costs	4,043	4,455
EBITDA	335,526	312,304

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

11. Fixed assets

	Leasehold buildings S\$'000	Networks and related application systems S\$'000	Application systems and computers S\$'000	Motor vehicles S\$'000	Furniture, fittings and equipment S\$'000	Capital work-in- progress S\$'000	Total S\$'000
Group							
Cost:							
At 1 January 2013	79,914	1,500,583	217,461	920	63,289	88,362	1,950,529
Additions	866	77,055	10,998	459	6,544	29,381	125,303
Disposals	–	(1,561)	(1,151)	(302)	(1,231)	–	(4,245)
Reclassification	–	23,991	–	–	–	(23,991)	–
At 31 December 2013 and 1 January 2014	80,780	1,600,068	227,308	1,077	68,602	93,752	2,071,587
Additions	4,270	83,435	11,449	213	6,808	33,509	139,684
Disposals	–	–	(319)	–	(2,951)	–	(3,270)
Reclassification	26,930	–	2,931	–	–	(29,861)	–
At 31 December 2014	111,980	1,683,503	241,369	1,290	72,459	97,400	2,208,001
Accumulated depreciation:							
At 1 January 2013	44,431	1,053,318	169,748	602	52,573	–	1,320,672
Depreciation charge for the year	3,126	78,420	13,658	151	7,887	–	103,242
Disposals	–	(158)	(617)	(128)	(869)	–	(1,772)
At 31 December 2013 and 1 January 2014	47,557	1,131,580	182,789	625	59,591	–	1,422,142
Depreciation charge for the year	3,529	77,805	14,005	166	7,113	–	102,618
Disposals	–	–	(304)	–	(2,312)	–	(2,616)
At 31 December 2014	51,086	1,209,385	196,490	791	64,392	–	1,522,144
Net carrying amount:							
At 31 December 2013	33,223	468,488	44,519	452	9,011	93,752	649,445
At 31 December 2014	60,894	474,118	44,879	499	8,067	97,400	685,857

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

11. Fixed assets (cont'd)

	Leasehold buildings S\$'000	Networks and related application systems S\$'000	Application systems and computers S\$'000	Motor vehicles S\$'000	Furniture, fittings and equipment S\$'000	Capital work-in- progress S\$'000	Total S\$'000
Company							
Cost:							
At 1 January 2013	79,824	1,499,286	208,856	921	53,194	88,362	1,930,443
Additions	866	77,055	10,345	459	2,255	29,381	120,361
Disposals	–	(1,561)	(1,140)	(303)	(1,128)	–	(4,132)
Reclassification	–	23,991	–	–	–	(23,991)	–
At 31 December 2013 and 1 January 2014	80,690	1,598,771	218,061	1,077	54,321	93,752	2,046,672
Additions	4,270	83,435	9,032	213	1,435	33,509	131,894
Disposals	–	–	(153)	–	(1,504)	–	(1,657)
Reclassification	26,930	–	2,931	–	–	(29,861)	–
At 31 December 2014	111,890	1,682,206	229,871	1,290	54,252	97,400	2,176,909
Accumulated depreciation:							
At 1 January 2013	44,379	1,052,086	165,893	603	46,051	–	1,309,012
Depreciation charge for the year	3,126	78,420	12,191	151	4,880	–	98,768
Disposals	–	(158)	(609)	(128)	(786)	–	(1,681)
At 31 December 2013 and 1 January 2014	47,505	1,130,348	177,475	626	50,145	–	1,406,099
Depreciation charge for the year	3,529	77,805	12,315	166	3,090	–	96,905
Disposals	–	–	(141)	–	(997)	–	(1,138)
At 31 December 2014	51,034	1,208,153	189,649	792	52,238	–	1,501,866
Net carrying amount:							
At 31 December 2013	33,185	468,423	40,586	451	4,176	93,752	640,573
At 31 December 2014	60,856	474,053	40,222	498	2,014	97,400	675,043

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

12. Licences and spectrum rights

	Licences S\$'000	Spectrum rights S\$'000	Total S\$'000
Group and Company			
Cost:			
At 31 December 2013 and 1 January 2014	3,175	141,580	144,755
Addition	–	40,127	40,127
Disposal	(722)	–	(722)
At 31 December 2014	2,453	181,707	184,160
Accumulated amortisation:			
At 1 January 2013	2,447	56,750	59,197
Amortisation charge for the year	274	11,512	11,786
At 31 December 2013 and 1 January 2014	2,721	68,262	70,983
Amortisation charge for the year	235	11,513	11,748
Disposal	(637)	–	(637)
At 31 December 2014	2,319	79,775	82,094
Net carrying amount:			
At 31 December 2013	454	73,318	73,772
At 31 December 2014	134	101,932	102,066

The licences and spectrum rights have remaining useful lives ranging from 0.5 years to 15 years (2013: 1.5 years to 8 years).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

13. Other intangibles

	Goodwill S\$'000	Others S\$'000	Total S\$'000
Group			
Cost:			
At 31 December 2013 and 31 December 2014	13,177	764	13,941
Accumulated amortisation:			
At 1 January 2013	–	–	–
Amortisation charge for the year	–	25	25
At 31 December 2013 and 1 January 2014	–	25	25
Amortisation charge for the year	–	43	43
At 31 December 2014	–	68	68
Net carrying amount:			
At 31 December 2013	13,177	739	13,916
At 31 December 2014	13,177	696	13,873
Included in other intangibles are club memberships and internet protocol addresses. As at 31 December 2014, the internet protocol addresses have remaining useful lives of 13 years (2013: 14 years).			
		Club memberships	
		S\$'000	
Company			
Cost:			
At 31 December 2013 and 31 December 2014			125

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

13. Other intangibles (cont'd)

Impairment testing of goodwill

The Group's subsidiary, M1 Net Ltd. ("M1 Net") previously, acquired a 100% equity interest in M1 Connect Pte. Ltd. ("M1 Connect").

Management has allocated the goodwill to M1 Net and M1 Connect as a single cash-generating unit (CGU) for impairment testing. The recoverable amount of the CGU has been determined based on value in use calculations using cash flow projections covering a five-year period. The discount rate applied to the cash flow projections and terminal growth rate used to extrapolate cash flow projections beyond the five-year period are 8% (2013: 8%) and nil (2013: nil) respectively.

The calculation of value in use for the CGU is most sensitive to the following assumptions:

Terminal growth rate – The terminal growth rate used does not exceed the long term average growth rate of the industry and country in which the CGU operates.

Discount rate applied should reflect the current market assessment of the risks specific to the CGU.

No impairment loss (2013: nil) was recognised in profit or loss.

A reasonable change to the assumptions used by the management to determine the impairment required, particularly the discount rate and terminal growth rate, would not significantly affect the results.

14. Staff loans

	Group and Company	
	2014	2013
	S\$'000	S\$'000
Repayable within one year (included in Note 19)	71	84
Repayable after one year	100	201
	171	285

Staff loans are repayable in equal monthly instalments over periods of up to seven years and interest bearing at rates of up to 2% (2013: 2%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

15. Interests in subsidiaries

	Company	
	2014	2013
	S\$'000	S\$'000
Unquoted shares:		
At cost	8,660	8,560
Impairment loss	(1,560)	(1,560)
	7,100	7,000

The Company subscribed for an additional 99,998 ordinary shares in the capital of its wholly-owned subsidiary Kliq Pte. Ltd. for a consideration of S\$99,998, thereby increasing the Company's total investment in Kliq Pte. Ltd. to S\$100,000.

Details of the subsidiaries of the Company as at 31 December 2014 and 2013 are as follows:

Name of Company	Country of incorporation	Principal activities	Effective interest of the Company	
			2014	2013
			%	%
<i>Held by the Company:</i>				
M1 Shop Pte Ltd	Singapore	Retail sales of telecommunication equipment and accessories	100	100
M1 Net Ltd.	Singapore	Provision of fixed and other related telecommunication services	100	100
Wireless Intellect Labs Pte Ltd	Singapore	Licensor of intellectual property rights	100	100
Kliq Pte. Ltd.	Singapore	Dormant	100	100
<i>Held through M1 Net Ltd.:</i>				
M1 Connect Pte. Ltd.	Singapore	Inactive	100	100

All subsidiaries are audited by Ernst & Young LLP except for Kliq Pte. Ltd. for which there is no statutory audit requirement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

16. Due from/(to) related parties and subsidiaries

	Group		Company	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Due from a subsidiary (non-trade)	–	–	16,930	16,930
Due from subsidiaries	–	–	3,889	2,430
Due from related parties	515	183	474	183
	515	183	4,363	2,613
Due to subsidiaries	–	–	(24,151)	(10,982)
Due to related parties	(96)	(584)	(96)	(530)
	(96)	(584)	(24,247)	(11,512)

The non-trade amount due from a subsidiary is unsecured, non-interest bearing and is not expected to be repaid by the subsidiary in the next twelve months.

The amounts due from/(to) subsidiaries are unsecured, non-interest bearing and are repayable on demand.

The amounts due from/(to) related parties are unsecured, non-interest bearing and are generally repayable on 30 to 90 days terms.

17. Inventories

	Group		Company	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Handsets	28,469	26,090	–	–
Accessories	1,864	2,965	112	308
	30,333	29,055	112	308

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

18. Trade debtors

Trade debtors comprise billed trade debtors, accrued service revenue and accrued handset revenue.

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

	Group		Company	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Billed trade debtors	67,236	70,645	64,139	68,339
Accrued handset revenue	80,772	74,517	80,772	74,517
Accrued service revenue	16,597	15,324	16,597	15,324
	164,605	160,486	161,508	158,180
Allowance for doubtful debts	(14,944)	(15,701)	(14,944)	(15,701)
	149,661	144,785	146,564	142,479

Debtors that are past due but not impaired

The Group and Company have unsecured trade debtors that are past due at the statement of financial position date but not impaired and the analysis of their ageing at the statement of financial position date is as follows:

	Group		Company	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Trade debtors past due:				
30 – 60 days	7,132	6,887	7,037	6,838
61 – 90 days	3,054	2,976	2,951	2,868
More than 90 days	4,659	4,610	4,249	4,281
	14,845	14,473	14,237	13,987

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

18. Trade debtors (cont'd)

Debtors that are impaired

The Group's and Company's trade debtors that are impaired at the end of the reporting period and the movement of the allowance accounts used to record impairment are as follows:

	Group and Company	
	2014	2013
	S\$'000	S\$'000
Trade receivables – gross amount	21,613	22,979
Less: Allowance for doubtful debts	(14,944)	(15,701)
	6,669	7,278

Movement in allowance accounts:

Balance at beginning of financial year	15,701	15,851
Allowance charge for the year	13,035	14,760
Written-off	(13,792)	(14,910)
Balance at end of financial year	14,944	15,701

19. Other debtors and deposits

	Group		Company	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Deposits	5,310	5,063	3,576	3,507
Staff loans (Note 14)	71	84	71	84
Sundry debtors	8,545	6,677	6,147	5,242
	13,926	11,824	9,794	8,833

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

20. Cash and cash equivalents

	Group		Company	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances	22,783	24,450	22,416	24,265
Short-term deposit	–	30,000	–	30,000
	22,783	54,450	22,416	54,265

Cash at banks earns interest at floating rates offered by short-term money market at 0.19% to 0.45% (2013: 0.10% to 0.28%) per annum. As at 31 December 2013, short-term deposit is placed with a local bank for a 1-month duration depending on the immediate cash requirements of the Group and the Company, and earns interest at 0.63% per annum.

21. Creditors and accruals

	Group		Company	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Trade creditors	79,605	68,910	39,795	47,820
Accrued operating expenses	44,419	40,842	40,362	36,812
Accrued capital expenditure	27,100	64,744	26,866	64,547
Interest payable	441	438	441	438
Directors' fees payable	795	483	795	483
Other creditors	4,925	5,534	4,681	5,350
	157,285	180,951	112,940	155,450

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

22. Borrowings

	Group and Company	
	2014	2013
	S\$'000	S\$'000
Current:		
Short term bank loans	52,000	–
Non-current:		
Long term bank loan	250,000	250,000
	302,000	250,000

As at 31 December 2014, the S\$52 million short-term bank loans were unsecured and interest bearing at rates ranging from 0.93% to 1.00% per annum. The S\$250 million fixed rate long term bank loan is unsecured, repayable in full in May 2016 and bears an effective interest rate of 1.59% (2013: 1.59%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

23. Share capital

	Group and Company S\$'000
Issued and fully-paid:	
Balance as at 1 January 2013	
913,191,282 ordinary shares	155,886
Issued during the financial year	
10,219,000 ordinary shares for cash on exercise of employee share options	23,954
Balance as at 31 December 2013 and 1 January 2014	
923,410,282 ordinary shares	179,840
Issued during the financial year	
7,917,000 ordinary shares for cash on exercise of employee share options	20,749
Balance as at 31 December 2014	
931,327,282 ordinary shares	200,589

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 ordinary shares have no par value.

The Company has employee share option schemes (see Note 27) under which options to subscribe for the Company's ordinary shares may have been granted to employees (including executive director) and non-executive directors of the Group.

24. 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 S\$'000
At 1 January 2013	(196)
Fair value gains during the year	13
Reclassification to finance costs (Note 7)	183
At 31 December 2013 and 31 December 2014	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

25. Related party transactions

Sale and purchase of services

In addition to the related party information disclosed elsewhere in the financial statements, the following were significant transactions entered into by the Group and the Company with related parties at rates agreed between the parties during the financial year:

	Group		Company	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Substantial shareholders and their subsidiaries				
Telecommunication services rendered	13,746	20,179	13,694	20,092
Telecommunication services received	(17,744)	(24,178)	(17,726)	(24,018)
Rental and maintenance services received	(3,637)	(3,940)	(1,071)	(1,356)

26. Commitments

(a) Capital commitments

Capital expenditure contracted for as at the statement of financial position date but not recognised in the financial statements are as follows:

	Group and Company	
	2014 S\$'000	2013 S\$'000
Capital commitments	94,694	157,158

The capital commitments included S\$64 million (2013: S\$104 million) commitment for the 4G spectrum rights.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

26. Commitments (cont'd)

(b) Operating lease commitments

Rental expenses (principally for land, offices, retail outlets, service centres and base stations) under operating leases were S\$30,513,000 and S\$30,855,000 for the financial years ended 31 December 2014 and 2013 respectively.

The Group leases various properties under operating lease agreements. These leases have varying terms, escalation clauses and renewal rights. The future minimum lease payments are as follows:

	Group		Company	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Not later than one year	13,821	13,230	8,192	8,298
Later than one year but not later than five years	16,643	13,555	9,819	10,459
Later than five years	1,794	2,939	1,794	2,939
	32,258	29,724	19,805	21,696

27. Share options

The Company has 2 employee share option schemes for granting of non-transferable options to employees (including executive director) and non-executive directors of the Company and its subsidiaries.

- (i) M1 Share Option Scheme 2002 (the "2002 Scheme") which was approved by shareholders on 8 November 2002. The 2002 Scheme had expired on 7 November 2012. Options already granted under the 2002 Scheme remain valid and exercisable until the end of the relevant exercise period; and
- (ii) M1 Share Option Scheme 2013 (the "2013 Scheme"), for granting of non-transferable share options to employees (including executive director) and non-executive directors of the Company and its subsidiaries was adopted and approved by shareholders in general meeting on 5 April 2013.

The Remuneration Committee ("Committee") is responsible for administering the 2002 Scheme and 2013 Scheme (collectively, the "Schemes"). The Remuneration Committee members are Mr Roger Barlow (Chairman), Mr Choo Chiau Beng (appointed as a committee member with effect from 19 January 2015), Mr Chow Kok Kee, Mr Low Huan Ping and Mr Alan Ow Soon Sian. The majority of the Committee comprises of independent directors, including the Committee Chairman.

Under the Schemes, options granted have a term of 5 or 10 years from the date of grant for non-executive directors and employees (including executive director) respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

27. Share options (cont'd)

The subscription price for each ordinary share in respect of which an option is exercisable shall be determined by the Committee in its absolute discretion, on the date of grant to be either:

- (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 Committee; or
- (ii) at a price, which is set at a discount to the Market Price provided that the maximum discount for any option shall not exceed 20% of the Market Price in respect of that option.

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

Date of grant	Balance as at 1 January 2014 or date of grant	Exercised	Cancelled*	Balance as at 31 December 2014	Subscription price
2002 Scheme					
3 February 2005	100,700	(80,700)	–	20,000	S\$1.81
2 February 2006	1,100,000	(330,000)	(110,000)	660,000	S\$2.21
6 February 2007	1,532,000	(777,000)	–	755,000	S\$2.17
11 February 2008	689,000	(186,000)	–	503,000	S\$1.90
2 February 2009	356,000	(75,000)	–	281,000	S\$1.60
3 February 2010	1,867,000	(1,219,300)	–	647,700	S\$2.04
15 June 2010	40,000	(40,000)	–	–	S\$2.04
7 February 2011	5,502,500	(2,629,000)	(150,000)	2,723,500	S\$2.44
30 January 2012	7,218,000	(1,952,000)	(220,000)	5,046,000	S\$2.43
2013 Scheme					
2 May 2013	8,420,000	(628,000)	(340,000)	7,452,000	S\$3.24
23 January 2014	9,420,000	–	(550,000)	8,870,000	S\$3.31
	36,245,200	(7,917,000)	(1,370,000)	26,958,200	

* 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.

The weighted average fair value of options granted during the financial year was S\$0.183 (2013: S\$0.235).

The weighted average share price at the date of exercise of the options during the financial year was S\$3.31 (2013: S\$3.24).

The weighted average remaining contractual life for options outstanding at the end of the financial year is 7.4 years (2013: 6.9 years).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

27. Share options (cont'd)

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

Name of director	Options granted during financial year	Aggregate options granted since commencement of Schemes to end of financial year	Aggregate options exercised since commencement of Schemes to end of financial year	Aggregate options outstanding at end of financial year	Subscription price
Karen Kooi Lee Wah	800,000	8,515,000	4,334,300	4,180,700	S\$1.25 - S\$3.31

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 for all grants not vested for the years ended 31 December 2014 and 31 December 2013 are shown below:

Date of grant	23-Jan-14	2-May-13	30-Jan-12	7-Feb-11	15-Jun-10	3-Feb-10
Dividend Yield (%)	6.09	4.32	5.88	7.14	6.31	6.42
Expected Volatility (%)	17.00	16.00	27.00	28.00	29.00	29.00
Risk-free interest rate (%)	0.33	0.33	0.30	1.03	0.55	0.81
Expected life of option (years)	3.10	3.10	3.10	3.10	3.10	3.10
Share price (S\$)	3.45	3.38	2.43	2.45	2.13	2.06
Exercise price (S\$)	3.31	3.24	2.43	2.44	2.12	2.04

The expected life of the option is based on historical data and is not necessarily 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 be the actual outcome. No other features of the option were incorporated into the measurement of fair value.

The 2002 Scheme was approved by shareholders on 8 November 2002. The 2002 Scheme expired on 7 November 2012. Options already granted under the 2002 Scheme remain valid and exercisable until the end of the relevant exercise period.

The 2013 Scheme was approved by shareholders on 5 April 2013.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

28. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from operations and the use of financial instruments. The key financial risks include interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group's risk management strategy aims to minimise the adverse effects of financial risk on the financial performance of the Group. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

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 interest rate risk arises primarily from the Group's long-term debt obligation. The Group's policy is to manage its interest cost using a mix of variable and fixed rate debts.

As at 31 December 2014, the Group's long term borrowing is at fixed rate of interest.

Foreign currency risk

The Group's revenue and expenditure are primarily transacted in Singapore dollars. The currency exposures are mainly limited to 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 statement of financial position date, such foreign currency balances (mainly in USD and Euro) amount to S\$7,294,000 (31 December 2013: S\$3,730,000) 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 statement of financial position date, the Group's foreign 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 to meet short term funding requirements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

28. Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and Company's financial assets and financial liabilities at the statement of financial position date based on contractual undiscounted repayment obligations.

	1 year or less S\$'000	1 to 5 years S\$'000	> 5 years S\$'000	Total S\$'000
2014				
Group				
Financial assets				
Trade and other receivables	163,587	100	–	163,687
Due from related parties	515	–	–	515
Cash and cash equivalents	22,783	–	–	22,783
Total undiscounted financial assets	186,885	100	–	186,985
Financial liabilities				
Creditors and accruals	157,285	–	–	157,285
Due to related parties	96	–	–	96
Borrowings	52,021	255,407	–	307,428
Total undiscounted financial liabilities	209,402	255,407	–	464,809
Total net undiscounted financial liabilities	(22,517)	(255,307)	–	(277,824)
Company				
Financial assets				
Trade and other receivables	156,358	100	–	156,458
Due from related parties and subsidiaries	4,363	–	16,930	21,293
Cash and cash equivalents	22,416	–	–	22,416
Total undiscounted financial assets	183,137	100	16,930	200,167
Financial liabilities				
Creditors and accruals	112,940	–	–	112,940
Due to related parties and subsidiaries	24,247	–	–	24,247
Borrowings	52,021	255,407	–	307,428
Total undiscounted financial liabilities	189,208	255,407	–	444,615
Total net undiscounted financial (liabilities)/assets	(6,071)	(255,307)	16,930	(244,448)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

28. Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

	1 year or less S\$'000	1 to 5 years S\$'000	> 5 years S\$'000	Total S\$'000
2013				
Group				
Financial assets				
Trade and other receivables	156,609	201	–	156,810
Due from related parties	183	–	–	183
Cash and cash equivalents	54,450	–	–	54,450
Total undiscounted financial assets	211,242	201	–	211,443
Financial liabilities				
Creditors and accruals	180,951	–	–	180,951
Due to related parties	584	–	–	584
Borrowings	–	259,486	–	259,486
Total undiscounted financial liabilities	181,535	259,486	–	441,021
Total net undiscounted financial assets/(liabilities)	29,707	(259,285)	–	(229,578)
Company				
Financial assets				
Trade and other receivables	151,312	201	–	151,513
Due from related parties and subsidiaries	2,613	–	16,930	19,543
Cash and cash equivalents	54,265	–	–	54,265
Total undiscounted financial assets	208,190	201	16,930	225,321
Financial liabilities				
Creditors and accruals	155,450	–	–	155,450
Due to related parties and subsidiaries	11,512	–	–	11,512
Borrowings	–	259,486	–	259,486
Total undiscounted financial liabilities	166,962	259,486	–	426,448
Total net undiscounted financial assets/(liabilities)	41,228	(259,285)	16,930	(201,127)

NOTES TO
THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

28. Financial risk management objectives and policies (cont'd)

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 and the Company'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 include a formal automated collection process.

The Group's maximum exposure to credit risk in the event the counterparties fail to perform their obligations as of 31 December 2014 in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the statement of financial position.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and short-term deposits, that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 18.

NOTES TO
THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

29. Fair value 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.

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Determination of fair value

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 and due to related parties, 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 statement of financial position date.

Financial instrument by classes that is not carried at fair value and whose carrying amount is not reasonable approximation of fair value

The fair value of financial liability by classes that is not carried at fair value and whose carrying amount is not reasonable approximation of fair value is as follows:

	Group				Company			
	2014		2013		2014		2013	
	Carrying amount S\$'000	Fair value S\$'000	Carrying amount S\$'000	Fair value S\$'000	Carrying amount S\$'000	Fair value S\$'000	Carrying amount S\$'000	Fair value S\$'000
Financial liability:								
- Fixed rate bank loan	250,000	243,058	250,000	245,811	250,000	243,058	250,000	245,811

The fair value is determined using market observable inputs such as interest forward rates (Level 2 of the fair value hierarchy).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

30. Classification of financial instruments

The following table shows a comparison by category of carrying amounts of the Group's and Company's financial assets and liabilities at the statement of financial position date:

	Loans and receivables S\$'000
Group	
31 December 2014	
Assets	
Staff loans	171
Trade debtors	149,661
Deposits	5,310
Sundry debtors	8,545
Due from related parties	515
Cash and cash equivalents	22,783
	186,985
	Liabilities at amortised cost S\$'000
Group	
31 December 2014	
Liabilities	
Creditors and accruals	157,285
Due to related parties	96
Borrowings	302,000
	459,381

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

30. Classification of financial instruments (cont'd)

	Loans and receivables S\$'000
Group	
31 December 2013	
Assets	
Staff loans	285
Trade debtors	144,785
Deposits	5,063
Sundry debtors	6,677
Due from related parties	183
Cash and cash equivalents	54,450
	211,443
	Liabilities at amortised cost S\$'000
Group	
31 December 2013	
Liabilities	
Creditors and accruals	180,951
Due to related parties	584
Borrowings	250,000
	431,535

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

30. Classification of financial instruments (cont'd)

	Loans and receivables S\$'000
Company	
31 December 2014	
Assets	
Staff loans	171
Due from a subsidiary	16,930
Trade debtors	146,564
Deposits	3,576
Sundry debtors	6,147
Due from related parties and subsidiaries	4,363
Cash and cash equivalents	22,416
	200,167

	Liabilities at amortised cost S\$'000
Company	
31 December 2014	
Liabilities	
Creditors and accruals	112,940
Due to related parties and subsidiaries	24,247
Borrowings	302,000
	439,187

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

30. Classification of financial instruments (cont'd)

	Loans and receivables S\$'000
Company	
31 December 2013	
Assets	
Staff loans	285
Due from a subsidiary	16,930
Trade debtors	142,479
Deposits	3,507
Sundry debtors	5,242
Due from related parties and subsidiaries	2,613
Cash and cash equivalents	54,265
	225,321

	Liabilities at amortised cost S\$'000
Company	
31 December 2013	
Liabilities	
Creditors and accruals	155,450
Due to related parties and subsidiaries	11,512
Borrowings	250,000
	416,962

31. Capital management

The objective of the Group's capital management policy is to provide capital 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 dividend payout ratio.

The capital structure of the Group consists of net debts (borrowings less cash and cash equivalents) and equity attributable to the owners of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

31. Capital management (cont'd)

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

	Group		Company	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Borrowings				
- Current	52,000	—	52,000	—
- Non-current	250,000	250,000	250,000	250,000
Less: Cash and cash equivalents	(22,783)	(54,450)	(22,416)	(54,265)
Net debts	279,217	195,550	279,584	195,735
Equity	394,570	395,096	382,322	381,226

32. Dividends

	Group and Company	
	2014	2013
	S\$'000	S\$'000
Declared and paid during the financial year:		
Final - the previous year		
7.1 cents (2013: 6.3 cents) per ordinary share (one-tier tax)	65,893	57,933
Special - the previous year		
7.1 cents (2013: 1.7 cents) per ordinary share (one-tier tax)	65,892	15,633
Interim - the current year		
7.0 cents (2013: 6.8 cents) per ordinary share (one-tier tax)	65,130	62,751
	196,915	136,317

Proposed but not recognised as a liability as at 31 December:

Final		
11.9 cents (2013: 7.1 cents) per ordinary share (one-tier tax)	110,828	65,562
Special		
Nil (2013: 7.1 cents) per ordinary share (one-tier tax)	—	65,562
	110,828	131,124

The directors propose a final dividend of 11.9 cents per ordinary share (one-tier tax) in respect of the financial year ended 31 December 2014 for approval by shareholders at the forthcoming Annual General Meeting of the Company.

33. Authorisation of financial statements

The financial statements for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on 27 February 2015.

MAJOR PROPERTIES

Name	Main Operations Centre
Use	Head Office and Switch Centre
Address	10 International Business Park, Singapore 609928
Land Area (Sq m)	8,442
Date of Purchase	8 October 1996
Expiry Date of Lease¹	28 February 2026

Name	MiWorld Building
Use	Office
Address	9 International Business Park, Singapore 609915
Land Area (Sq m)	6,850
Date of Purchase	15 February 2002
Expiry Date of Lease¹	30 June 2022

Name	Regional Operations Centre
Use	Office and Switch Centre
Address	4 Aljunied Avenue 1, Singapore 389978
Land Area (Sq m)	4,816
Date of Purchase	19 November 2001
Expiry Date of Lease¹	31 May 2020

¹ The Company has the option to lease for a further term of 30 years

STATISTICS OF SHAREHOLDINGS

As at 2 March 2015

Total number of issued shares : 934,022,782
 Class of shares : Ordinary shares
 Voting rights : One vote per share

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	61	0.58	1,910	0.00
100 - 1,000	3,953	37.84	3,401,706	0.37
1,001 - 10,000	5,375	51.45	21,796,207	2.33
10,001 - 1,000,000	1,043	9.98	48,466,917	5.19
1,000,001 and above	16	0.15	860,356,042	92.11
Total	10,448	100.00	934,022,782	100.00

Twenty Largest Shareholders

No.	Name	No. of Shares	%
1	Raffles Nominees (Pte) Limited	287,431,917	30.77
2	Keppel Telecoms Pte Ltd	178,864,000	19.15
3	SPH Multimedia Pte Ltd	124,453,000	13.32
4	Citibank Nominees Singapore Pte Ltd	95,911,040	10.27
5	HSBC (Singapore) Nominees Pte Ltd	59,833,957	6.41
6	DBS Nominees (Private) Limited	57,471,312	6.15
7	DBSN Services Pte Ltd	27,405,279	2.93
8	United Overseas Bank Nominees (Private) Limited	8,927,414	0.96
9	DB Nominees (Singapore) Pte Ltd	6,609,188	0.71
10	Morgan Stanley Asia (Singapore) Securities Pte Ltd	3,370,876	0.36
11	BNP Paribas Securities Services Singapore Branch	3,091,069	0.33
12	Bank of Singapore Nominees Pte. Ltd.	1,799,960	0.19
13	Graif Max Hans Sieghold	1,560,000	0.17
14	York Hotel (Private) Limited	1,300,000	0.14
15	Citibank Consumer Nominees Pte Ltd	1,167,030	0.12
16	Yap Chong Hin Gabriel	1,160,000	0.12
17	Khoo Teck Puat Foundation	1,000,000	0.11
18	Heng Siew Eng	985,000	0.11
19	OCBC Nominees Singapore Private Limited	904,960	0.10
20	Choo Tse Wei (Zhu Shiwei)	834,000	0.09
	Total	864,080,002	92.51

Substantial Shareholders

Name	Direct Interest	No. of Shares Deemed Interest	Total Interest	%
Axiata Investments (Singapore) Limited	265,410,150	-	265,410,150	28.42
Khazanah Nasional Berhad	-	265,410,150 ¹	265,410,150	28.42
Axiata Group Berhad	-	265,410,150 ¹	265,410,150	28.42
Temasek Holdings (Private) Limited	-	179,399,360 ²	179,399,360	19.21
Keppel Telecoms Pte Ltd	178,864,000	-	178,864,000	19.15
Keppel Communications Pte Ltd	-	178,864,000 ³	178,864,000	19.15
Keppel Data Centres Pte. Ltd.	-	178,864,000 ³	178,864,000	19.15
Keppel Telecommunications & Transportation Ltd	-	178,864,000 ³	178,864,000	19.15
Keppel Corporation Limited	-	178,864,000 ³	178,864,000	19.15
SPH Multimedia Private Limited	124,453,000	-	124,453,000	13.32
Singapore Press Holdings Limited	-	124,453,000 ⁴	124,453,000	13.32

Notes:

- ¹ Khazanah Nasional Berhad and Axiata Group Berhad are deemed to be interested in the 265,410,150 shares held by Axiata Investments (Singapore) Limited pursuant to Section 7 of the Companies Act
- ² Temasek Holdings (Private) Limited is deemed to be interested in the 179,399,360 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, Keppel Data Centres Pte. Ltd., Keppel Telecommunications & Transportation Ltd and Keppel Corporation Limited are deemed to be interested in the 178,864,000 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 39.0% of the issued share capital of the Company was 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

Choo Chiau Beng, Chairman
Karen Kooi Lee Wah
Roger Barlow
Chow Kok Kee
Dato' Sri Jamaludin Ibrahim
Kannan Ramesh
Low Huan Ping
Alan Ow Soon Sian

Audit Committee

Alan Ow Soon Sian, Chairman
Chow Kok Kee
Kannan Ramesh

Remuneration Committee

Roger Barlow, Chairman
Choo Chiau Beng
Chow Kok Kee
Low Huan Ping
Alan Ow Soon Sian

Nominating Committee

Chow Kok Kee, Chairman
Roger Barlow
Kannan Ramesh

Risk Committee

Kannan Ramesh, Chairman
Low Huan Ping
Alan Ow Soon Sian

Company Secretary

Foo Siang Larng
Lee Wei Hsiung

Registered Address

10 International Business Park
Singapore 609928
Telephone : +65 6655 1111
Facsimile: +65 6655 1977

Registrar

Boardroom Corporate &
Advisory Services Pte. Ltd.

50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Telephone : +65 6536 5355
Facsimile : +65 6536 1360

Auditor

Ernst & Young LLP
Public Accountants and
Certified Public Accountants

One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner-in-charge (since 2010): Terry Wee

Investor Relations

For investor enquiries, please contact the
Investor Relations team at
Telephone: +65 6655 1111
Facsimile: +65 6655 1977
Email: ir@m1.com.sg
Website: www.m1.com.sg



M1 Limited is firmly committed to responsible corporate citizenship, and we endeavor to do our part to protect the environment. This annual report has been produced by a printer certified according to the standards from the Forest Stewardship Council™ (FSC™), and has been printed on 9 Lives Silk paper and Green Forest paper, which are certified to be environmentally friendly according to the FSC standard.

a **coal** production
www.coal.com.sg

M1 Limited
(Reg. No. 199206031W)

10 International Business Park
Singapore 609928

www.m1.com.sg