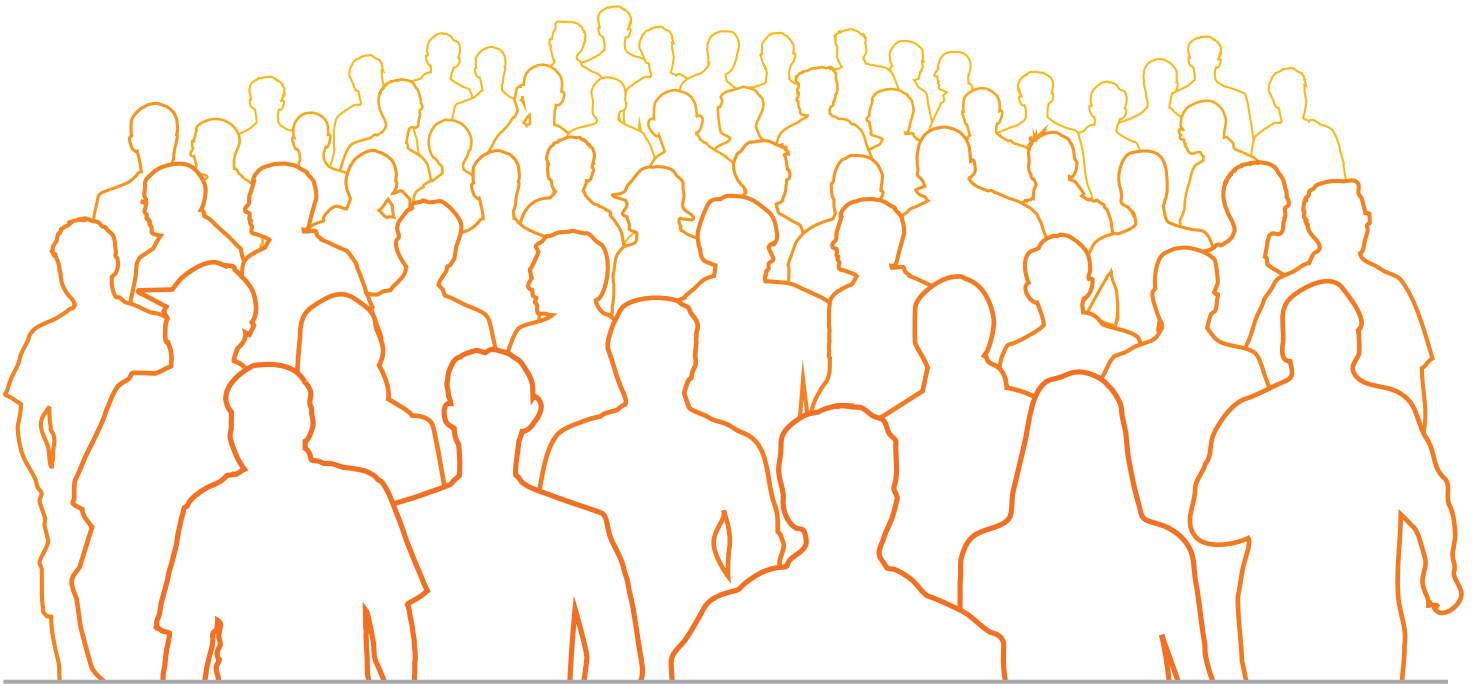




ANNUAL  
REPORT  
2015



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F O R E V E R Y O N E



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**M1** is Singapore's most vibrant and dynamic communications company, providing mobile and fixed services to over 2 million customers. Since the launch of commercial services in 1997, M1 has 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 links anyone and anything; anytime, anywhere.

For more information, visit [www.m1.com.sg](http://www.m1.com.sg)



# At a Glance

**Mobile Customers**  
(End-2015)

**1.93m**  
**+76,000**

**Fibre Customers**  
(End-2015)

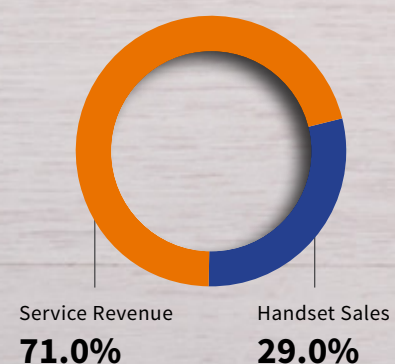
**128,000**  
**+25,000**



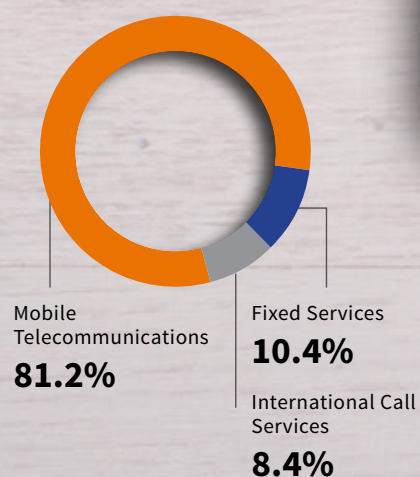
**Net Profit After Tax**  
(2015)

**S\$178.5m**  
**+1.5%**

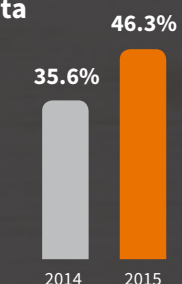
**Operating Revenue Mix (2015)**



**Service Revenue Mix (2015)**



**Mobile Data as a % of Service Revenue**



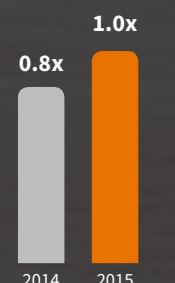
**Cash Distribution Per Share (Declared)**



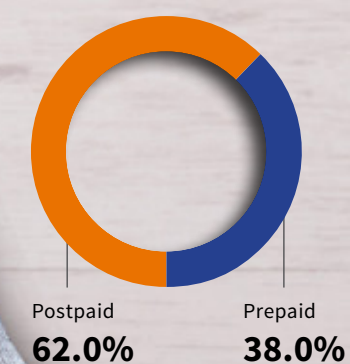
**Capital Expenditure**



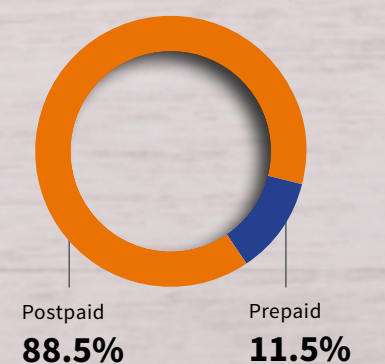
**Net Debt/EBITDA**



**Mobile Customer Mix (2015)**



**Mobile Telecommunications Revenue Mix (2015)**







For  
Every  
One



## Delivering Better Customer Experience and Greater Value

From the launch of the market's first-of-its-kind M1 Data Passport for customers to use their existing mobile data bundles overseas to the upgrade of our corporate GPON (Gigabit Passive Optical Network) fibre services to offer speeds of up to 10Gbps at highly competitive rates, M1 continues to deliver outstanding value and experiences to all our customers.





For  
Every  
One

## Embracing a Culture of Passion, Diversity and High Performance

M1's passionate and dedicated staff are instrumental to our continued success in the marketplace. We have built an open, creative and inclusive culture that values teamwork, high performance, as well as work-life balance, empowering our staff to go the extra mile.







For  
Every  
One

## Expanding Capabilities through Investments and Partnerships

M1's network investment 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 others.







For  
Every  
One

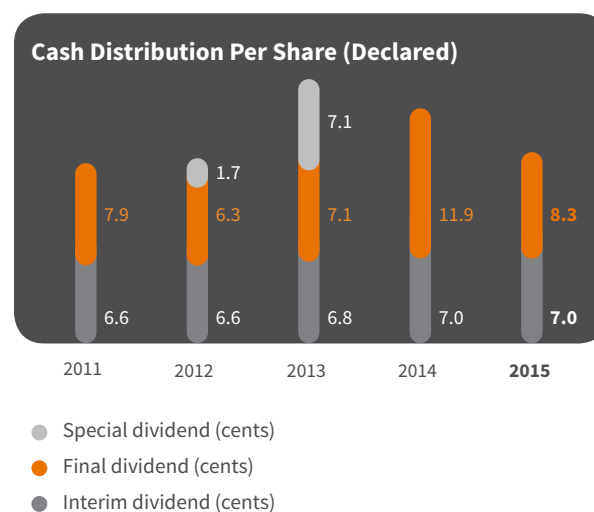
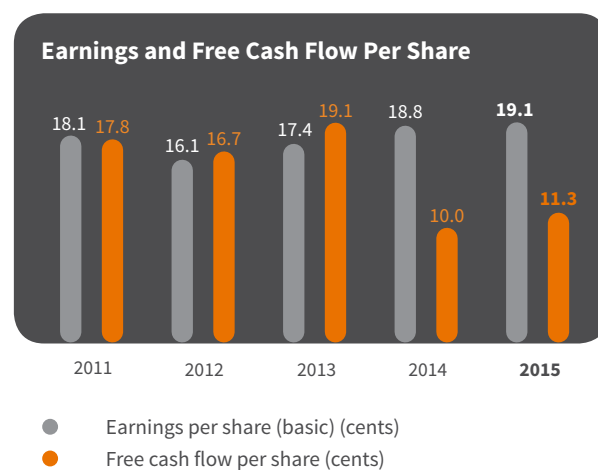
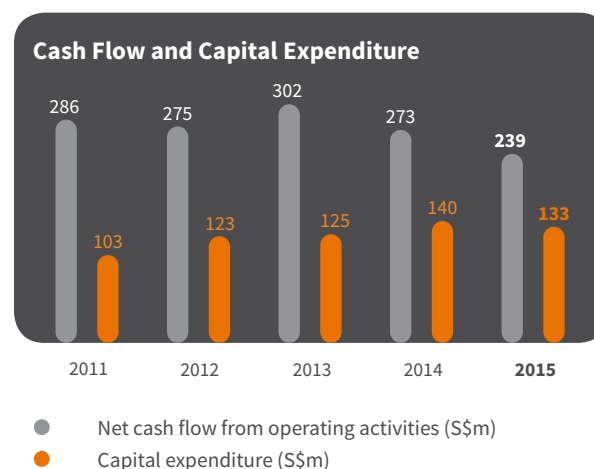
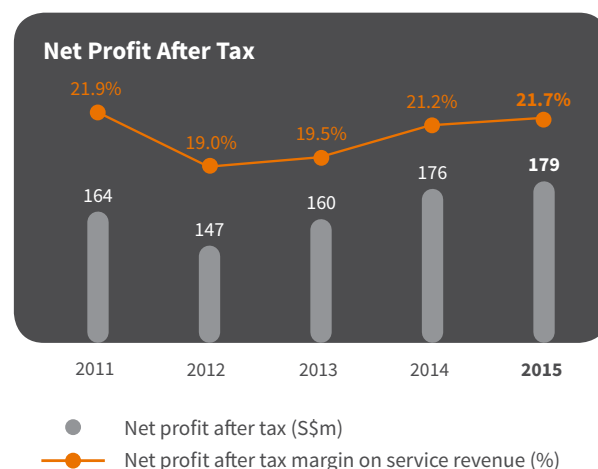
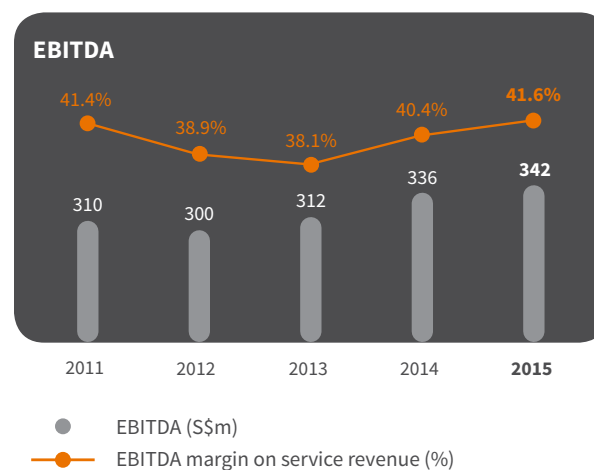
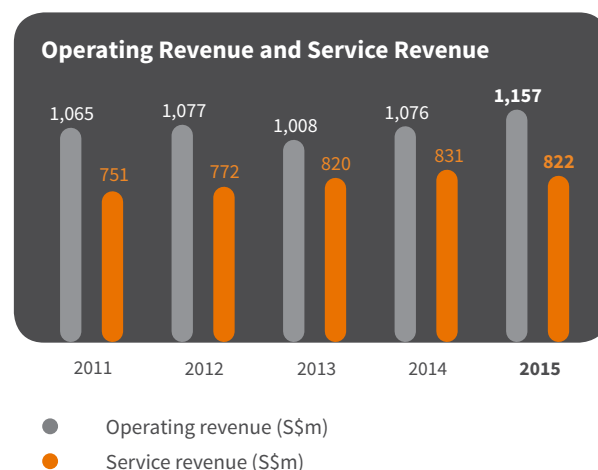


## Caring for the Community and Environment

From sponsoring 500 underprivileged children from our adopted charities to Cirque Du Soleil TOTEM to raising charitable funds through our annual M1 Charity Golf and M1 Charity Carnival events, we are committed to giving back to the community and enriching the lives of those in need.



# Performance Highlights



## OPERATING HIGHLIGHTS

	2015	2014	Change (%)
<b>Mobile Telecommunications</b>			
Number of mobile customers ('000)			
Postpaid	1,195	1,149	3.9
Prepaid	733	703	4.3
Total	1,928	1,852	4.1
Market share <sup>1</sup> (%)			
Postpaid	24.6	24.5	-
Prepaid	21.7	20.7	-
Overall	23.4	22.9	-
Singapore mobile penetration rate <sup>1</sup> (%)	148.4	148.0	-
Average revenue per user (ARPU, S\$ per month)			
Postpaid (excludes Data plan)	61.7	62.4	-1.1
Postpaid (excludes Data plan and adjusted) <sup>2</sup>	54.2	55.6	-2.5
Data plan	17.1	18.9	-9.5
Prepaid	14.7	14.5	1.4
Mobile data as a % of service revenue	46.3	35.6	-
Average monthly churn rate (%)	1.0	1.1	-
Acquisition cost per postpaid customer (S\$)	363	355	2.3
<b>Fixed Services</b>			
Number of fibre customers ('000)	128	103	23.6
ARPU (Fibre, S\$ per month)	46.7	43.9	6.4

<sup>1</sup> Based on IDA statistics as at December 2015

<sup>2</sup> After adjustment for ARPU allocated to handset sales

## FINANCIAL HIGHLIGHTS

	2015	2014	Change (%)
Operating revenue (S\$m)	1,157.2	1,076.3	7.5
Mobile telecommunications	667.7	671.1	-0.5
International call services	68.7	89.4	-23.1
Fixed services	85.9	70.6	21.7
Handset sales	334.9	245.3	36.6
EBITDA (S\$m)	341.8	335.5	1.9
Net profit after tax (S\$m)	178.5	175.8	1.5
Free cash flow (S\$m)	105.7	93.2	13.4
Net assets (S\$m)	413.2	394.6	4.7
Net debt (S\$m)	343.8	279.2	23.1
<b>Financial ratios</b>			
Net debt/equity (x)	0.8	0.7	17.5
Net debt/EBITDA (x)	1.0	0.8	20.9
EBITDA/interest (x)	69.5	83.0	-16.3
ROE (%)	44.2	44.5	-
ROCE (%)	25.1	26.8	-

Note: Figures may not add up due to rounding



# Letter to Shareholders

We continue to focus on delivering superior customer experience, improving our business processes and managing our costs, as well as investing for future growth.

The evolution and convergence of technologies have blurred the lines that once separated telecommunications, media and information technology companies.

The emerging digital economy is creating social and economic value to society and end-users, even as it generates new risks and challenges, as well as opportunities, for other stakeholders such as governments and commercial participants.

Nowhere is this more apparent than how OTT (Over-the-top) content providers, offering a large library of on-demand content at low monthly subscription, are impacting viewership habits. Companies such as Netflix from the United States and Viu from Hong Kong, which have launched services here, are challenging the traditional pay TV model, unbundling content from broadband access and further levelling the playing field.

At M1, we never stand still. To remain relevant and capture growth in the digital economy, we continue to focus on delivering superior customer experience, improving our business processes and managing our costs,

as well as investing for future growth. This singular focus has led our mobile network to be recognised in Infocomm Development Authority of Singapore's (IDA) network survey as delivering the best 4G experience<sup>1</sup>. M1 was also honoured with the Award of Excellence in IT sector at the Singapore Productivity Awards 2015<sup>2</sup>, and further extended our lead at consulting firm Frost & Sullivan's 2015 Customer Experience study.

## FINANCIAL HIGHLIGHTS

For 2015, M1 reported a creditable set of financial results. Net profit after tax for the full year grew 1.5% to S\$178.5 million. Operating revenue increased 7.5% to S\$1,157.2 million, on higher handset sales, while service revenue declined 1.1% to S\$822.3 million due to lower international call services revenue.

Mobile data usage continued to grow, with revenue from mobile data for the full year increasing 10.7 percentage points year-on-year to 46.3% of service revenue. Average smartphone data usage per postpaid customer grew to 3.3GB per month in the fourth

quarter of 2015, up from 3.0GB per month a year ago. Fixed services revenue grew 21.7% to S\$85.9 million and accounted for 10.4% of service revenue. The growth was driven by an enlarged customer base and expanded suite of corporate solutions.

The Group's balance sheet remained healthy, with net debt-to-EBITDA at 1.0 time as at end-2015.

## PERFORMANCE HIGHLIGHTS

During 2015, we grew our total customer base to 2.06 million.

Postpaid customer base increased 46,000 year-on-year to 1.20 million, and the number of customers on tiered data plans grew six percentage points to 74% as at end-2015, of which 21% exceeded their data bundles.

Our mySIM plans, launched in July 2015, offered the best value plans for customers who prefer to buy their own smartphones and the flexibility to decide how often they wish to upgrade them. These plans have been well-received.

MOBILE DATA AS A PERCENTAGE OF SERVICE REVENUE (2015)

46.3%

3.3GB  
AVERAGE SMARTPHONE DATA USAGE PER POSTPAID CUSTOMER PER MONTH

To promote usage of our roaming services, we introduced the unique M1 Data Passport service. The service, which enables our customers to use their data bundles across 29 overseas destinations including Australia, Malaysia, Japan, the United States and popular European countries, helped drive a 45% increase in data roaming users year-on-year.

Prepaid customer base increased 30,000 to 733,000, driven by various marketing campaigns, promotions and new offerings such as the Super Data top up which offers attractive data bundle to cater to this segment's increased data usage. We have also enabled our prepaid customers to use their data bundles in Malaysia and Indonesia at no additional charge, giving them greater convenience in using our prepaid cards when they travel to those countries.

Fibre customer base increased 25,000 to 128,000, as we added new customers in both the residential and corporate segments. During the year, we made available Singapore's best value 1Gbps and 200Mbps residential fibre broadband plans, at highly attractive rates. The corporate segment continues to be a key growth area. In 2015, corporate customers made up 11% of fixed customer base and contributed to 48% of fixed services revenue. During the year, we expanded our suite of GPON (Gigabit Passive Optical Network) fibre connectivity services with speeds of up to 10Gbps. With the appointment as NetLink Trust's key corporate subcontractor to install fibre optic connectivity, we are better able to manage the end-to-end provisioning process for our customers and further improve service experience.

## OUTLOOK

Amidst a weakness in global economic growth arising from a moderation of growth in China, low oil prices and higher interest rates, there are also new opportunities in the digital economy.

Over the years, we have laid the groundwork in our people, technology, networks and financial strength, and we will leverage on these to tap on these new opportunities.

Products and services are increasingly incorporating embedded sensors and connectivity, and we will continue to develop and harness our capability in data analytics, as well as leverage on our recently introduced M2M (Machine-to-Machine) Connect Platform to deliver smart solutions for our customers.

Mobile data and fixed services will continue to drive growth for M1 in 2016, and we will continually invest in our mobile and fixed networks to enhance usage experience and grow our portfolio of innovative products and services to meet customer needs. In collaboration with Huawei, we successfully achieved Southeast Asia's fastest combined mobile upload and download speeds in a lab trial, with peak download speeds of more than 1Gbps and peak upload speeds in excess of 130Mbps.

For fixed services, we are establishing a track record of securing new customers in the government and corporate sectors with our extensive ultra-high speed connectivity solutions, as well as cloud-based data centre and managed services. We will continue to build on our capabilities to grow in this space.

<sup>1</sup> Results from MyConnection SG Pilot from October 2014 to March 2015, based on the 90th percentile of data sessions tested across all operators  
<sup>2</sup> Organised by Singapore Business Federation (SBF) with the judging panel for the Awards comprising SBF, SPRING Singapore, Singapore National Employers Federation, Singapore Retail Association, Singapore Infocomm Technology Federation and DP Information Group



# Letter to Shareholders

With the collective effort of all stakeholders, we have a strong platform to build on for long term growth and value creation for all.

## CORPORATE SOCIAL RESPONSIBILITY

M1 is committed to responsible business practices and making a positive impact on our community and operating environment.

We recognise the positive impact that communications technology can have on improving people's lives and livelihoods, especially for the underprivileged and underserved segments. M1 was the first operator to make available a customised service plan for People with Disabilities. In 2014, we were appointed by the Media Development Authority of Singapore to help low-income households enjoy free access to digital TV, and in 2015, we are proud to be appointed by the IDA to be their Home Access Programme partner, to deliver high-speed broadband to Singapore's low-income households. We believe these initiatives will help narrow Singapore's digital divide and enable even more people to enjoy the benefits that technology brings.

M1 has been a keen supporter of the arts since commercial launch in 1997. Through our support of events such as M1 Singapore Fringe Festival and performance groups such as T.H.E Dance Company and Frontier Danceland, we have established a strong reputation as a champion for Singapore arts and culture.

In recognition of our long-standing support for Singapore's arts scene, M1 was presented with the special SG50 Patron of the Arts award by the National Arts Council in 2015.

Through our annual M1 Charity Golf and Charity Carnival events, we raised more than S\$350,000 for our adopted charities Beyond Social Services, Brahm Centre, the Children-At-Risk Empowerment Association, and the M1 Students Support Fund. The Fund, launched in February 2015, provides supplementary support to school-going children from low income families.

In marking Singapore's 50<sup>th</sup> birthday, we provided our customers free calls, SMS/MMS messages and mobile data for local usage, over the National Day weekend, enabling our customers to express their joy and wishes for our nation with each other freely.

## DISTRIBUTION TO SHAREHOLDERS

M1 is committed to maintain a sustainable dividend policy that will enhance long-term shareholder value. For 2015, the Board of Directors has proposed a final dividend of 8.3 cents, bringing total dividends declared to 15.3 cents, representing a payout of 80% of our full-year net profit after tax.

In determining the dividend payout, the Board of Directors took into

consideration the Company's cash flows, financial leverage, investment requirements and resources available to pursue new business opportunities which may arise in the near or medium term, as well as economic outlook.

## A NOTE OF THANKS

We would like to thank our customers, business partners, shareholders, M1 staff and Board of Directors for their continued support in 2015.

In particular, we would like to remember our late Independent Director, Mr Roger Barlow, who passed away in June 2015. He was the longest serving independent director on the Board and also the previous Chairman of the Remuneration Committee and member of the Nominating Committee. We are deeply grateful for Mr Barlow's invaluable contributions and insights from his extensive experience in the telecommunications industry.

We continue to operate in a fast-moving and ever-changing industry, filled with challenges and opportunities. With the collective effort of all stakeholders, we have a strong platform to build on for long term growth and value creation for all.

*Choo Chiau Beng*

CHOO CHIAU BENG  
Chairman

*Karen Kooi Lee Wah*

KAREN KOOI LEE WAH  
Chief Executive Officer

# Operating Review

## COMPANY OVERVIEW

M1 is Singapore's most vibrant and dynamic communications company, providing mobile and fixed services to more than 2 million customers. Since the launch of commercial services 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.

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 content.

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 data, voice and value-added postpaid and prepaid mobile services. To cater to our customers' varied needs, we offer service plans with a choice of data and voice bundles that they can take up with or without a device.

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.

OPERATING  
REVENUE (2015)

S\$1,157.2M

+7.5%





# Operating Review

The postpaid mobile segment continues to be the key contributor to our revenue.

M1 offers an extensive suite of mobile and fixed services, including connectivity solutions of up to 10Gbps, managed services, cloud solutions, Machine-to-Machine (M2M) and data centre services, to the corporate segment. We have a dedicated and highly committed team of corporate account managers, as well as a technical team that provides round-the-clock 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
- 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
- Nationwide LTE-Advanced service in December 2014

For 2015, M1's operating revenue increased 7.5% year-on-year to S\$1,157.2 million, on higher handset sales. Service revenue decreased 1.1% to S\$822.3 million, due to lower international call services revenue. Mobile data revenue continued to grow, increasing 10.7 percentage points year-on-year to 46.3% of service revenue for 2015.

Net profit after tax increased 1.5% year-on-year to S\$178.5 million, with margin on service revenue increasing 0.5 percentage point to 21.7%. Free cash flow increased 13.4% to S\$105.7 million and net debt-to-EBITDA remained healthy at 1.0 time.

As at end-2015, M1 had a total of 1,928,000 mobile customers, comprising 1,195,000 postpaid and 733,000 prepaid customers. During the year, we grew our fibre customer base by 24.3% to 128,000.

## MARKET DEVELOPMENTS

According to IDA's latest reported statistics, Singapore's market penetration rate was 148.4% as at end-December 2015, compared to 148.0% as at end-2014. As at end-December 2015, there were a total of 8.2 million mobile subscriptions, comprising 59.0% postpaid and 41.0% prepaid subscriptions.

In the fixed broadband segment, the residential broadband penetration rate was 102.8% as at end-December 2015. From January to December 2015, the total fibre market including both residential and corporate subscriptions, increased 31.7% to 932,300. Over the same period, cable and digital subscription line subscriptions declined 23.2% to 387,100, and 37.7% to 147,200, respectively.

## POSTPAID MOBILE

The postpaid mobile segment continues to be the key contributor to our revenue. This segment made up 62.0% of our total mobile customer base as at end-2015 and contributed 88.5% of our 2015 mobile telecommunications revenue. During the year, we added 46,000 postpaid customers to bring our postpaid base to 1,195,000, representing a market share of 24.6% as at end-December 2015.

Driven by faster networks and devices, mobile data usage grew in 2015. Average data usage per smartphone customer grew to 3.3GB per month in the fourth quarter of 2015, up from 3.0GB per month a year ago. As at end-2015, 74% of our postpaid customers had migrated to tiered data plans, compared to 68% a year ago.

Through the year, we continued to enhance and expand our products and services.

In February 2015, M1 entered into a partnership with the Maritime and Port Authority of Singapore to help the maritime community leverage on mobile technology to enhance productivity and crew welfare, through Singapore's first Corporate Data Pooling Plans. The plans, which offer corporate customers the flexibility of a shared mobile data bundle of up to 100GB, can be used among authorised employees through 4G dongles or handsets, and are available to ships visiting Singapore and local harbour craft. The plans were also extended to other corporate customers during the year.

Through the year, we continued to enhance and expand our products and services.



# Operating Review

FIBRE CUSTOMERS (END-2015)

128,000

+25,000

To provide better value for customers who prefer to use their existing smartphones, we introduced attractive SIM-only plans, known as mySIM, in July 2015. The new mySIM postpaid plans are available from S\$30 a month for a 5GB data bundle, 300 minutes of calls, and 1,000 SMS/MMS, to S\$125 for a 20GB data bundle with unlimited calls and SMS/MMS, with a 12-month contract. Plans with no contract are also available.

During the same month, we also made available the unique M1 Data Passport service, enabling our customers to use their local data bundles overseas. As at end-2015, M1 Data Passport has been expanded to 29 destinations worldwide, including Malaysia, Australia, Japan, Hong Kong, the United States and popular European countries. To enable customers to have continual connectivity when they travel, M1 launched an unlimited in-flight data roaming service in December 2015. The two services deliver convenience and value to both business and leisure travellers, and give M1 customers the peace of mind to use their smart devices overseas and on flights the way they do at home.

Through the year, we continued to work with device manufacturers to make available their new handsets, tablets, wearables and accessories to our customers in a timely manner. Key models launched in 2015 included the Apple Watch, iPad Pro, iPhone 6S, iPhone 6S+, LG G4, LG G4 Dual LTE, Samsung Galaxy Note 5, Samsung Galaxy S6 Edge+, Samsung Gear S2, Xiaomi Mi 4i and Redmi Note 2.

## 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 2015, we grew our prepaid customer base by 30,000 to 733,000, driven by various marketing campaigns, promotions and new offerings.

During the year, we enabled our prepaid customers to use their existing local data bundles in Malaysia and Indonesia. The data roaming feature, available on M1's partner networks Celcom in Malaysia and XL Axiata in Indonesia, offers roaming customers the convenience of using their existing mobile lines when travelling to neighbouring countries.

We also launched Super Data, Singapore's best-value prepaid top up. The S\$30 Super Data top-up offers prepaid customers a 2GB data bundle, and S\$100 worth of local calls and SMS messages, valid for 30 days, to cater to our customers' increased mobile data usage.

To provide greater ease of use and a hassle-free top-up experience for our customers, we introduced electronic top-up service at more than 400 Cheers and 7-Eleven outlets island-wide. During the year, we worked with DBS to launch Prepaid mobile top-up at DBS/POSB iBanking, SMS Banking and PayLah! App to enhance the convenience of topping up for DBS/POSB customers. Our prepaid top-up is also now available electronically through SingPost SAM web service and mobile app.

A new service, M Send, was launched in December 2015, to enable our prepaid customers to securely transfer prepaid credits to another prepaid mobile account overseas. As at end-December 2015, the service offers prepaid credits transfer to ten countries, to make it easier for our customers to stay connected with their family and friends who are overseas.

In extending our reach to the migrant worker segment, we organised and participated in outreach events at dormitories and recreation centres across Singapore. In August 2015, we set up multiple movie screening and celebratory carnivals in various workers' dormitories island-wide during the SG50 celebrations, to include foreign workers in our National Day festivities. In November 2015, we sponsored Deepavali carnivals at recreation centres across Singapore to celebrate the Festival

In the corporate space, we continued to drive growth with our extensive range of connectivity solutions, such as Singapore's first 2Gbps to 10Gbps GPON (Gigabit Passive Optical Network) fibre services at highly competitive prices.

of Light with our Indian customers. 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 new Super Data top-up in their native languages. In closing the year, we held a Christmas party at Fort Canning for our Filipino customers.

## FIXED SERVICES

Singapore's home fibre penetration rate continued to grow to over 70%, as at end-2015. During the year, we added 25,000 customers to bring our fibre customer base to 128,000, driven by our competitive service plans and complementary services such as Home Fixed Voice and 1GB Mobile Broadband.

In April 2015, the IDA announced the appointment of M1 as its Home Access programme partner, to deliver high speed fibre broadband Internet access to low-income households with at least one Singapore citizen. Through the programme, eligible households are able to enjoy M1's 100Mbps fibre broadband service, and will also receive an Internet router and a 7-inch Alcatel tablet, for only S\$6 a month.

In the corporate space, we continued to drive growth with our extensive range of connectivity solutions, such as Singapore's first 2Gbps to 10Gbps GPON (Gigabit Passive Optical Network) fibre services at highly competitive prices, as well as our expanded suite of cloud-based managed services. During the year, M1 was appointed by NetLink Trust, which owns Singapore's NGNBN, as a key subcontractor to install fibre optic connectivity for M1's corporate customers. With the appointment, M1 will install fibre optic cables, termination points, and undertake all other necessary installation work to enable ultra-high speed connectivity from a non-residential building's main distribution frame room to the corporate customers' premise. This further streamlines the fibre provisioning process and enhances our ability to deliver a better service experience to our corporate customers.





# Operating Review

## PRODUCTS AND SERVICES

M1's innovative and exciting products and services launched in 2015 include:

- **M1 mPOS:** Launched in collaboration with CIMB, MasterCard and Wirecard in June 2015, M1 mPOS (mobile Point of Sale) solution transforms smartphones and tablets into credit, debit and prepaid card terminals. Designed to meet the needs of traditionally cash-based small businesses, startups, and “on-the-go” enterprises, such as push-cart vendors and small cafes, mPOS allows these merchants to offer their customers the convenience of card payment, without the need to purchase, set up, and maintain a traditional POS terminal;
- **Data roaming services:** M1 made available several innovative data roaming services for the benefit of customers who travel overseas. Launched in July 2015, the M1 Data Passport value-added service enables our postpaid customers to use their local data bundles in six overseas destinations. This was expanded to a total of 29 destinations, including Australia, Malaysia, Japan, the United States and other popular Asian and European destinations as at end-2015. In October 2015, M1 made available data roaming to Malaysia and Indonesia to its prepaid customers, at no additional charge. In December 2015, M1 launched unlimited in-flight data roaming services on 18 airlines including Singapore Airlines, British Airways and Qatar Airways, through our preferred in-flight network partner, OnAir;
- **VSafe:** The VSafe mobile application, made available in August 2015, automatically helps authorised recipients keep track of the whereabouts of their loved ones, especially a child or elderly family member, via their phones. The geofencing tool, at S\$2.99 per month, will alert the authorised recipient of the tracked user's activity within a selected map location, and the loved one can also use VSafe to send a distress signal to all authorised recipients;
- **Corporate GPON fibre connectivity services:** M1 launched Singapore's first 2Gbps to 10Gbps GPON (Gigabit Passive Optical Network) fibre services for corporate customers in August 2015. Together with GPON services of up to 1Gbps and 10Gbps Active Ethernet service, Singapore's fastest fibre service on the NGNBN, M1 now offers Singapore's most extensive range of corporate connectivity services;
- **M1 M2M Connect:** Launched in October 2015, the M1 M2M Connect platform enables corporate customers to access, track and manage all their connected devices conveniently, from any authorised computer or mobile phone. They will also be able to set and change business rules, perform device troubleshooting and obtain detailed reporting of all M2M

Delighting customers through service excellence across all touch points remained our focus during 2015.

activities. Additionally, M1 has partnered multiple technology providers, including Aerolion Technologies, Napier Healthcare Solutions, Quantum Inventions, and Parametric Technology, to deliver a wide range of smart M2M solutions for transport, retail, healthcare and security sectors;

- **Smart Lives smart home programme:** In partnership with Keppel Land Limited, the Smart Lives programme, announced in December 2015, will enable 30 households at the Luxurie condominium in Sengkang to enjoy a suite of smart healthcare and home solutions. Through the programme, M1 and Keppel Land will gather feedback to identify additional smart solutions to better meet customers' needs.

## SALES AND DISTRIBUTION

Our 14 M1 Shop outlets island-wide provide customers with convenient access to our products and services. We also partner exclusive distributors such as Arrow Communications, Big Box Singapore, Era International Network, and Handphone Shop, and conduct regular roadshows at high traffic locations such as shopping malls, migrant worker dormitories, and major consumer technology events, to further augment our reach and accessibility.

M1's online pre-order and collection system, first launched in 2014 and further enhanced in 2015, has continued to help deliver a better service experience to our customers by enabling them to select their preferred model, make payment and then choose their preferred collection location or have it delivered to them. This system, the Singapore communications industry's most comprehensive handset pre-order system, allows customers to conveniently pick up their handsets from any M1 Shop and reducing collection time to as little as ten minutes. This has enhanced M1's productivity and enabled us to deliver more handsets to our customers, especially during the launch of popular models.

## BRAND

M1, which first introduced Singaporeans to the captivating and fascinating world of Cirque du Soleil with Saltibanco in 2000, was the presenting sponsor for TOTEM, Cirque du Soleil's new production. The production, which traces the fascinating journey of the human species from its original amphibian state to its ultimate desire to fly, was staged at its trademark blue-and-yellow big top at Bayfront Avenue next to Marina Bay Sands, from October to December 2015. M1 customers enjoyed a range of benefits and activities, including priority booking, ticket discounts, special souvenirs and premiums, and M1 Shops were also fitted out to reflect the TOTEM theme.

In June 2015, a new brand campaign, “Making Moments Special”, exploring the role M1's products and services play in customers' lives, was launched on TV, print, online and outdoor advertising channels. Social media customer engagement programmes, conducted during the new brand campaign, festive periods and M1's 18<sup>th</sup> anniversary celebrations, further helped build preference for the brand, as well as our products and services.

In celebration of the nation's 50<sup>th</sup> birthday, M1 customers were treated to free local calls, SMS/MMS messages and data, during the Jubilee Weekend in August 2015.

Our marketing and branding efforts were recognised through various awards in 2015, including the Straits Times Print Ad of the Month in June 2015 for our Brand print ad, as well as the Straits Times and Lianhe Zaobao Print Ad of the month in August 2015 for the SG50 campaign. For our brand building efforts, we were awarded the Most Improved Local Brand at the 11<sup>th</sup> Singapore Media Awards in August 2015.

## CUSTOMER EXPERIENCE

Delighting customers through service excellence across all touch points remained our focus during 2015.

During the year, we completed a major upgrade of our customer care system. The upgraded system enables us to meet the current and future needs of our growing customer base, as well as provides our front-line staff a comprehensive, unified view of all customers across our business lines. The upgrade has also improved the operational efficiency at our retail outlets, as well as in service provisioning, by up to 35%. Additionally, by capturing all customer transactions and consolidating this data into a single system, we are able to serve our customers more effectively, and use data analytics to determine and better address their preferences.





# Operating Review

To give our customers more peace of mind in using mobile data, we launched a new feature to alert customers when they are approaching their data bundle cap.

Our efforts were recognised through an Award of Excellence in IT sector at the prestigious Singapore Productivity Awards 2015, for productivity efforts that successfully led to a reduction in customer waiting time. We also extended our leadership at the second annual Frost & Sullivan Customer Experience study, with four of six recognitions, for “Excellence In Customer Experience - Overall Telecommunication Services”, “Excellence In Customer Experience - In-Store Channel”, “Excellence In Customer Experience - Contact Centre Experience”, and “Excellence In Customer Experience - Mobile”.

M1 employees’ positive engagement with customers were further recognised at the annual Excellent Service Awards (EXSA) in 2015, with 4 Star, 27 Gold, and 68 Silver awards, compared to one Star, 16 Gold and 58 Silver awards in the year before. EXSA, a national award that recognises individuals for their outstanding service, is managed by seven industry bodies and supported by SPRING Singapore. During the year, our Changi Airport Terminal 3 retail outlet received the Changi Airport Group’s Outstanding Outlet Award, for the 4<sup>th</sup> consecutive year.

## NETWORKS

M1 continues to invest in networks and technology to improve our capabilities and capacity, and enhance customer experience. Since inception, we have invested more than S\$1.8 billion into our fixed and mobile networks and this has enabled our customers to consistently enjoy the latest technology developments and next-generation products and services, often ahead of competition. In 2015, our efforts were recognised in IDA’s network survey for delivering the best 4G experience.

Key network initiatives in 2015 include:

- 4G Voice:** Following extensive testing, 4G Voice or Voice over LTE (VoLTE) calls were made available in April 2015 to customers on 4G plans at no additional charge. Through the higher bandwidth available on M1’s LTE-Advanced network, VoLTE technology allows calls to be connected faster and offers higher quality voice communications, compared to standard voice calls. By working seamlessly between M1’s 3G and 4G networks, 4G Voice also delivers uninterrupted conversation to customers, while on the move;
- Small cell technology:** Small cell technology was deployed to enhance our customers’ mobile data experience at high traffic indoor locations, such as Paragon and Nex shopping malls, and Jurong East Regional Library. Small cell deployments are also underway at Orchard and Raffles Place MRT stations;

- 4G indoor enhancement with MIMO technology:** We have rolled out MIMO (multiple-input and multiple-output) technology for our mobile infrastructure in five commercial buildings to boost indoor 4G speeds and are currently deploying the technology to more buildings;
- Software-defined networking data centre:** We collaborated with VMware, Palo Alto Networks and Huawei to deploy a next-generation software-defined networking (SDN) technology proof of concept in our cloud-based data centre. SDN technology will allow us to have a comprehensive unified view of our network and effective control over each network element through a central management tool. This will enable us to develop and introduce new services faster and with increased flexibility, to better serve our corporate customers;
- Fibre network expansion:** We continued to expand our fibre infrastructure to further extend our reach to corporate customers and increase our mobile backhaul self-provision. During the year, we completed a new Southern core fibre ring and are extending fibre to commercial buildings in Shenton Way and Biopolis;
- 4.5G trial:** Through a lab trial conducted with our mobile network vendor Huawei, we successfully achieved peak download speeds in excess of 1Gbps, and peak upload speeds of more than 130Mbps, positioning us well to meet customers’ growing data requirements in the future.

# Financial Review

## OPERATING REVENUE

	Year Ended 31 December		
	2015 S\$’m	2014 S\$’m	Change (%)
<b>Operating revenue</b>			
Mobile telecommunications	667.7	671.1	-0.5
International call services	68.7	89.4	-23.1
Fixed services	85.9	70.6	21.7
<b>Total service revenue</b>	822.3	831.1	-1.1
Handset sales	334.9	245.3	36.6
<b>Total</b>	1,157.2	1,076.3	7.5

For 2015, operating revenue increased 7.5% to S\$1,157.2 million mainly driven by higher handset sales. Service revenue decreased 1.1% to S\$822.3 million, due to lower international call services revenue.

## MOBILE TELECOMMUNICATIONS REVENUE

	Year Ended 31 December		
	2015 S\$’m	2014 S\$’m	Change (%)
<b>Mobile telecommunications revenue</b>			
Postpaid	590.8	591.0	0.0
Prepaid	76.9	80.1	-4.0
<b>Total</b>	667.7	671.1	-0.5
<b>Average revenue per user (ARPU, S\$ per month)</b>			
Postpaid	61.7	62.4	-1.1
Postpaid (adjusted) <sup>1</sup>	54.2	55.6	-2.5
Data plan	17.1	18.9	-9.5
Prepaid	14.7	14.5	1.4
Fibre broadband	46.7	43.9	6.4
Mobile data as a % of service revenue	46.3%	35.6%	–

1 After adjustment for ARPU allocated to handset sales

Mobile telecommunications revenue decreased 0.5% to S\$667.7 million due to lower prepaid revenue. Segmentally, postpaid revenue was stable at S\$590.8 million. Prepaid revenue at S\$76.9 million was 4.0% lower year-on-year due to lower voice traffic.

Mobile data revenue continued to grow with average smartphone data usage increasing to 3.3GB per month in the fourth quarter of 2015 from 3.0GB per month a year ago. Accordingly, mobile data contribution increased year-on-year by 10.7 percentage points to 46.3%. Data plan ARPU decreased 9.5% to S\$17.1 due to the bundling with fixed services.



# Financial Review

## INTERNATIONAL CALL SERVICES REVENUE

	Year Ended 31 December		
	2015 S\$m	2014 S\$m	Change (%)
<b>International call services revenue</b>			
Retail revenue	53.0	75.2	-29.6
Wholesale and bilateral revenue	15.8	14.2	11.3
<b>Total</b>	<b>68.7</b>	89.4	-23.1
Total international retail minutes (in millions)	813	1,131	-28.1

International retail minutes decreased 28.1% to 813 million minutes, mainly due to low usage to low value destinations. Accordingly, international call services revenue decreased 23.1% to S\$68.7 million.

## HANDSET SALES

Handset sales increased 36.6% to S\$334.9 million as a result of higher sales volume and selling price.

## OPERATING EXPENSES

	Year Ended 31 December		
	2015 S\$m	2014 S\$m	Change (%)
Cost of sales	530.8	453.0	17.2
Staff costs	118.2	113.5	4.1
Advertising and promotion expenses	24.3	24.4	-0.4
Depreciation and amortisation	118.4	114.4	3.5
Allowance for doubtful debts	8.9	11.4	-21.7
Facilities expenses	82.1	80.7	1.7
Leased circuit costs	31.7	30.0	5.7
Other general and administrative expenses	25.6	29.7	-13.9
<b>Total</b>	<b>940.0</b>	857.1	9.7

Operating expenses increased 9.7% to S\$940.0 million mainly due to higher cost of sales.

## COST OF SALES

	Year Ended 31 December		
	2015 S\$m	2014 S\$m	Change (%)
Handset costs	419.1	330.3	26.9
Traffic expenses	39.4	52.3	-24.8
Wholesale costs of fixed services	38.4	32.6	17.6
Other costs	34.0	37.8	-10.0
<b>Total</b>	<b>530.8</b>	453.0	17.2

Cost of sales increased 17.2% to S\$530.8 million mainly due to higher handset costs. Handset costs increased 26.9% to S\$419.1 million, driven by both higher sales volume and average unit cost. Wholesale costs of fixed services increased 17.6% to S\$38.4 million due to an enlarged fibre customer base.

## STAFF COSTS

Staff costs increased 4.1% to S\$118.2 million due to annual increment and higher headcount.

## ADVERTISING AND PROMOTION EXPENSES

Advertising and promotion expenses remained stable at S\$24.3 million.

## DEPRECIATION AND AMORTISATION

Depreciation and amortisation expenses increased 3.5% to S\$118.4 million as a result of higher asset base.

## ALLOWANCE FOR DOUBTFUL DEBTS

Doubtful debt allowance decreased 21.7% to S\$8.9 million due to improved collection.

## FACILITIES EXPENSES

Facilities expenses increased 1.7% to S\$82.1 million mainly due to higher repair and maintenance expenses.

## LEASED CIRCUIT COSTS

Leased circuit costs increased 5.7% to S\$31.7 million to support new base station sites acquired.

## OTHER GENERAL AND ADMINISTRATIVE EXPENSES

Other general and administrative expenses decreased 13.9% to S\$25.6 million mainly due to one-off expenses incurred in 2014.



# Financial Review

## FINANCE COSTS

Finance costs increased 21.7% to S\$4.9 million due to higher borrowings.

## TAXATION

Provision for taxation decreased 3.3% to S\$39.9 million mainly due to higher non-tax deductible expenses in 2014.

## NET PROFIT AFTER TAX

	Year Ended 31 December		
	2015 S\$'m	2014 S\$'m	Change (%)
Net profit after tax	178.5	175.8	1.5
Net profit after tax margin (on service revenue)	21.7%	21.2%	

Net profit after tax grew 1.5% to S\$178.5 million and net profit after tax margin improved to 21.7% of service revenue.

## EBITDA

	Year Ended 31 December		
	2015 S\$'m	2014 S\$'m	Change (%)
EBITDA	341.8	335.5	1.9
EBITDA margin (on service revenue)	41.6%	40.4%	

EBITDA increased 1.9% to S\$341.8 million.

EBITDA margin, as a percentage of service revenue, was higher at 41.6%.

## CAPITAL EXPENDITURE AND COMMITMENTS

Capital expenditure incurred for 2015 was lower at S\$133.5 million due to the completion of building extension in 2014.

Capital commitment as at 31 December 2015 was S\$77.6 million which included S\$64.0 million commitment for the 4G spectrum rights.

## LIQUIDITY AND CAPITAL RESOURCES

	Year Ended 31 December		
	2015 S\$'m	2014 S\$'m	Change (%)
Profit before tax	218.4	217.1	0.6
Non-cash item and net interest expense adjustments	80.8	86.6	-6.8
Net change in working capital	(60.1)	(30.8)	94.9
Net cash provided by operating activities	239.1	272.9	-12.4
Net cash used in investing activities	(141.8)	(178.4)	20.5
Net cash used in financing activities	(110.1)	(126.1)	12.7
Net change in cash and cash equivalents	(12.8)	(31.7)	-59.5
Cash and cash equivalents at beginning of financial year	22.8	54.5	-58.2
Cash and cash equivalents at end of financial year	10.0	22.8	-56.2
Free cash flow <sup>1</sup>	105.7	93.2	13.4

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 12.4% to S\$239.1 million. Free cash flow was 13.4% higher at S\$105.7 million.

## FINANCIAL LEVERAGE

As at 31 December 2015, gearing ratio was 0.8 times compared to 0.7 times as at 31 December 2014. Interest coverage ratio (EBITDA/Interest) was 69.5 times for 2015, compared to 83.0 times for 2014.



# Board of Directors



**CHOO CHIAU BENG, 68**  
Chairman

Mr Choo Chiau Beng was appointed as the Chairman of M1 on 12 January 2015. Mr Choo sits on the Board of several organisations, including KrisEnergy Ltd, Keppel Care Foundation Limited and NRF Holdings Pte Ltd. He is a Board member of National Research Foundation, a member of Science and Engineering Research Council Board of A\*Star and a member of the Investment Board of GIC Private Limited. He is also a Board and Council member of American Bureau of Shipping, Chairman of the Board of Governors of Raffles Institution and a member of Singapore University of Technology and Design's Board of Trustees. He is Singapore's Non-Resident Ambassador to Brazil.

He was Chief Executive Officer and Senior Advisor of Keppel Corporation from January 2009 to December 2013 and from January 2014 to December 2015 respectively. Before that, he held various positions within Keppel Group including Chairman and Chief Executive Officer of Keppel Offshore & Marine.

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 Program for Management Development in Harvard Business School in 1982.

In July 2014, Mr Choo was appointed by National University of Singapore (NUS) as Provost's Chair and Professor (Practice) in the Department of Civil and Environmental Engineering. At the same time, he was also appointed as Rector of Residential College 4 of NUS.

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.



**KAREN KOOI LEE WAH, 61**  
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.



**JAMALUDIN IBRAHIM, 56**

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 has 34 years 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.



**LOW HUAN PING, 59**

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 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.



# Board of Directors



**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.



**HUANG CHENG ENG, 67**

Mr Huang was appointed to M1's Board of Directors on 30 April 2015. He is also a member of the Boards of the Far East Organisation (FEO) Hospitality Asset Management Pte Ltd and the FEO Hospitality Trust Management Pte Ltd, the companies which manage the Far East Hospitality Trust.

Mr Huang had extensive experience in commercial and marketing activities. Before his retirement in 2010, Mr Huang was Executive Vice President – Marketing and the Regions at Singapore Airlines Limited (SIA), where he was in charge of commercial and marketing activities, as well as SIA's overseas offices. From 1987 to 1996, he was in charge of air cargo and developed SIA Cargo into a full-fledged division. During his stint at SIA, he was also the Chairman of SIA Cargo Pte Ltd and SilkAir Pte Ltd. He had served on the Board of Virgin Atlantic Airways and the Singapore Tourism Board. He had amassed 10 years of overseas experience, working in Taiwan, France and Hong Kong from 1977 to 1987.

Outside of the corporate sector, Mr Huang is the Vice President of MINDS (Movement for the Intellectually Disabled of Singapore).

Mr Huang graduated from the University of Hawaii in 1971 with a Bachelor of Business Administration and obtained a Master in Business Administration from the Michigan State University in 1973. He attended the Stanford University Senior Executive Program in 1995.



**ELAINE LEE KIA JONG (MRS ELAINE LIM), 60**

Mrs Lim was appointed to M1's Board of Directors on 30 April 2015.

After a rich and varied background in journalism, hospitality and a two-year stint at The Singapore Exchange (SGX), Mrs Lim moved into consultancy practice where she founded and built up two of Singapore's largest public relations and investor relations consultancies. In particular, she is recognised for her unparalleled track record in capital market transactions, having supported more than 270 initial public offerings, as well as a number of landmark reverse takeovers and merger & acquisitions on the SGX.

Mrs Lim was invited by the Singapore Management University to initiate a new course in Investor Relations which she taught for two semesters as an adjunct lecturer. She currently teaches Investor Relations to Directors at the Singapore Institute of Directors, where she serves as a member of its Governing Council. She also serves on the Board of Lien Aid Limited.

A graduate of the University of Chicago Booth Graduate School of Business, Mrs Lim was named the PR Professional of the Year in 1995 and awarded the Lifetime PR Achievement Award in 2012 by the Institute of Public Relations Singapore.



**MOSES LEE KIM POO, 64**

Mr Lee is currently Chairman of Singapore Totalisator Board (Tote Board) and Sentosa Development Corporation (SDC), positions which he assumed on 1 January 2013. Both the Tote Board and SDC are statutory boards under the Ministry of Finance and Ministry of Trade and Industry respectively.

On 1 November 2013, Mr Lee was appointed Independent Non-Executive Director and Chairman of GuocoLand Limited.

Mr Lee retired from the Singapore Civil Service in October 2012 after a distinguished career in the public service. His appointments included being the Principal Private Secretary to the Prime Minister and Permanent Secretary in the Ministries of Labour, Community Development and Health.

Mr Lee was the Commissioner of the Inland Revenue Authority of Singapore (IRAS) from 2005 until his retirement in 2012. As the Commissioner, Mr Lee pushed for IRAS to excel in managing both tax compliance and customer service. In this increasingly globalised and competitive economy, IRAS has successfully engaged with the business community and international counterparts to ensure that the tax environment supports economic development.

Mr Lee was a President's Scholar and graduated with a Bachelor of Engineering (Mech & Production) (Hons-Class 1) and also holds a Master in Public Administration from Harvard University.



## Board of Directors



**LIONEL LIM CHIN TECK, 59**

Mr Lim was appointed to M1's Board of Directors on 30 April 2015.

Mr Lim is an industry veteran with more than 35 years of leadership and management experience in enterprise IT systems, software and solutions across the Asia Pacific region.

Mr Lim served as the President and General Manager of CA Technologies for the Asia Pacific and Japan region from August 2010 to April 2014. In 1988, he was the founding Managing Director of Sun Microsystems ASEAN. During his 22-year tenure at Sun Microsystems, he held various senior leadership positions, including President of Asia Pacific and Japan, Chief Operating Officer for Asia Pacific and Japan, President for Greater China, President for Japan and President for the Asia South region. Prior to joining Sun Microsystems, Mr Lim was the Country Sales Director for Hewlett Packard Singapore where he started his career in 1980.

On July 30 2015, Mr Lim was appointed as a member of the Singapore Health Services Group IT Committee.

Mr Lim holds a Bachelor's Degree in Electrical and Electronic Engineering from the University of Melbourne. He is a member of the Singapore Institute of Directors and an alumni of the INSEAD International Directors Program 2014.



**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 Inland Revenue Authority of Singapore (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 30.



**PATRICK MICHAEL SCODELLER**  
Chief Operating 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 Telecom CSL Limited in Hong Kong 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 M1 TeliNet Pte Ltd (formerly known as 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.



# Senior Management



**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 24 years' 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 telecommunications, Internet and technologies sectors where he was involved in several initial public offerings 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.



**DENIS SEEK**  
Chief Technical Officer

Mr Seek joined M1 in November 2014 as Director, Engineering and was appointed as Chief Technical Officer in May 2015. 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 10 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.



**WILLIS SIM**  
Chief Product Development and Corporate Solutions Officer

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 island-wide deployment of Wi-Fi coverage in Singapore under the Wireless@SG initiative by the Infocomm Development Authority of Singapore (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.



# Senior Management



**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 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.



**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 efficiency strategic initiatives, as well as business continuity and crisis management. Prior to this, Mr Low led the International SOS Pte Ltd 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.



**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.



**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 & Investor Relations in January 2011.

Prior to joining M1, he was an Investment Analyst for over four years with various companies, including Indosuez WI 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 2015

Name of Director	Academic & Professional Qualifications	Directorships or Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years	
		Title	Company
<b>Choo Chiau Beng</b>	Bachelor of Science 1st class Hons, University of Newcastle upon Tyne, UK	<b>PRESENT APPOINTMENTS</b>	
<b>Age</b> 68		<b>Listed Companies</b>	
		Director	KrisEnergy Ltd
<b>Date First Appointed</b> 12.01.2015	Master of Science degree in Naval Architecture, University of Newcastle upon Tyne, UK	<b>Principal or Other Directorships</b>	
		Director / Chairman	NRF Holdings Pte Ltd
		Director	Keppel Care Foundation Limited
<b>Length of Service</b> 1 year		<b>Major Appointments (other than Directorships)</b>	
		Member of the Board	National Research Foundation, Prime Minister's Office, Singapore
	Management Development Program, Harvard Business School, USA	Member of the Board of Directors and Council Member	American Bureau of Shipping
	Member, Wharton Society of Fellows, University of Pennsylvania	Member of the Science and Engineering Research Council Board	Agency for Science, Technology & Research (A*Star)
		Chairman	Centre for Maritime Studies (NUS)
		Board Member	Energy Studies Institute (NUS)
		Member of the Investment Board	GIC Private Limited
	Doctor of Civil Law, University of Newcastle upon Tyne, UK	Chairman of Board of Governors	Raffles Institution
		Member of Board of Trustees	Singapore University of Technology and Design
		<b>PAST DIRECTORSHIPS</b>	
	Provost's Chair and Professor (Practice) in the Department of Civil and Environmental Engineering, Faculty of Engineering and Department of Management and Organisation, NUS Business School	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

Name of Director	Academic & Professional Qualifications	Directorships or Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years	
		Title	Company
<b>Karen Kooi Lee Wah</b>	Fellow, Association of Chartered Certified Accountants (UK)	<b>PRESENT APPOINTMENTS</b>	
<b>Age</b> 61		<b>Listed Companies</b>	
		Nil	
<b>Date First Appointed</b> 22.04.2009	Master of Business Administration degree in Investment and Finance (Distinction) University of Hull, UK	<b>Principal or Other Directorships</b>	
		Director	M1 Net Ltd.
		Director	M1 Connect Pte. Ltd.
		Director	M1 Shop Pte Ltd
<b>Length of Service</b> 6 years 8 months		Director	M1 TeliNet Pte. Ltd. (formerly known as Wireless Intellect Labs Pte Ltd)
		Director	Kliq Pte. Ltd.
		<b>Major Appointments (other than Directorships)</b>	
		Nil	
		<b>PAST DIRECTORSHIPS</b>	
		Nil	
<b>Jamaludin Ibrahim</b>	Master of Business Administration (Specialising in Quantitative Methods) from Portland State University, Oregon, USA	<b>PRESENT APPOINTMENTS</b>	
<b>Age</b> 56		<b>Listed Companies</b>	
		Director / GCEO	Axiata Group Berhad
		Director	PT XL Axiata Tbk
		Alternate Director	Dialog Axiata PLC
<b>Date First Appointed</b> 21.08.2008		<b>Principal or Other Directorships</b>	
	Bachelor of Science in Business Administration and a minor in Mathematics from California State University, USA	Director / Chairman	Celcom Axiata Berhad
		Alternate Director	edotco Group Sdn Bhd
<b>Length of Service</b> 7 years 4 months		Director	Axiata Digital Services Sdn Bhd
		Director	Axiata Foundation
		Director	Malaysian Global Innovation & Creativity Centre Berhad
		<b>Major Appointments (other than Directorships)</b>	
		Member	GSMA Mobile For Development Foundation
		<b>PAST DIRECTORSHIPS</b>	
		Director	Axiata Investments (Indonesia) Sdn Bhd
		Director	Axiata Investments (Singapore) Limited
		Director	Axiata SPV2 Berhad
		Director	edotco Malaysia Sdn Bhd
		Director	Escape Axiata Sdn Bhd
		Director	Universiti Tun Abdul Razak Sdn Bhd
		Director	Multimedia Development Corporation Malaysia
		Deputy Chairman	GSM Association
		Member	National Visual Arts Gallery of Malaysia
		Member	Academy of Science Malaysia (ASM) Science Education Committee
		Member	Capital Raising Advisory Group, Securities Commission Malaysia



# Particulars of Directors

As at 31 December 2015

Name of Director	Academic & Professional Qualifications	Directorships or Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years	
		Title	Company
<b>Low Huan Ping</b>	Bachelor of Arts (Hons), Master of Arts, Cambridge University	<b>PRESENT APPOINTMENTS</b>	
<b>Age</b> 59	Master of Science, National University of Singapore	<b>Listed Companies</b>	Director iFast Corporation Ltd
<b>Date First Appointed</b> 01.09.1994	Advanced Management Program, Harvard Business School, USA	<b>Principal or Other Directorships</b>	Director SPH Multimedia Private Limited Director SPH AsiaOne Ltd Director Zaobao.com Ltd Director MediaCorp Press Ltd Director Shareinvestor.com Holdings Ltd Director Shareinvestor Pte Ltd Director Sl.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 Director 21 Impact Co., Ltd Alternate Director MediaCorp TV Holdings Pte Ltd Alternate Director 701Search Pte Ltd Alternate Director Streetsine Technology Group Pte Ltd (formerly known as CoSine Holdings Pte Ltd) Alternate Director StreetSine Singapore Pte Ltd
<b>Length of Service</b> 21 years 3 months		<b>Major Appointments (other than Directorships)</b>	Nil
		<b>PAST DIRECTORSHIPS</b>	Nil
<b>Chow Kok Kee</b>	Bachelor of Engineering 1st class Hons, University of Newcastle, Australia	<b>PRESENT APPOINTMENTS</b>	
<b>Age</b> 63	Bachelor of Commerce University of Newcastle, Australia	<b>Listed Companies</b>	Director Tuan Sing Holdings Ltd
<b>Date First Appointed</b> 16.02.2009	Master of Business Administration National University of Singapore	<b>Principal or Other Directorships</b>	Director ACTA Investment & Services Pte Ltd Director Transwater Services Pte Ltd
<b>Length of Service</b> 6 years 10 months	Fellow of the Singapore Institute of Directors	<b>Major Appointments (other than Directorships)</b>	Nil
	Member of Institute of Engineers, Australia	<b>PAST DIRECTORSHIPS</b>	Director Innovalues Ltd Director Chosen Holdings Ltd Director Valuetronics Holdings Ltd
	Associate of Institute of Chartered Secretaries and Administrators, UK		

Name of Director	Academic & Professional Qualifications	Directorships or Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years	
		Title	Company
<b>Huang Cheng Eng</b>	Bachelor of Business Administration, University of Hawaii	<b>PRESENT APPOINTMENTS</b>	
<b>Age</b> 67	Travel Industry Management, East West Center Institution University of Hawaii	<b>Listed Companies</b>	Director FEO Hospitality Asset Management Pte Ltd (REIT Manager Board of Far East Hospitality Trust)
<b>Date First Appointed</b> 30.04.2015	Master of Business Administration, Michigan State University	<b>Principal or Other Directorships</b>	Director FEO Hospitality Trust Management Pte Ltd (Trustee-Manager Board of Far East Hospitality Business Trust)
<b>Length of Service</b> 8 months	Management Development Program for Managers, INSEAD	<b>Major Appointments (other than directorships)</b>	Exco Member MINDS (Movement for the Intellectually Disabled of Singapore) Exco Member Children's Aid Society
	Stanford Executive Program, Graduate School of Business Stanford University	<b>PAST DIRECTORSHIPS</b>	Nil
	Managing Partnership & Strategic Alliances Program, INSEAD		
	Effective Board Leadership Programme - Financial Literacy & Governance		
	Listed Company Director Programme - Audit Committee Essentials - Risk Management Essentials		
	Corporate Governance Guide for Boards in Singapore Singapore Institute of Directors		



# Particulars of Directors

As at 31 December 2015

Name of Director	Academic & Professional Qualifications	Directorships or Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years	
		Title	Company
<b>Elaine Lee Kia Jong (Mrs Elaine Lim)</b>	Master of Business Administration, University of Chicago Graduate School of Business	<b>PRESENT APPOINTMENTS</b>	
<b>Age</b> 60		<b>Listed Companies</b> Nil	
<b>Date First Appointed</b> 30.04.2015	Fellow and Member of Governing Council, Singapore Institute of Directors	<b>Principal or Other Directorships</b>	
<b>Length of Service</b> 8 months		Director	Lien Aid Limited
		Director	Singapore Institute of Directors
		Director	BIPP Company Pte Ltd
		Director	IRICS Company Pte Ltd
		<b>Major Appointments (other than directorships)</b>	
		Director (Advisory)	Stamford Corporate Services Pte Ltd
		<b>PAST DIRECTORSHIPS</b>	
		Director / Chairman	Citigate Dewe Rogerson, i.MAGE Pte Ltd
		Director	Singapore Land Authority
		Director	3Cnergy Limited
		Director	Staraim Pte Ltd
<b>Moses Lee Kim Poo</b>	President's Scholar, Bachelor of Engineering, Mechanical and Production (Hons-Class 1), University of Singapore	<b>PRESENT APPOINTMENTS</b>	
<b>Age</b> 64		<b>Listed Companies</b> Director / Chairman GuocoLand Limited	
<b>Date First Appointed</b> 01.06.2015	Master in Public Administration, Harvard University, USA	<b>Principal or Other Directorships</b>	
<b>Length of Service</b> 6 months		Chairman	Sentosa Development Corporation
		Chairman / Board Member	Singapore Totalisator Board
		<b>Major Appointments (other than directorships)</b>	
		Member of Service Management Advisory Panel	Civil Service College (CSC)
		Member of 2015 SEA Games Advisory Committee	Ministry of Culture, Community and Youth (MCCY)
		<b>PAST APPOINTMENTS</b>	
		Commissioner / CEO	Inland Revenue Authority of Singapore (IRAS)

Name of Director	Academic & Professional Qualifications	Directorships or Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years	
		Title	Company
<b>Lionel Lim Chin Teck</b>	Bachelor of Engineering, Electrical and Electronics (Hons), University of Melbourne	<b>PRESENT APPOINTMENTS</b>	
<b>Age</b> 59		<b>Listed Companies</b> Nil	
<b>Date First Appointed</b> 30.04.2015	Member, Singapore Institute of Directors	<b>Principal or Other Directorships</b>	
<b>Length of Service</b> 8 months		Director	Greennano Holdings Pte Ltd
		<b>Major Appointments (other than directorships)</b>	
		Member, IT Committee	Singapore Health Services
		<b>PAST DIRECTORSHIPS</b>	
		President / General Manager (Asia Pacific and Japan)	CA Technologies Pte Ltd
<b>Alan Ow Soon Sian</b>	Bachelor, Social Sciences (Hons), University of Singapore	<b>PRESENT APPOINTMENTS</b>	
<b>Age</b> 68		<b>Listed Companies</b> Nil	
<b>Date First Appointed</b> 16.02.2009	Special Agent in Tax Fraud Training IRS, USA	<b>Principal or Other Directorships</b>	
<b>Length of Service</b> 6 years 10 months	International Tax Program Harvard Law School, USA	<b>Major Appointments (other than directorships)</b>	
	Advanced Management Program Harvard Business School, USA	Senior Tax Consultant / Non - legal practitioner (part-time)	GSM Law LLP
		Treasurer	Morning Star Community Services
		<b>PAST DIRECTORSHIPS</b>	
		Director	Keppel Infrastructure Fund Management Pte Ltd (the Trustee-Manager of K-Green Trust)
		Vice President	Morning Star Community Services



# Particulars of Senior Management

As at 31 December 2015

Name of Senior Management	Directorships or Chairmanships in other listed companies & other major appointments, both present and held over the preceding 3 years	
	Present Directorships	Past Directorships
Patrick Michael Scodeller	M1 TeliNet Pte. Ltd. (formerly known as 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 M1 TeliNet Pte. Ltd. (formerly known as Wireless Intellect Labs Pte Ltd)	None
Raymond Yeo	M1 Net Ltd. M1 Shop Pte Ltd	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
Denis Seek	None	None
Willis Sim	M1 Connect Pte. Ltd.	Astiv Pte Ltd Cinenow Singapore Pte. Ltd. QMax Comunications 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 M1 TeliNet Pte. Ltd. (formerly known as Wireless Intellect Labs Pte Ltd)	None
Anil Sachdev	None	None
Stamford Low	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 ten Directors, all of whom are non-executive except for the Chief Executive Officer (CEO), and six of whom are independent. The independent Directors make up 60% 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 40 to 45 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
<b>Non-executive</b>						
Choo Chiau Beng	N	Chairman		Member		
Jamaludin Ibrahim	N	Member				
Low Huan Ping	N	Member		Member		Chairman <sup>1</sup>
Chow Kok Kee	I	Member	Chairman	Member	Member	
Huang Cheng Eng <sup>2</sup>	I	Member	Member			Member
Elaine Lee Kia Jong <sup>3</sup>	I	Member	Member <sup>3</sup>		Member	
Moses Lee Kim Poo <sup>4</sup>	I	Member		Chairman <sup>4</sup>		
Lionel Lim Chin Teck <sup>5</sup>	I	Member				Member
Alan Ow Soon Sian	I	Member		Member	Chairman	Member
<b>Executive</b>						
Karen Kooi Lee Wah	N	Member				

N: Non-independent  
I: Independent

- 1 Mr Low Huan Ping was appointed as Chairman of the Risk Committee with effect from 30 April 2015
- 2 Mr Huang Cheng Eng was appointed as a Director and Member of the Nominating and Risk Committees with effect from 30 April 2015
- 3 Ms Elaine Lee Kia Jong was appointed as a Director and Member of the Audit Committee with effect from 30 April 2015; and appointed as a Member of the Nominating Committee with effect from 17 August 2015
- 4 Mr Moses Lee Kim Poo was appointed as a Director and Member of the Remuneration Committee with effect from 1 June 2015; and appointed as Chairman of the Remuneration Committee with effect from 1 July 2015
- 5 Mr Lionel Lim Chin Teck was appointed as a Director and Member of the Risk Committee with effect from 30 April 2015



# Corporate Governance

## 1 BOARD OF DIRECTORS (CONT'D)

At least one-third of the Directors retire at the Annual General Meeting (AGM) 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	68	Chairman & Director	12.01.2015	13.04.2015
Karen Kooi Lee Wah	61	Executive Director	22.04.2009	13.04.2015
Jamaludin Ibrahim	56	Director	21.08.2008	07.04.2014
Low Huan Ping	59	Director	01.09.1994	13.04.2015
Chow Kok Kee	63	Director	16.02.2009	13.04.2015
Huang Cheng Eng	67	Director	30.04.2015	NA
Elaine Lee Kia Jong	60	Director	30.04.2015	NA
Moses Lee Kim Poo	64	Director	01.06.2015	NA
Lionel Lim Chin Teck	59	Director	30.04.2015	NA
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 Secretaries whose appointments and removals are decided by the Board. The Company Secretaries administer, attend and prepare minutes of Board and Board Committee meetings, and assist the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively, and the Company’s Constitution and relevant rules and regulations, including requirements of the Companies Act, the Securities and Futures Act and SGX-ST, are complied with. The Company Secretaries also act as the primary channels 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.

## 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, five Board meetings were held. The Company’s Constitution provides for telephonic and videoconference meetings. The number of applicable Board meetings held in 2015, 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 2015	Number of Applicable Board Meetings Attended
Choo Chiau Beng	5	5
Karen Kooi Lee Wah	5	5
Jamaludin Ibrahim	5	4
Low Huan Ping	5	5
Chow Kok Kee	5	4
Huang Cheng Eng	3	3
Elaine Lee Kia Jong	3	3
Moses Lee Kim Poo	3	3
Lionel Lim Chin Teck	3	3
Alan Ow Soon Sian	5	5
Roger Barlow <sup>1</sup>	3	2
Kannan Ramesh <sup>2</sup>	2	2

1 The late Mr Roger Barlow passed away on 14 June 2015  
2 Mr Kannan Ramesh retired as a Director with effect from 30 April 2015

The late Mr Roger Barlow, previous Chairman of the Remuneration Committee and member of the Nominating Committee, passed away on 14 June 2015. He was the longest serving independent director on the Board since his appointment on 22 May 2002, and he maintained the highest standards of professionalism and governance in the performance of his duties on the Board and board committees. The Company benefited from his invaluable contributions and extensive experience in the telecommunications industry.

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 Chairman and the CEO are not related.



# Corporate Governance

### 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 Huang Cheng Eng and Ms Elaine Lee Kia Jong.

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:

- (a) Ensure a strong and independent element on the Board, with independent Directors making up at least one-half of the Board;
- (b) Determine the size of the Board which facilitates effective decision making, taking into account the scope and nature of the operations of the Company;
- (c) Determine the composition of the Board to comprise Directors who as a group provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge;
- (d) Implement and disclose a formal and transparent process for the appointment of new Directors to the Board;
- (e) Consider, review and recommend to the Board any new Board appointment or re-appointment, whether of executive or non-executive Directors, having regard to the Director's contribution and performance, including, if applicable, as an independent Director;
- (f) Determine annually if a Director is independent; 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;
- (g) 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;
- (h) Decide and propose to the Board for approval and implementation a set of objective performance criteria to be applied from year to year for evaluating the performance of the Board, as well as decide and propose to the Board for approval and implementation a process by which the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board can be assessed;
- (i) Evaluate the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board in accordance with the assessment process and performance criteria referred to in (h) above;
- (j) Reviewing and recommending to the Board appropriate training and development programmes for the Directors; and
- (k) 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.

### 3 NOMINATING COMMITTEE (NC) (CONT'D)

The number of applicable NC meetings held in 2015 and the attendance of each member at those meetings are as follows:

NC Member	Number of Applicable NC Meetings Held in 2015	Number of Applicable NC Meetings Attended
Chow Kok Kee	6	6
Roger Barlow <sup>1</sup>	4	2
Kannan Ramesh <sup>2</sup>	3	3
Huang Cheng Eng <sup>3</sup>	3	3
Elaine Lee Kia Jong <sup>4</sup>	1	1

- 1 The late Mr Roger Barlow passed away on 14 June 2015
- 2 Mr Kannan Ramesh retired as a Director with effect from 30 April 2015
- 3 Mr Huang Cheng Eng was appointed as a Member of the Nominating Committee with effect from 30 April 2015
- 4 Ms Elaine Lee Kia Jong was appointed as a Member of the Nominating Committee with effect from 17 August 2015

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 the late Mr Roger Barlow had 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.

The NC considers on an on-going basis:

- (a) board renewal and continuity including upcoming retirements and anticipated vacancies;
- (b) current board diversity and expected changes thereto;
- (c) types of Directors and skills needed given the Company's future directions;
- (d) annual evaluation results of Board and Board Committees; and
- (e) feedback from the Directors.

The NC keeps a constant scan for suitable candidates, and assesses potential candidates based on the following:

- (a) suitability of Director profile;
- (b) Director independence;
- (c) potential impact on boardroom interaction and dynamics;
- (d) other directorships and principal commitments; and
- (e) existing and potential conflict of interests.

Due diligence is conducted on potential candidates. Upon shortlisting, the NC, in consultation with Board Chairman, evaluate and interview candidates to assess their suitability and whether the candidates understand the roles and responsibilities involved in their appointments. The NC thereafter makes the final recommendation to the Board with details of the candidate's resume and due diligence results.

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.



3 NOMINATING COMMITTEE (NC) (CONT'D)

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
- Committee evaluation
- Managing risk and adversity
- Managing CEO performance and succession planning
- Corporate integrity and social responsibility
- Director development and remuneration
- Overall perception of the Board

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 programmes 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 Moses Lee Kim Poo 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 Moses Lee Kim Poo, 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.

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 2015 and the attendance of each member at those meetings are as follows:

RC Member	Number of Applicable RC Meetings Held in 2015	Number of Applicable RC Meetings Attended
Moses Lee Kim Poo <sup>1</sup>	2	2
Roger Barlow <sup>2</sup>	2	2
Choo Chiau Beng	4	4
Chow Kok Kee	4	3
Low Huan Ping	4	3
Alan Ow Soon Sian	4	4

1 Mr Moses Lee Kim Poo was appointed as a Member and as the Chairman of the Remuneration Committee with effect from 1 June 2015 and 1 July 2015 respectively  
2 The late Mr Roger Barlow passed away on 14 June 2015

# Corporate Governance

## 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.

Directors' fees are subject to shareholders' approval at the AGM. 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 2015 is as follows:

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

The annual remuneration of non-executive Directors payable for 2015 is as follows:

<b>Non-Executive Director</b>	<b>Position Held</b>	<b>Director's Fee</b>
Choo Chiau Beng <sup>1</sup>	Board Chairman, RC member	S\$120,753
Jamaludin Ibrahim	Board member	S\$50,000
Low Huan Ping <sup>2</sup>	Board member, RC member, Risk Committee Chairman	S\$103,370
Chow Kok Kee	Board member, NC Chairman, AC member, RC member	S\$130,000
Huang Cheng Eng <sup>3</sup>	Board member, Risk Committee member, NC member	S\$67,397
Elaine Lee Kia Jong <sup>4</sup>	Board member, AC member, NC member	S\$59,932
Moses Lee Kim Poo <sup>5</sup>	Board member, RC Chairman	S\$46,493
Lionel Lim Chin Teck <sup>6</sup>	Board member, Risk Committee member	S\$50,548
Alan Ow Soon Sian	Board member, AC Chairman, RC member, Risk Committee member	S\$140,000

## 5 DISCLOSURE ON REMUNERATION (CONT'D)

<b>Non-Executive Director</b>	<b>Position Held</b>	<b>Director's Fee</b>
Roger Barlow <sup>7</sup>	Board member, RC Chairman, NC member	S\$47,466
Kannan Ramesh <sup>8</sup>	Board member, Risk Committee Chairman, AC member, NC member	S\$42,384

- Mr Choo Chiau Beng was appointed as Chairman of the Board on 12 January 2015, and as member of the Remuneration Committee with effect from 19 January 2015
- Mr Low Huan Ping was appointed as Chairman of the Risk Committee with effect from 30 April 2015
- Mr Huang Cheng Eng was appointed as a Director and Member of the Nominating and Risk Committees with effect from 30 April 2015
- Ms Elaine Lee Kia Jong was appointed as a Director and Member of the Audit Committee with effect from 30 April 2015; and appointed as a Member of the Nominating Committee with effect from 17 August 2015
- Mr Moses Lee Kim Poo was appointed as a Director and Member of the Remuneration Committee with effect from 1 June 2015; and appointed as Chairman of the Remuneration Committee with effect from 1 July 2015
- Mr Lionel Lim Chin Teck was appointed as a Director and Member of the Risk Committee with effect from 30 April 2015
- The late Mr Roger Barlow passed away on 14 June 2015
- Mr Kannan Ramesh retired as a Director with effect from 30 April 2015

For each non-independent non-executive Director, fees are paid in accordance with the instructions of the relevant shareholder nominating him.

The Remuneration Committee approves the remuneration of the senior management on an annual basis. In determining the remuneration packages of the CEO and senior management, performance-related elements, including financial indicators, 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 2015, 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:

	<b>Fixed</b>	<b>Bonuses</b>	<b>Central Provident Fund</b>	<b>Benefits-in-kind</b>	<b>Share Options</b>	<b>Number of Share Options Granted</b>
<b>Above S\$1,000,000 to S\$1,250,000</b>						
Karen Kooi Lee Wah	43%	36%	1%	7%	13%	800,000
<b>Above S\$750,000 to S\$1,000,000</b>						
Patrick Michael Scodeller	43%	24%	1%	16%	16%	500,000
<b>Above S\$500,000 to S\$750,000</b>						
Poopalasingam Subramaniam	56%	24%	2%	5%	13%	300,000
Lee Kok Chew	51%	25%	3%	6%	15%	300,000
Alan Goh	57%	26%	3%	5%	9%	200,000
<b>Above S\$250,000 to S\$500,000</b>						
Lim Sock Leng	58%	22%	3%	6%	11%	200,000



# Corporate Governance

## 5 DISCLOSURE ON REMUNERATION (CONT'D)

In 2015, 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 95 to 97 of the Annual Report.

The aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO) was S\$2,843,165.

The Company does not have any employee who is an immediate family member of a Director or the CEO in 2015.

## 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 Chow Kok Kee and Ms Elaine Lee Kia Jong 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:

- (a) 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;
- (b) Review significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance. This includes review of quarterly, half-year and annual financial statements before submission to the Board for its approval;
- (c) Review the assistance given by management to the external auditor;
- (d) Review the independence and objectivity of the external auditor;
- (e) Review the nature and extent of non-audit services performed by the external auditor;
- (f) Examine the scope of internal audit procedures and the results of the internal audit;
- (g) 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;
- (h) Meet with the external and internal auditors without the presence of management at least annually;
- (i) Review the effectiveness of the Company's internal audit function and ensure that it is adequately resourced and has appropriate standing within the Company;
- (j) Investigate any matter which falls within the AC's terms of reference, having full access to and co-operation by management and the full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;

## 6 AUDIT COMMITTEE (AC) (CONT'D)

- (k) Review interested persons transactions falling within the scope of Chapter 9 of the Listing Manual of the SGX-ST;
- (l) Make recommendation to the Board on the appointment/re-appointment/removal of 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 2015 and the attendance of each member at those meetings were as follows:

AC Member	Number of Applicable AC Meetings Held in 2015	Number of Applicable AC Meetings Attended
Alan Ow Soon Sian	4	4
Chow Kok Kee	4	3
Kannan Ramesh <sup>1</sup>	2	2
Elaine Lee Kia Jong <sup>2</sup>	2	2

- 1 Mr Kannan Ramesh retired as a Director with effect from 30 April 2015
- 2 Ms Elaine Lee Kia Jong was appointed as a Member of the Audit Committee with effect from 30 April 2015

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 2015 and a breakdown of the fees paid in respect of audit and non-audit services is stated in the notes to the financial statements.

In the appointment of Ernst & Young LLP (an audit firm registered with the Accounting & Corporate Regulatory Authority) as Auditor for the Company and its subsidiaries (save for Kliq Pte Ltd for which there is no statutory audit requirement), the Company has complied with Rules 712 and 715 of the Listing Manual.

## 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 Low Huan Ping as Chairman, Mr Alan Ow Soon Sian, Mr Huang Cheng Eng and Mr Lionel Lim Chin Teck as members, all of whom are non-executive Directors and three of whom are independent Directors.

# Corporate Governance

## 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 2015 and the attendance of each member at those meetings are as follows:

Risk Committee Member	Number of Applicable Risk Committee Meetings Held in 2015	Number of Risk Committee Meetings Attended
Low Huan Ping <sup>1</sup>	4	4
Kannan Ramesh <sup>2</sup>	2	2
Alan Ow Soon Sian	4	4
Huang Cheng Eng <sup>3</sup>	2	2
Lionel Lim Chin Teck <sup>4</sup>	2	2

1 Mr Low Huan Ping was appointed as Chairman of the Risk Committee with effect from 30 April 2015  
2 Mr Kannan Ramesh retired as a Director with effect from 30 April 2015  
3 Mr Huang Cheng Eng was appointed as a Member of the Risk Committee with effect from 30 April 2015  
4 Mr Lionel Lim Chin Teck was appointed as a Member of the Risk Committee with effect from 30 April 2015

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 conducted on an on-going basis to inculcate and reinforce a proactive risk management culture within the Company. During the year, an operational site visit for the Board was also organised to enable the new Directors to learn more and better familiarise themselves with the Company's operations.

In June 2015, the Company achieved ISO 220301 certification for its Business Continuity Management systems.

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.

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.



# Corporate Governance

## 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 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 2015, 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.

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 make their best efforts 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 13 April 2015, 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 13 April 2015, 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 senior management, was promptly prepared by the Company post-AGM and made available to shareholders upon request.

## 11 COMMUNICATION WITH SHAREHOLDERS (CONT'D)

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 is committed to 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 2016, we will continue to maintain a dividend payout ratio 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 Resource 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 ETHICAL BEHAVIOUR (Code of Corporate Governance Principle 12)

The Group subscribes to a high standard of corporate governance, with a "zero tolerance" policy on fraud, corruption and other forms of unethical behaviour or conduct.

The Company has 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. The Company will keep confidential the identity of any whistleblower.

Acts that violate the M1 Policy for Disclosure of Reportable Conduct include:

- Unlawful acts
- Theft, misuse or wilful damage of the Company's resources
- Dishonest, fraudulent or corrupt activities
- Misuse or abuse of power or authority for any unauthorised or ulterior purpose
- Unsafe work practices

The Company 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.

# Corporate Governance

## 13 ETHICAL BEHAVIOUR (CONT'D)

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
- Follows the reporting procedure set out in the Policy

If there are any attempts at reprisal against the whistleblower, he/she will be given the opportunity to bring the matter to the attention of the appropriate level of senior management and/or the AC Chairman.

## 14 EMPLOYEE CODE OF CONDUCT (Code of Corporate Governance Principle 12)

The Company has a Code of Conduct which all employees are required to adhere to. The key tenets of this Code, which is available on the 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 the Company'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

## 15 RESPONSIBLE PROCUREMENT (Code of Corporate Governance Principle 12)

The Company purchases the following key products and systems from time to time, to support its business operations:

- Networks and related application systems
- Application systems and computers
- Mobile phones, tablets, accessories, and other consumer devices
- Furniture, fittings and equipment for the Company's offices

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

To further enhance ethical practices on the part of the Company's suppliers, the M1 Supplier Code of Conduct was introduced in January 2015. This Code sets out the Company's expectations of its suppliers, including their compliance with all applicable laws, prohibition on illegal or unethical behaviour such as bribery and corruption, and protection of customer data.

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

## 16 INTERESTED PERSON TRANSACTIONS AND MATERIAL CONTRACTS (Listing Manual Rule 907 & 1207(8))

Interested person transactions carried out during the financial year ended 31 December 2015 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)	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)
	2015 S\$'000	2015 S\$'000
<b>Transactions for the Purchase of Goods and Services <sup>1</sup></b>		
Singapore Telecommunications Limited & its associates	–	4,910
Telekom Malaysia Berhad	–	10,315
Axiata Group Berhad	–	541
Keppel Logistics Pte Ltd	–	1,072
CapitaMall Trust	–	1,379
StarHub Ltd	–	274
Temasek Holdings (Private) Limited & its associates	–	12,577
<b>Transactions for the Sale of Goods and Services</b>		
Singapore Telecommunications Limited & its associates	–	644
Telekom Malaysia Berhad	–	10,269
Axiata Group Berhad	–	462
StarHub Ltd	–	644
Temasek Holdings (Private) Limited & its associates	–	615
<b>Total Interested Person Transactions</b>	–	43,702

<sup>1</sup> 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 2015, we continued to publicly release quarterly, interim and full year results within one month of financial 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 2015 included the launch of SIM-only plans, known as M1 mySIM, to provide customers with better value and more flexibility over the smartphone they want to use, as well as the launch of M1 Data Passport service which enables customers to use their existing data bundles in 29 overseas destinations. 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 first-hand interactions have allowed us to understand analysts and investors' views on the Company's performance and strategy, and address any concerns that they may have.

As at 25 February 2016, the free float<sup>1</sup> of M1 shares was 39.18%, 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 2015 to Hong Kong, Japan, the UK and the USA. Locally, we

participated in five investor conferences, namely Bank of America Merrill Lynch ASEAN Stars Conference, Barclays SGX Corporate Day, Deutsche Bank Access Asia Conference, Nomura Investment Forum Asia and Morgan Stanley Asia Pacific Summit.

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](mailto:ir@m1.com.sg). Shareholders and interested parties are also encouraged to access the M1 corporate website at [www.m1.com.sg](http://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 senior management make their best efforts to attend the AGM. Our 13<sup>th</sup> AGM, held on 13 April 2015 at Singapore Marriott 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 is committed to 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 2015, we announced an interim dividend of 7.0 cents per share and a final dividend of 8.3 cents per share, bringing the total dividend declared to 15.3 cents per share. For 2016, we will continue to maintain a dividend payout ratio of at least 80% of net profit after tax.

<sup>1</sup> 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) <sup>2</sup>
2015	7.0	8.3 <sup>1</sup>	-	-
2014	7.0	11.9	-	-
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

<sup>1</sup> Subject to shareholders' approval at the 14<sup>th</sup> AGM

<sup>2</sup> M1 undertook capital reduction exercises in 2004, 2006 and 2007

## FINANCIAL CALENDAR FOR 2016

Date	Event/Announcement
18 January 2016	Release of 2015 full year results
6 April 2016	Annual General Meeting
21 April 2016	Payment of 2015 final dividend (subject to shareholders' approval at the 14 <sup>th</sup> AGM)
April 2016 <sup>1</sup>	Release of 2016 first quarter results
July 2016 <sup>1</sup>	Release of 2016 half year results
August 2016 <sup>1</sup>	Payment of 2016 interim dividend (if applicable)
October 2016 <sup>1</sup>	Release of 2016 third quarter results

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

# Sustainability Report

## INTRODUCTION

M1 remains committed to conducting its business in a responsible, ethical and sustainable way, and to play a part in benefitting our stakeholders, the community we live in and the environment through our continued sustainability efforts.

This annual sustainability report covers our economic, environmental, social and corporate governance performance for 2015.

Details of M1's corporate practices can be found in the Our Business section. We provide a holistic, inclusive and collaborative workplace for all employees, and a description of our human resource policies and practices, with relevant statistics, is available in the Our People section. Our contributions to the community, and continued efforts to minimise our environmental footprint, are available in the Our Community and Our Environment sections.

Internationally accepted measurement units are used in the reporting of performance data and indicators. A full listing of reported General Standard Disclosures and Specific Standard Disclosures can be found on pages 87 to 92 of this Annual Report.

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](mailto:corpcomms@m1.com.sg).

### REPORTING SCOPE AND BOUNDARIES

This report has been prepared in accordance with the Global Reporting Initiative's (GRI) G4 "Core" level guidelines, in describing key materiality issues and impact on our stakeholders, and is limited to M1's operations under its direct control for the period 1 January to 31 December 2015.

We reviewed the key environmental, social and governance issues highlighted by our stakeholders, and applied 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.

Stakeholder	Main engagement channels	Stakeholder's expectations	How M1 addresses concerns and notable initiatives
<b>Consumer and corporate customers</b>	<ul style="list-style-type: none"> <li>24-hour contact centre</li> <li>M1 Shop outlets</li> <li>Mobile sales team</li> <li>Corporate sales team</li> <li>Technical support team</li> <li>M1 website and Facebook page feedback forms</li> </ul>	<ul style="list-style-type: none"> <li>Reliable, quality network access</li> <li>Relevant and affordable products and services</li> <li>Effective customer service</li> <li>Data protection</li> </ul>	<ul style="list-style-type: none"> <li>Continual investment in networks and training to enhance customer experience</li> <li>Clear disclosure of all information relevant to customers in marketing materials</li> <li>Controls in place to ensure the privacy of our customers' personal data</li> </ul>
<b>Institutional and retail investors</b>	<ul style="list-style-type: none"> <li>Access to our Investor Relations team and senior management through: <ul style="list-style-type: none"> <li>Email</li> <li>Teleconferences</li> <li>Meetings</li> <li>Investor conferences</li> <li>Investor roadshows</li> <li>Annual General Meeting (AGM)</li> <li>Annual reports</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Sustainable business growth</li> <li>Create long-term shareholder value</li> <li>Good corporate governance</li> <li>Transparency in business strategy and operations</li> <li>Consideration for minority shareholders' interest</li> <li>Relevant corporate social responsibility initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Provide relevant and prompt updates on company developments</li> <li>Respond to investors' queries in a timely manner</li> <li>Opportunities to engage with senior management through investor meetings, emails, teleconferences, roadshows and the AGM</li> </ul>
<b>Business partners and suppliers</b>	<ul style="list-style-type: none"> <li>Meetings</li> <li>Email</li> <li>Telephone</li> </ul>	<ul style="list-style-type: none"> <li>Transparent and fair procurement and other business practices</li> <li>Compliance with terms and conditions of business contracts</li> </ul>	<ul style="list-style-type: none"> <li>Communicate M1's business policies to employees</li> <li>Transparent business processes in the selection of winning tenderers</li> <li>Avenues to report incidents of abuse and corruption</li> <li>Whistleblower policy</li> <li>M1 Supplier Code of Conduct, to further encourage best practices in procurement</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Employee feedback</li> <li>Team building sessions</li> <li>Annual employee appraisal sessions</li> <li>Biannual townhall events</li> <li>Quarterly CEO messages</li> <li>Grievance handling channel through Human Resource department</li> <li>Union representation</li> </ul>	<ul style="list-style-type: none"> <li>Safe working environment</li> <li>Fair remuneration and benefits</li> <li>Non-discriminatory practices</li> <li>Career growth</li> <li>Relevant employee training</li> </ul>	<ul style="list-style-type: none"> <li>Maintain a safe and inclusive working environment</li> <li>Recruit, reward and promote employees based on performance and merit</li> <li>Continual investment in human capital</li> </ul>
<b>Regulators</b>	<ul style="list-style-type: none"> <li>Regular formal and informal discussions</li> <li>Teleconferences</li> <li>Active participation, including written submissions, in relevant industry consultation sessions</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with regulations and service requirements</li> <li>Deliver continued socio-economic benefits to society</li> <li>Work with industry to maintain consistent technological standards</li> </ul>	<ul style="list-style-type: none"> <li>Policies to ensure compliance with regulations, laws and quality of service standards</li> <li>Swift remedial action in case of any regulatory or legislative violation</li> </ul>



# Sustainability Report

## INTRODUCTION

Stakeholder	Main engagement channels	Stakeholder's expectations	How M1 addresses concerns and notable initiatives
<b>Analysts and the media</b>	<ul style="list-style-type: none"> <li>Access to our Corporate Communications and Investor Relations teams through: <ul style="list-style-type: none"> <li>Email</li> <li>Teleconferences</li> <li>Meetings</li> <li>Organised visits and industry events</li> <li>Quarterly results conferences and teleconferences</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Timely and transparent disclosure of corporate information</li> <li>Prompt response to queries</li> <li>Access to senior management</li> </ul>	<ul style="list-style-type: none"> <li>Provide relevant and prompt updates on company developments</li> <li>Respond to media and analysts' queries in a timely manner</li> </ul>
<b>Trade associations</b>	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Make available industry approved products and services</li> <li>Adoption of industry best practices</li> </ul>	<ul style="list-style-type: none"> <li>Participation in industry events and dialogue sessions</li> <li>Harmonise our company policies and networks with globally accepted technologies and standards</li> </ul>
<b>Non-governmental organisations and community partners</b>	<ul style="list-style-type: none"> <li>Discussions with community groups</li> <li>Participation in relevant conferences</li> <li>Reporting on our sustainability strategy and performance</li> </ul>	<ul style="list-style-type: none"> <li>Minimise any social, public health or environmental impact</li> <li>Support deserving community efforts and underprivileged groups</li> </ul>	<ul style="list-style-type: none"> <li>Continual support of adopted community causes and conservation efforts</li> <li>Ensure products and services address the needs of and are available to underserved communities</li> <li>Continually review and improve sustainability performance and reporting</li> </ul>

## KEY MATERIALITY ISSUES, ASPECTS AND SUSTAINABILITY CONTEXT

The following section summarises the key material sustainability issues for M1, as determined through our engagement with stakeholders and inputs from our management and employees. We have provided an indication of the impact of the issues, and a summary of our management approach for each issue.

Material Issues	Material Aspects	Sustainability Context	Management Approach	Internal impact	External impact
<b>Network access and coverage</b>	<ul style="list-style-type: none"> <li>Good quality and reliable network access</li> <li>Affordable selection of products and services</li> <li>Digital inclusion</li> </ul>	<ul style="list-style-type: none"> <li>We provide mobile and fixed services to over 2 million customers</li> <li>The availability and affordability of our services greatly enhance our customers' productivity and quality of life</li> </ul>	<ul style="list-style-type: none"> <li>As at end-2015, we have invested more than S\$1.8 billion into our mobile and fixed networks. We will continue to invest in technology to enhance the customer experience</li> </ul>	Yes	Yes
<b>Ethics and integrity</b>	<ul style="list-style-type: none"> <li>Transparency in business practices including marketing communications, recruitment and procurement</li> <li>Data privacy</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining a high standard of corporate governance is key to protecting the interests of our stakeholders, including customers, employees, business partners and shareholders</li> </ul>	<ul style="list-style-type: none"> <li>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</li> </ul>	Yes	Yes
<b>Employees</b>	<ul style="list-style-type: none"> <li>A safe and conducive working environment</li> <li>Relevant training</li> </ul>	<ul style="list-style-type: none"> <li>We provide employment to 1,563 employees who form an important stakeholder segment and a critical component to our continued success in a competitive marketplace</li> </ul>	<ul style="list-style-type: none"> <li>We maintain a safe and conducive working environment</li> <li>We have a merit-based recruitment and promotion policy</li> <li>Our human resource colleagues, management and employees work together to identify suitable and relevant training programmes to enhance employees' skill sets</li> </ul>	Yes	No

# Sustainability Report

## INTRODUCTION

Material Issues	Material Aspects	Sustainability Context	Management Approach	Internal impact	External impact
Economic performance	<ul style="list-style-type: none"><li>Continued, sustainable business growth</li></ul>	<ul style="list-style-type: none"><li>We contribute toward Singapore's economy by responsibly paying our taxes and introducing business opportunities for our business partners</li><li>Our shareholders benefit through regular dividend payouts and share price performance</li><li>Our employees share in the company's success, through monetary rewards and staff benefits</li><li>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</li></ul>	<ul style="list-style-type: none"><li>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</li></ul>	Yes	Yes
Community support	<ul style="list-style-type: none"><li>Supporting deserving community initiatives and underprivileged groups</li></ul>	<ul style="list-style-type: none"><li>We believe that for a company to be successful in the long term, it should help create value for the community it operates in</li></ul>	<ul style="list-style-type: none"><li>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</li><li>We focus our efforts on the arts and sports causes in their start-up stage, where our contributions can make a meaningful impact</li></ul>	Yes	Yes
Environmental footprint	<ul style="list-style-type: none"><li>Energy usage</li></ul>	<ul style="list-style-type: none"><li>Energy is consumed in our business</li><li>As a non-extractive business, M1 does not have a significant environmental footprint</li></ul>	<ul style="list-style-type: none"><li>We continually review our environmental footprint to identify feasible initiatives to make the most efficient use of limited resources in a sustainable way</li></ul>	Yes	Yes

In addition to the material issues highlighted above, 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

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

### FINANCIAL PERFORMANCE

Our key financial indicators are as follows:

Financial indicators	2015 (\$m)	2014 (\$m)
Operating revenue	1,157.2	1,076.3
Net profit after tax	178.5	175.8
Operating expenses	940.0	857.1
Staff costs	118.2	113.5
Dividends paid to shareholders	177.0	196.9

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 remain key to our business, and we continually invest in new technologies, as well as coverage and capacity expansion, to deliver a better experience for our customers.

Since our inception, we have invested more than S\$1.8 billion in expanding and upgrading our mobile and fixed network infrastructure. This has enabled us to enhance our operational efficiency, better support our growing business and deliver new products and services to meet our customers' changing needs. M1 also continues to be at the forefront of empowering our customers in the digital world, such as in delivering Singapore's fastest 4G speeds<sup>1</sup> in 2015.

In 2015, we commenced a small cell network trial in high traffic locations, such as malls and MRT stations, to further improve customer experience. We also made available 4G Voice or Voice over LTE (VoLTE) calls, at no additional charge, enabling customers to connect their calls faster and at higher quality voice quality, compared to standard voice calls.

Further details of our network investments can be found in the Operating Review section of this Annual Report.

### QUALITY PRODUCTS AND SERVICES

With a strong focus on delivering superior customer experience and offerings with meaningful value, we are committed to quality and innovation, and constantly review our products and services to ensure they are relevant and enable more people to enjoy the benefits of digital connectivity.

We understand how technology can make a difference in the lives of underprivileged or underserved communities such as low-income households. To help narrow Singapore's digital divide, we worked with the Infocomm Development Authority of Singapore (IDA) as its appointed Home Access provider, to enable low-income families with school-going children to enjoy the benefit of fibre broadband for S\$6 a month. We also assisted fibre network company Netlink Trust with its inaugural sponsorship programme last year to deliver free fibre access to 400 low-income households.

1 Results from IDA's MyConnection SG Pilot from October 2014 to March 2015, based on the 90<sup>th</sup> percentile of data sessions tested across all operators



# Sustainability Report

## OUR BUSINESS

In catering to customers who prefer to buy their own handsets, we launched the mySIM plans in July 2015. These plans have been well-received by customers. Through the unique M1 Data Passport services, we enabled our customers to use their data bundles across 29 destinations including Australia, Malaysia, Japan, the United States and popular European countries, giving them the convenience of using their smartphones overseas the same way they do at home.

In the corporate segment, we made available an array of new products and services. M1's new XGPON (Gigabit Passive Optical Network) services, Singapore's first 2Gbps to 10Gbps GPON services, are designed to address the industry's gap in such corporate connectivity options. With the new services, M1 now offers Singapore's most extensive range

of corporate GPON connectivity services. During the year, M1 was appointed as Netlink Trust's key subcontractor to install fibre optic connectivity for corporate customers, further improving our end-to-end provisioning process and thereby the customer service experience.

In collaboration with CIMB, MasterCard and Wirecard, we launched a new mobile Point of Sale (mPOS) solution, transforming smartphones and tablets into terminals that allow merchants to accept credit, debit and prepaid card payments from customers anytime, anywhere. The launch of our advanced Machine-to-Machine (M2M) platform, M1 M2M Connect, will help deliver the benefits of smart M2M solutions to companies in raising their productivity, lowering costs, and tapping on new business opportunities.



**DATA PASSPORT** Launched in July 2015, M1's unique Data Passport service enables customers to use their existing M1 data bundles at overseas destinations including Malaysia, Australia, the United States and popular Asian and European destinations, at highly affordable rates. The service delivers convenience and value to both business and leisure travellers, and gives M1 customers the peace of mind to use their smart devices the way they do at home. As at end-2015, M1 Data Passport was available at 29 destinations worldwide.

### REGULATORY COMPLIANCE

We conduct our business in a 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 Media Development Authority of Singapore.

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 2015 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. Two senior executives of the Company have been appointed 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 2015.

**TRANSFORMING THE RETAIL PAYMENTS SPACE** In collaboration with CIMB, MasterCard and Wirecard, we launched an innovative mobile Point of Sale solution to transform smartphones and tablets into terminals that allow merchants to accept credit, debit and prepaid card payments from customers anytime, anywhere.

The M1 mPOS solution is designed to meet the needs of traditionally cash-based small businesses, startups, and "on-the-go" enterprises such as push-cart vendors and small cafes, allowing them to offer customers the convenience of card payment.



# Sustainability Report

## OUR BUSINESS

### SINGAPORE'S BEST VALUE POSTPAID PLANS

Singapore consumers today have access to a wide selection of smartphones at affordable prices even without contract. This has given consumers even more flexibility over the smartphones they want to use, and how often they wish to upgrade them.

In catering to these customers who prefer to buy their own handsets, M1 was the first to launch Singapore's best value SIM-only plans in July 2015. Known as mySIM plans, which start from S\$30 a month for a 5GB data bundle, 300 minutes of calls, and 1,000 SMS/MMS, to S\$125 for a 20GB data bundle with unlimited calls and SMS/MMS, they have been well-received by customers.

### 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
- 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.

The World Health Organisation has found no substantiated link between exposure to RF radiation and adverse impact on human health. Additionally, 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.

We are committed to public health and safety, and will continue to monitor RF radiation levels at our base stations and further scientific developments, to ensure our networks meet all relevant guidelines. We will also continue to be open and transparent in the area of public health and safety, and continue to work with the National Environment Agency and IDA to ensure the levels of exposure of RF radiation from our networks are well within the guideline limits.

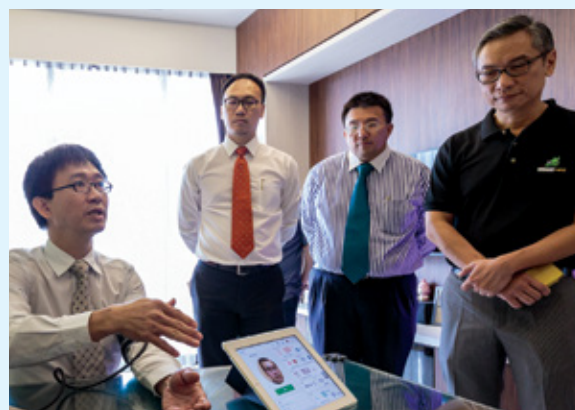
### CUSTOMER EXPERIENCE

Providing excellent customer service is one of our core tenets and we continually invest in training and review our business processes 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.



**SMARTER HOMES** M1 and Keppel Land's Smart Lives programme, announced in December 2015, will enable 30 households at Keppel's 622-unit The Luxurie condominium in Sengkang to enjoy smart home technology.

The programme will run for 12 months, and enable the selected households to enjoy a suite of smart healthcare, security and lighting solutions, such as alerts to residents when unwanted entry or motion is detected in off-limit areas in the home. Feedback will be gathered to ensure the solutions are relevant and meet homeowners' needs, and the programme will eventually be extended to other Keppel residential and commercial properties.

**CELEBRATING SG50** As a homegrown company, we wanted to do our part to help our nation celebrate its 50<sup>th</sup> birthday. To enable our highly connected customers to freely share their joys and wishes for our nation with each other, on this very special occasion, we offered free voice calls, SMS/ MMS messages and mobile data for local usage, over the National Day weekend.





# Sustainability Report

## OUR PEOPLE

Our dedicated employees are critical to our continued success. It is important that we attract, develop and retain exceptional people to continue to deliver a better experience for our customers. We are committed to fostering a work environment and organisation culture that embraces inclusiveness, diversity and teamwork, as well as promotes ownership mindset, while offering opportunities for our people to realise their full potential.

### EMPLOYEE PROFILE

As at end-2015, M1 employed 1,563 people with the majority engaged in technology, marketing, customer service and retail functions. Most of our people are employed on a full-time basis, with a small number of part-timers and contract hires.

#### TYPE OF EMPLOYMENT

	2015	%	2014	%
Full-time	1,529	97.8	1,415	95.1
Part-time	11	0.7	21	1.4
Contract	23	1.5	52	3.5
Total	1,563	100.0	1,488	100.0

#### LENGTH OF SERVICE

	2015	%	2014	%
< 5 years	847	54.2	817	54.9
5 – 10 years	245	15.7	199	13.4
> 10 years	471	30.1	472	31.7
Total	1,563	100.0	1,488	100.0

### EQUALITY AND DIVERSITY

At M1, we value the diversity of our people and believe a diverse workforce fosters greater innovation, helps us better understand and serve our customers, and empowers our people to deliver their best.

In recruitment, candidates are evaluated on their qualifications, capabilities and experience, regardless of gender, age or ethnicity. Annual employee evaluations are conducted through a transparent appraisal process, and performance targets set with the employee's input. 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 complaint in 2015 regarding discriminatory practices.

2015	Male %	Female %
Senior Management	69.9	30.1
Mid-Management	57.8	42.2
Executive	52.3	47.7
Non-Executive	42.6	57.4
Total	48.9	51.1

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



#### M1 FEMALE WORKFORCE 2015

Age	Chinese	Indian	Malay	Others	Total
< 20	–	–	–	–	–
20 – 29	170	8	6	31	215
30 – 39	225	12	18	79	334
40 – 49	153	9	18	19	199
50 – 59	34	1	5	3	43
≥ 60	6	1	–	–	7
Total	588	31	47	132	798
%	73.7	3.9	5.9	16.5	100.0

#### 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 MALE WORKFORCE 2015

Age	Chinese	Indian	Malay	Others	Total
< 20	–	–	–	–	–
20 – 29	158	6	13	14	191
30 – 39	218	11	10	65	304
40 – 49	173	4	8	18	203
50 – 59	48	2	5	3	58
≥ 60	6	1	–	2	9
Total	603	24	36	102	765
%	78.8	3.2	4.7	13.3	100.0

#### M1 MALE WORKFORCE 2014

Age	Chinese	Indian	Malay	Others	Total
< 20	–	–	–	–	–
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



# Sustainability Report

## OUR PEOPLE

### COMPENSATION AND BENEFITS

M1 employees enjoy 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 longer term performance and retain talent.

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

We provide full-time employees with outpatient and inpatient medical coverage, as well as regular health screenings and group insurance coverage. Following a review, we appointed Raffles Medical Group as our healthcare service provider to better manage our medical benefits programme, and provide a consistent quality of care and services to our employees and their dependents.

Through our Fun!@M1 initiative, employees can participate in lunch-time talks on topics such as stress management and parenting, as well as company-wide sporting events including road relays, basketball, netball and bowling. Launched in 2013, our Fun!@M1 initiatives continue to enjoy high participation rates amongst our staff.

For the benefit of employees who enjoy working up a healthy sweat, we have a fully-equipped gymnasium 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.

M1's 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 available throughout the year for employees and their families to enjoy.

In fostering team bonding and camaraderie, each department organises team building and de-stress activities such as games, craft-work, and meal outings. In 2015, instead of an annual Company Dinner and Dance, M1's employees and their loved ones were treated to an exhilarating Cirque du Soleil TOTEM performance.

### SUPPORTING PRO-FAMILIES INITIATIVES

In support of staff with families, we offer pro-family benefits such as paternity leave and shared parental leave schemes ahead of legislative development, as well as 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. Our annual "Bring Your Kids to Work Day" also enable children of our staff to spend a day with their parents at work and gain a better appreciation of their parents' job responsibilities at M1.

### WORKPLACE SAFETY

To promote a safe and healthy work environment, we have in place safety procedures that all employees, contractors and visitors are required to 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. In addition, 30 employees have been trained 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 2015.



### TRAINING

Our people are our most important resource in driving business growth. We continually invest in employee training to enhance their professional knowledge and skills, as well as to support their personal development to reach their potential.

In addition to regular in-house programmes such as in the areas of effective negotiations, managing conflict and interpersonal communications, we also support 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.

New initiatives launched in 2015 include a diploma scholarship programme and an internship programme for Institute of Technical Education students. The average employee training hours in 2015 was 42.2 hours, compared to 36.6 hours in 2014.

### MENTORING PROGRAMME

M1's Mentoring Programme, developed together with an external talent development consultant, is designed to help mid-management employees grow professionally by tapping into the cumulative experience and wisdom of M1's senior management team. Reception has been positive, and the programme has since been expanded to more participants for 2016.



### M1 DIPLOMA SCHOLARSHIP

M1, in collaboration with Nanyang Polytechnic and Temasek Polytechnic, launched the M1 Diploma Scholarship programme in April 2015, to attract and groom outstanding second and third year students to take up operational leadership roles within M1. Reception has been positive, with 29 applications, and three scholarships awarded, during the year.







# Sustainability Report

## OUR COMMUNITY

M1 remains committed to help create value for the community in a sustainable manner, through our corporate social responsibility initiatives. In 2015, we continued to actively support the arts, sports and youth causes with a mix of ongoing and new projects.

### ARTS AND US

M1 has been supporting the arts since 1997, as we believe a thriving arts scene is important in enriching the quality of life, as well as strengthening social bonds and our identity, in a multicultural country like Singapore. For our longstanding contributions, which have been instrumental in helping to shape Singapore's arts scene, we were presented with a special SG50 Arts Patron Award in 2015 by the National Arts Council.

Together with the passionate team from The Necessary Stage, we presented the 11<sup>th</sup> edition of the M1 Singapore Fringe Festival, with the theme "Art and Loss", in January 2015. The highly anticipated annual festival, which featured 18 works, 28 performances and four exhibitions by local and international artistes, drew a record audience of close to 15,000.

The M1 Chinese Theatre Festival, which featured an original children's musical to experimental works from Taiwan and Hong Kong, ran for four weeks over July and August 2015. In partnership with Theatre Practice, the festival brings small to mid-sized quality Chinese theatre performances to local audiences, accessible to both adults and children.

We increased our support to the theatrical scene during the year with the title sponsorship of the M1-The Straits Times Life! Theatre Awards 2015 in April, in honouring outstanding achievements in local theatre and recognising the contributions of theatre productions in Singapore.

In contemporary dance, M1 continued to support leading dance companies, T.H.E Dance Company and Frontier Danceland, in the development of this art form and young talents. Growing from strength to strength, the 6<sup>th</sup> edition of M1 CONTACT Contemporary Dance Festival was held from November to December



2015. In partnership with T.H.E Dance Company, the festival comprised three weeks of exhilarating dance performances, choreographic workshops and technique classes, as well as the M1 Open Stage – a distinctive platform for young, talented and aspiring dancers to showcase their works. With Frontier Danceland, our partnership continued with M1 Dancing on the Frontier Appreciation Series which introduces contemporary dance to students from secondary schools and tertiary institutions, as well as the M1-Frontier Danceland PULSE scholarship programme for aspiring and talented dancers.



### OPEN AND TRANSPARENT COMMUNICATIONS

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

Through M1's monthly newsletter VOICE and regular company-wide email updates, employees are apprised of developments in the industry and marketplace. The CEO also sends out a quarterly message to all employees on the Company's financial performance and pertinent developments in the quarter, as well as on ad-hoc occasions as necessary. 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. 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-2015, there was a 10% increase in union members compared to a year ago. Due to an enlarged employee base,

union members comprise 51% of eligible employees in 2015, compared to 54% a year ago.

In encouraging our suppliers to abide by relevant labour regulations and industry best practices such as non-discrimination and fair compensation, the M1 Supplier Code of Conduct was introduced in January 2015.



**ITE TRAINEESHIP PROGRAMME** A new Institute of Technical Education (ITE) Traineeship programme was introduced in 2015.

The programme provides ITE students an opportunity to "Learn-As-You-Earn", through a traineeship programme with M1 while pursuing their national certificate at ITE. As part of this programme, trainees will spend two to three days at ITE studying, and the remainder of their work week with M1. There is currently one trainee, who has been attached to M1's Customer Service department since April 2015. The 2016 selection is currently ongoing.



# Sustainability Report

## OUR COMMUNITY



### SPORTS WITH A CAUSE

In creating opportunities for young sporting talents to excel, we continued our support for Netball Singapore's initiatives, such as the M1 Schools Challenge League and the M1 Talent Identification Programme.

2015 was a memorable year for netball. Following the Singapore national team's first-ever South-East Asian (SEA) Games Gold medal win at the 28<sup>th</sup> SEA Games, we hosted an exclusive meet-and-greet session with the national team players for 100 fans at our Paragon M1 Shop in July 2015.

To promote sporting habits for life, we also partnered Netball Singapore to host the M1 Corporate Netball Challenge (M1CNC) – Singapore's biggest mixed corporate annual netball competition – for the third consecutive year at the Kallang Netball Centre in November 2015. The one-day event saw the participation of 47 teams across a wide spectrum of companies. New Zealand netball legends Ms Irene van Dyk, the most capped international player of all time, and Ms Casey Kopua, the current Captain of the New Zealand national team, Silver Ferns, were specially invited to make an appearance at the M1CNC to meet participants and fans, as well as at various netball clinics in secondary schools to share tips and tricks with young, aspiring netball players.

Another event highlight was the exhibition match between Singapore's Members of Parliament (MPs) comprising Ms Sim Ann, Senior Minister of State, Ministry of Community, Culture and Youth & Ministry of Finance & Deputy Government Whip; Dr Janil Puthucheary, Minister of State, Ministry of Education & Ministry of Communication and Information; Ms Low Yen Ling, Parliamentary Secretary, Ministry of Education & Ministry of Trade and Industry; and Ms Jessica Tan, Member of Parliament, and M1 Senior Management. In appreciation of the MPs' participation, M1 pledged a S\$50,000 donation to the underprivileged children and youths-at-risk causes of our adopted charities.

### HELPING HAND TO UNDERPRIVILEGED CHILDREN AND YOUTHS-AT-RISK

The primary focus of M1's fundraising efforts in 2015 remained on the underprivileged children and youths-at-risk causes.

The annual M1 Charity Golf 2015 and M1 Sports Fiesta 2015 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\$350,000 was raised for the beneficiaries of our adopted charities, Beyond Social Services, Brahm Centre, Children-at-Risk Empowerment Association, and the M1 Students Support Fund, launched in February 2015. The M1 Students Support Fund, in partnership

with the Ministry of Education, provides supplementary financial aid to underprivileged school-going children from low income families. It is currently extended to financially needy students from ten primary schools, for payment of school-related expenses.

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 Forest Adventure and the Kallang Ice World. In October 2015, M1 presented TOTEM by Cirque du Soleil and invited 500 children and youths-at-risk from M1's adopted charities to an exclusive performance.

### TIES WITH THE COMMUNITY

In July 2015, M1 made a meaningful cash contribution towards the set-up of the Yusof Ishak Professorship in Social Sciences at the National University of Singapore, in support of enhancing cutting edge research and intellectual leadership in the areas of ethnicity, multiculturalism and religious diversity. This worthy cause honours the legacy of Singapore's first President, Mr Yusof Ishak, through being at the forefront of educating future generations and thereby help nurture a cohesive and progressive society of the future, true to the core principles of Singapore's founding fathers.

M1 was especially proud to be the principal partner sponsor of the National Day Parade 2015 – Majulah Singapura, in celebration of Singapore's Golden Jubilee. Held at the historic Padang where Singapore's first National Day Parade took place back in 1966, the highly memorable event drew 26,000 spectators with its heart-warming performances and spectacular displays by 3,500 performers across different generations, as well as a touching tribute to our late founding Prime Minister, Mr Lee Kuan Yew.

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 200 M1 staff and visitors donated, and 145 units of blood were collected for the blood bank, which in turn will benefit over 430 patients.





# Sustainability Report

## OUR ENVIRONMENT

We strive to conduct our business operations efficiently, to minimise our environmental footprint and make effective use of limited resources. We are committed to adhere with all applicable environmental regulations, and have not been fined or otherwise sanctioned for any environment-related violations in 2015.

### ENVIRONMENTAL FOOTPRINT

Energy, generated from both renewable and non-renewable sources, continued to be the main resource consumed in the delivery of our services.

In 2015, M1's mobile networks, offices and data centre operations used 60,854,140kWh of electrical power, 3.8% higher than the year before. This was to support increased business requirements, including the deployment of more than 100 new base station sites and a small cell trial to further enhance coverage and support customers' growing mobile data needs, as well as additional corporate customer demand for our connectivity and data centre solutions.

We also operate three offshore base stations, at Pulau Satumu, Pulau Tekong and St. John's Island. These islands are not connected to Singapore's power grid, and therefore on-site diesel generators are required

to provide power for the base station equipment. In spite of higher voice and data traffic, the three sites used 51,648 litres of diesel fuel in 2015, 25.6% lower than 2014. This decline was primarily driven by the increased power generation from our solar photovoltaic (PV) power system in Pulau Satumu. Installed in August 2014, the solar PV system saw its first full year of operations in 2015.

We maintain a fleet of vehicles for our field engineers to install new mobile equipment and perform drive tests, site maintenance or repairs.

Electricity consumption	2015 (kWh)	2014 (kWh)
M1 buildings and data centre operations	31,430,594	30,627,609
Mobile networks	29,423,546	28,022,425
Retail outlets <sup>1</sup>	315,989	336,119
Total	61,170,129	58,986,153

Fuel consumption	2015 (in litres)	2014 (in litres)
Diesel (offshore base stations)	51,648	69,394 <sup>2</sup>
Diesel (fleet)	24,164	21,663
Petrol (fleet)	12,642	13,940

Water consumption	2015 (m³)	2014 (m³)
Potable water	54,774	57,212
NEWater	6,601	-
Total usage	61,375	57,212

1 Estimated based on utility bills  
2 Restated from 70,680 litres due to an editorial error

In 2015, fuel consumption for our diesel vehicle fleet was 24,164 litres, 11.6% higher than the year before, and 12,642 litres for our petrol vehicle fleet, 9.3% lower than the year before.

M1's retail operations used an estimated 315,989kWh of electrical power in 2015. This was 6.0% lower compared to 2014, as we completed our M1 Shop renovation programme which included a replacement of the majority of our light fittings to energy-efficient light emitting diode (LED) lights.

In addition to energy, water is used for drinking, cleaning and equipment cooling purposes in our daily operations. In 2015, total water consumption was 61,375m³, 7.3% higher than the year before, as we increased our gross floor area by 17.8%. However, potable water consumption was 54,774m³, 4.3% lower than the year before, due to the introduction of NEWater for cooling purposes in our new data centre. NEWater is reclaimed water for industrial use.

### ENVIRONMENTAL CONSERVATION

We continually review our business operations to identify ways to help us increase productivity and reduce impact to the environment, and at the same time, deliver consistent quality service to our customers.

#### 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 to identify ways to reduce energy consumption, including upgrading our base stations with multi-radio units that do not require air conditioning. This has yielded annual power savings of 6,876,600kWh.



With the deployment of solar PV power systems to supplement the use of diesel power generators for our offshore base station sites on Pulau Satumu and St. John's Island, we have reduced the use of diesel over the years. Although the terrain on Pulau Tekong does not permit the installation of solar PV power systems, the overhaul of the base station's generators, which was completed in January 2015, has enhanced their efficiency and reduced annual diesel usage by 17%.

In 2015, we also began deploying small cells in selected high traffic sites including malls, libraries and MRT stations. Small cells enable us to enhance the mobile data experience in a more targeted and energy-efficient manner, compared to using a base station.

#### EFFICIENT FACILITIES

M1's new 4,214sqm five-storey annex building, sited next to our MiWorld building in Jurong, is fitted with environmentally-friendly features such as LED lights and rainwater harvesting tanks. The building, which has successfully achieved the Building and Construction Authority's Green Mark Gold certification, also utilises reclaimed NEWater and condensate water, instead of potable water for cooling purposes.

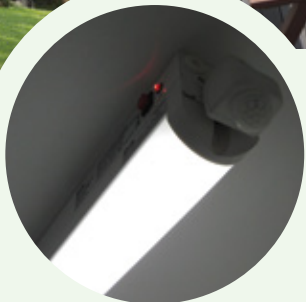
A lighting optimisation programme, to replace 6,600 fluorescent light fittings at our buildings in Jurong and Aljunied, with energy-efficient LED lights, was completed in 2014 and yields an estimated power savings of 450,000kWh a year.

#### EFFICIENT OPERATIONS

The revamp of our M1 Shop retail outlets to enhance productivity and customer experience, as well as minimise our carbon footprint, was completed in 2014. In-shop light fittings were changed to LED where possible, and our migration to a streamlined transaction process using wireless tablets enabled us to cut down on the use of printed brochures, receipts, forms and other non-recyclable materials by 20% annually. M1 has also been using sustainably sourced, environmentally-friendly Forest Stewardship Council (FSC) certified paper for all our printing needs since 2014. An e-billing programme was also launched in 2015 to migrate staff to electronic bills and payment, and this will be extended progressively to customers.

# Sustainability Report

## OUR ENVIRONMENT



- GREEN BUILDINGS** M1's new five-storey annex building in Jurong has been fitted with smart green features, including:
- Intelligent façade design and extensive greenery help minimise environmental heat gain within the building. These features, alongside with an enhanced chiller plant system, reduce the energy used for cooling by more than 13% compared to another similar sized building
  - Energy efficient light fittings such as LED lights and high frequency electronic ballasts lamps, deliver 30% lower energy usage while ensuring comfortable lighting levels
  - Motion activated lighting and elevators with variable voltage and variable frequency motor derived elevators, reduce energy during low occupancy periods such as after office hours
  - PUB's Water Efficient Labelling Scheme 3 tick rated water fittings, improves water efficiency
  - Use of environmentally-friendly building materials including gypsum board in areas such as car park and toilets

# 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.	16
ORGANISATIONAL PROFILE		
G4-3	Report the name of the organisation.	M1 Limited
G4-4	Report the primary brands, products, and services.	17 – 24
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.	105, 148 – 149
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	17 - 24
G4-9	Report the scale of the organisation, including: <ul style="list-style-type: none"><li>• Total number of employees</li><li>• Total number of operations</li><li>• Net sales (for private sector organisations) or net revenues (for public sector organisations)</li><li>• Total capitalisation broken down in terms of debt and equity (for private sector organisations)</li><li>• Quantity of products or services provided</li></ul>	17 - 24, 76
G4-10	Report the total number of employees by employment contract and gender.  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 recognised 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).	76 - 80
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	51% of eligible employees
G4-12	Describe the organisation's supply chain.	62



# Sustainability Report

## GRI CONTENT INDEX

General Standard Disclosures		Page or Direct Reference
ORGANISATIONAL PROFILE (CONT'D)		
G4-13	Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain, including: <ul style="list-style-type: none"> <li>Changes in the location of, or changes in, operations, including facility openings, closings, and expansions</li> <li>Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organisations)</li> <li>Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination</li> </ul>	17 - 24
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation.	84 - 86
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	71 - 75
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation: <ul style="list-style-type: none"> <li>Holds a position on the governance body</li> <li>Participates in projects or committees</li> <li>Provides substantive funding beyond routine membership dues</li> <li>Views membership as strategic</li> </ul>	Mr Patrick Michael Scodeller, Chief Operating Officer, is the Chairman of the Singapore Internet Exchange  Mr Poopalasingam Subramaniam, Chief Marketing Officer, is a Council Member of the Advertising Standards Association of Singapore.  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  Mr Denis Seek, Chief Technical Officer, is a member of the IDA's Telecommunications Standards Committee  Mr Stamford Low, Director, Customer Service, is the Honorary Treasurer of the Contact Centre Association of Singapore

General Standard Disclosures		Page or Direct Reference
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	List all entities included in the organisation's consolidated financial statements or equivalent documents.  Report whether any entity included in the organisation's consolidated financial statements or equivalent documents is not covered by the report.	M1 Limited
G4-18	Explain the process for defining the report content and the Aspect Boundaries.  Explain how the organisation has implemented the Reporting Principles for Defining Report Content.	66 - 70
G4-19	List all the material Aspects identified in the process for defining report content.	66 - 70
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.	69 - 70
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Due to an editing error our 2014 Sustainability Report stated our offshore base station diesel usage as 70,680 litres. It should be 69,394 litres.
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Our reporting period remains our financial year
STAKEHOLDER ENGAGEMENT		
G4-24	Provide a list of stakeholder groups engaged by the organisation.	66 - 68
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	66 - 68
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.	66 - 68
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.	66 - 68

# Sustainability Report

## GRI CONTENT INDEX

General Standard Disclosures		Page or Direct Reference
<b>REPORT PROFILE</b>		
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	2015
G4-29	Date of most recent previous report (if any).	2014
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.  Report the organisation's policy and current practice with regard to seeking external assurance for the report.	Core; 87 - 92
G4-33	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
<b>GOVERNANCE</b>		
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.	47 - 63
<b>ETHICS AND INTEGRITY</b>		
G4-56	Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	61 - 62

General 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.	24, 28, 71
	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.	17 - 24
	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.	16, 71
	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.	17 - 24, 71
	PA 4	Quantify the level of availability of telecommunications products and services in areas where the organisation operates.	17 - 24
	G4-EC7	Development and impact of infrastructure investments and services supported.	14 - 24, 71
	G4-EC8	Significant indirect economic impacts.	14 - 24, 81 - 83
	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.	71 - 72
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 - 16, 71 - 72
Transparency in business practices including marketing communications, recruitment and procurement	PA 10	Initiatives to ensure clarity of charges and tariffs.	74
Data privacy	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	None



# Sustainability Report

## GRI CONTENT INDEX

General Standard Disclosures			Page or Direct Reference
Material Aspects	Indicators	Description	
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.	30 - 34, 40 - 45, 47 - 53, 76 - 77
Relevant training	G4-LA9	Average hours of training per year by gender and by employee category.	The average employee training hours in 2015 was 42.2 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		71 - 75
	G4-EC1	Direct economic value generated and distributed.	64 - 65, 71
Supporting deserving community initiatives and underprivileged groups	G4-DMA		81 - 83
Energy usage	G4-EN3	Energy consumption within the organisation.	84 - 86
	G4-EN6	Reduction of energy consumption.	84 - 86

### FINANCIAL STATEMENTS

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Statements of Changes in Equity	102
Consolidated Cash Flow Statement	104
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# Directors’ Statement

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 2015.

## 1. OPINION OF THE DIRECTORS

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 financial position of the Group and of the Company as at 31 December 2015 and of the financial performance, 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.

## 2. DIRECTORS

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

Choo Chiau Beng	Chairman
Karen Kooi Lee Wah	Chief Executive Officer
Jamaludin Ibrahim	
Low Huan Ping	
Chow Kok Kee	
Huang Cheng Eng	
Elaine Lee Kia Jong	
Moses Lee Kim Poo	
Lionel Lim Chin Teck	
Alan Ow Soon Sian	

## 3. 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.

# Directors’ Statement

## 4. DIRECTORS’ INTERESTS IN SHARES AND DEBENTURES

The following directors, 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, Chapter 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 2016
<b>M1 Limited</b>			
Choo Chiau Beng	–	100,000	100,000
Karen Kooi Lee Wah	900,000	950,000	950,000

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 2016
<b>M1 Limited</b>			
Karen Kooi Lee Wah	4,180,700	4,415,700	4,415,700

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.

## 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 Moses Lee Kim Poo (Chairman appointed on 1 July 2015), Mr Choo Chiau Beng, 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.



# Directors' Statement

## 5. SHARE OPTIONS (CONT'D)

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.

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:

- 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
- 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 2015 or date of grant	Exercised	Cancelled*	Balance as at 31 December 2015	Subscription price
<b>2002 Scheme</b>					
3 February 2005	20,000	(20,000)	–	–	S\$1.81
2 February 2006	660,000	–	–	660,000	S\$2.21
6 February 2007	755,000	(625,000)	–	130,000	S\$2.17
11 February 2008	503,000	(253,000)	–	250,000	S\$1.90
2 February 2009	281,000	(166,000)	–	115,000	S\$1.60
3 February 2010	647,700	(349,700)	–	298,000	S\$2.04
7 February 2011	2,723,500	(871,800)	–	1,851,700	S\$2.44
30 January 2012	5,046,000	(1,853,000)	–	3,193,000	S\$2.43
<b>2013 Scheme</b>					
2 May 2013	7,452,000	(838,000)	(195,000)	6,419,000	S\$3.24
23 January 2014	8,870,000	(884,000)	(210,000)	7,776,000	S\$3.31
22 January 2015	9,230,000	–	(100,000)	9,130,000	S\$3.64
	36,188,200	(5,860,500)	(505,000)	29,822,700	

\* Cancelled when staff resigned from the Company.

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

# Directors' Statement

## 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	9,315,000	4,899,300	4,415,700	S\$1.25 - S\$3.64
Patrick Michael Scodeller	500,000	5,460,000	4,410,000	1,050,000	S\$1.25 - S\$3.64

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, Chapter 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’ Statement

## 6. AUDIT COMMITTEE (CONT’D)

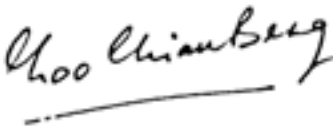
- Review the adequacy of the Company’s financial, operational, compliance and information technology controls, policies and system established by management (collectively “internal controls”) and reporting on any pertinent aspects of risks thereto, and ensure that a review of the effectiveness of the 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  
29 February 2016

# Independent Auditor’s Report to the members of M1 Limited

For the financial year ended 31 December 2015

## 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 100 to 146, which comprise the statements of financial position of the Group and the Company as at 31 December 2015, 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 financial statements 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.

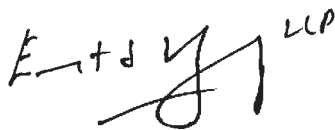
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 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 financial position of the Group and of the Company as at 31 December 2015 and of the financial performance, 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 subsidiary corporations 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  
29 February 2016



# Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2015

	Notes	2015 S\$'000	2014 S\$'000
<b>Operating revenue</b>	4	<b>1,157,196</b>	1,076,344
Operating expenses	5	<b>(940,033)</b>	(857,115)
Other income	6	<b>6,175</b>	1,888
<b>Operating profit</b>		<b>223,338</b>	221,117
Finance costs	7	<b>(4,918)</b>	(4,043)
<b>Profit before tax</b>		<b>218,420</b>	217,074
Taxation	8	<b>(39,938)</b>	(41,296)
<b>Net profit for the year</b>		<b>178,482</b>	175,778
Other comprehensive income, net of tax		–	–
<b>Total comprehensive income for the year</b>		<b>178,482</b>	175,778
<b>Earnings per share (cents)</b>	9		
Basic		<b>19.1</b>	18.9
Diluted		<b>19.0</b>	18.8
<b>EBITDA (S\$'000)</b>	10	<b>341,786</b>	335,526

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

# Statements of Financial Position

As at 31 December 2015

	Notes	Group		Company	
		2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
<b>Non-current assets:</b>					
Fixed assets	11	<b>713,927</b>	685,857	<b>697,306</b>	675,043
Licences and spectrum rights	12	<b>89,114</b>	102,066	<b>89,114</b>	102,066
Other intangibles	13	<b>13,788</b>	13,873	<b>83</b>	125
Staff loans	14	<b>187</b>	100	<b>187</b>	100
Interests in subsidiaries	15	–	–	<b>7,100</b>	7,100
Due from subsidiaries	16	–	–	<b>25,401</b>	16,930
Long-term investments	17	<b>8,471</b>	–	–	–
		<b>825,487</b>	801,896	<b>819,191</b>	801,364
<b>Current assets:</b>					
Inventories	18	<b>51,512</b>	30,333	<b>39</b>	112
Trade debtors	19	<b>165,905</b>	149,661	<b>161,688</b>	146,564
Other debtors and deposits	20	<b>20,481</b>	13,926	<b>15,040</b>	9,794
Prepayments		<b>12,353</b>	8,716	<b>11,976</b>	8,408
Due from related parties and subsidiaries	16	<b>235</b>	515	<b>692</b>	4,363
Cash and cash equivalents	21	<b>9,973</b>	22,783	<b>9,189</b>	22,416
		<b>260,459</b>	225,934	<b>198,624</b>	191,657
<b>Current liabilities:</b>					
Creditors and accruals	22	<b>(145,528)</b>	(157,285)	<b>(110,705)</b>	(112,940)
Unearned revenue		<b>(25,463)</b>	(26,432)	<b>(23,130)</b>	(24,648)
Due to related parties and subsidiaries	16	<b>(187)</b>	(96)	<b>(116)</b>	(24,247)
Borrowings	23	<b>(353,800)</b>	(52,000)	<b>(353,800)</b>	(52,000)
Income tax payable		<b>(36,827)</b>	(38,705)	<b>(33,443)</b>	(38,156)
		<b>(561,805)</b>	(274,518)	<b>(521,194)</b>	(251,991)
<b>Net current liabilities</b>		<b>(301,346)</b>	(48,584)	<b>(322,570)</b>	(60,334)
<b>Non-current liabilities:</b>					
Borrowings	23	–	(250,000)	–	(250,000)
Deferred tax liabilities	8	<b>(110,928)</b>	(108,742)	<b>(111,393)</b>	(108,708)
<b>Net assets</b>		<b>413,213</b>	394,570	<b>385,228</b>	382,322
Represented by:					
Share capital	24	<b>217,086</b>	200,589	<b>217,086</b>	200,589
Share option reserve		<b>5,585</b>	4,897	<b>5,585</b>	4,897
Retained profits		<b>190,542</b>	189,084	<b>162,557</b>	176,836
<b>Total equity</b>		<b>413,213</b>	394,570	<b>385,228</b>	382,322

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 2015

	Attributable to equity holders of the Company			
	Share capital (Note 24) S\$'000	Share option reserve S\$'000	Retained profits S\$'000	Total S\$'000
<b>2015 Group</b>				
<b>As at 1 January 2015</b>	200,589	4,897	189,084	394,570
Net profit	–	–	178,482	178,482
Total comprehensive income for the year	–	–	178,482	178,482
<u>Contributions by and distributions to owners</u>				
Issuance of ordinary shares on exercise of employee share options	16,497	(1,374)	–	15,123
Grant of share options	–	2,062	–	2,062
Dividends (Note 32)	–	–	(177,024)	(177,024)
Total contributions by and distributions to owners	16,497	688	(177,024)	(159,839)
<b>As at 31 December 2015</b>	217,086	5,585	190,542	413,213
<b>2014 Group</b>				
<b>As at 1 January 2014</b>	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)
<b>As at 31 December 2014</b>	200,589	4,897	189,084	394,570

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 2015

	Attributable to equity holders of the Company			
	Share capital (Note 24) S\$'000	Share option reserve S\$'000	Retained profits S\$'000	Total S\$'000
<b>2015 Company</b>				
<b>As at 1 January 2015</b>	200,589	4,897	176,836	382,322
Net profit	–	–	162,745	162,745
Total comprehensive income for the year	–	–	162,745	162,745
<u>Contributions by and distributions to owners</u>				
Issuance of ordinary shares on exercise of employee share options	16,497	(1,374)	–	15,123
Grant of share options	–	2,062	–	2,062
Dividends (Note 32)	–	–	(177,024)	(177,024)
Total contributions by and distributions to owners	16,497	688	(177,024)	(159,839)
<b>As at 31 December 2015</b>	217,086	5,585	162,557	385,228
<b>2014 Company</b>				
<b>As at 1 January 2014</b>	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)
<b>As at 31 December 2014</b>	200,589	4,897	176,836	382,322

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 2015

	Notes	2015 S\$'000	2014 S\$'000
<b>Cash flows from operating activities:</b>			
Profit before tax		218,420	217,074
Adjustments for:			
Depreciation of fixed assets		105,411	102,618
Gain on disposal of fixed assets		(109)	(639)
Amortisation of licences, spectrum rights and other intangibles		13,037	11,791
Share-based payments		2,062	1,815
Interest income		(37)	(107)
Interest expense		4,918	4,043
<b>Operating cash flows before working capital changes</b>		<b>343,702</b>	<b>336,595</b>
Changes in:			
Inventories		(21,179)	(1,278)
Trade debtors		(16,244)	(4,876)
Other debtors and deposits		(6,555)	(2,110)
Prepayments		(3,637)	109
Non-current staff loans		(87)	101
Creditors and accruals		(11,773)	(23,669)
Unearned revenue		(969)	1,714
Related parties		371	(819)
<b>Cash generated from operations</b>		<b>283,629</b>	<b>305,767</b>
Interest received		35	115
Interest paid		(4,900)	(4,041)
Tax paid		(39,630)	(28,956)
<b>Net cash flows from operating activities</b>		<b>239,134</b>	<b>272,885</b>
<b>Cash flows from investing activities:</b>			
Purchase of fixed assets		(133,482)	(139,684)
Purchase of spectrum rights		-	(40,127)
Purchase of long-term investments		(8,471)	-
Proceeds from sale of licence		-	85
Proceeds from disposal of fixed assets		110	1,293
<b>Net cash flows used in investing activities</b>		<b>(141,843)</b>	<b>(178,433)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from bank loans		171,100	110,000
Repayment of bank loans		(119,300)	(58,000)
Dividends paid on ordinary shares by the Company	32	(177,024)	(196,915)
Proceeds from issuance of ordinary shares on exercise of employee share options		15,123	18,796
<b>Net cash flows used in financing activities</b>		<b>(110,101)</b>	<b>(126,119)</b>
<b>Net changes in cash and cash equivalents</b>		<b>(12,810)</b>	<b>(31,667)</b>
Cash and cash equivalents at beginning of financial year	21	22,783	54,450
<b>Cash and cash equivalents at end of financial year</b>	21	<b>9,973</b>	<b>22,783</b>

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 2015

## 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 telecommunications 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 available-for-sale 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 2015. 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 2015

## 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
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 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 2018
FRS 109 <i>Financial Instruments</i>	1 January 2018
Amendments to FRS 110 and FRS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

Except for FRS 115 Revenue from Contracts with Customers and FRS 109 Financial Instruments, 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 and FRS 109 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 2018.

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.

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

#### FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

### 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 2015

## 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. Dismantling, removal or restoration costs included as part of the cost if obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. 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 2015

## 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 – 10 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.

### 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.

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.9 Intangible assets (cont'd)

#### (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.

### 2.10 Investments

Investments are classified as held for trading or available-for-sale. Investments acquired for the purpose of selling in the short term are classified as held for trading. Other investments held by the Group are classified as available-for-sale.

Investments are initially measured at fair value plus transaction costs less any accumulated impairment losses. For unquoted equity investments whose fair value cannot be reliably measured using alternative valuation methods, they are carried at cost less any accumulated impairment losses.

For investments held for trading, gains and losses arising from changes in fair value are included in the statement of comprehensive income.

For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in other comprehensive income, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is reclassified to the statement of comprehensive income.

The fair value of investments that are traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price is the current bid prices. The fair value of investments that are not traded in an active market is determined using valuation techniques. Such techniques include using recent arm's length transactions, reference to the underlying net asset value of the investee companies or discounted cash flow analysis.

### 2.11 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. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.11 Financial assets (cont'd)

The subsequent measurement of financial assets depends on their classification as follows:

#### (a) 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 2.13 below.

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.

#### (b) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses and foreign exchange gains and losses on monetary instruments are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

#### (c) 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 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.12 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.

### 2.13 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.

#### *Financial assets carried at amortised cost*

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.

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.13 Impairment of financial assets (cont'd)

#### *Financial assets carried at amortised cost (cont'd)*

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.

#### *Available-for-sale financial assets*

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

### 2.14 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 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 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.

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.

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.

### 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 2015

## 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 2015

## 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.

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.

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.19 Taxes (cont'd)

#### (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.

### 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.

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.21 Revenue recognition (cont'd)

- 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.

### 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 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 telecommunications equipment and accessories, and customer services.

### 2.26 Share capital and share issuance expenses

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

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 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.



# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

### Key sources of estimation uncertainty (cont'd)

#### • 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.

#### • 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 2015 were S\$36,827,000 (2014: S\$38,705,000) and S\$110,928,000 (2014: S\$108,742,000) respectively. The carrying amount of the Company's income tax payable and deferred tax liabilities at 31 December 2015 were S\$33,443,000 (2014: S\$38,156,000) and S\$111,393,000 (2014: S\$108,708,000) respectively.

## 4. OPERATING REVENUE

	Group	
	2015 S\$'000	2014 S\$'000
Mobile telecommunications	667,707	671,105
International call services	68,708	89,398
Handset sales	334,931	245,275
Fixed services	85,850	70,566
	<b>1,157,196</b>	1,076,344

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 5. OPERATING EXPENSES

	Group	
	2015 S\$'000	2014 S\$'000
Cost of services	111,740	122,749
Cost of handsets sold	418,456	330,154
Write-down of inventories	648	116
Staff costs	118,177	113,535
Advertising and promotion expenses	24,277	24,375
Depreciation and amortisation	118,448	114,409
Allowance for doubtful debts	10,551	13,035
Bad debts recovered	(1,638)	(1,652)
Facilities expenses	82,067	80,679
Leased circuit costs	31,684	29,967
General and administrative expenses	25,623	29,748
	<b>940,033</b>	857,115

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	
	2015 S\$'000	2014 S\$'000
Audit fees paid to auditors of the Company	221	214
Non-audit fees paid to auditors of the Company	22	114
CPF contributions	11,111	10,947
Share-based payments	2,062	1,815
Key executives' remuneration	7,219	5,981
Fees paid to Directors of the Company	858	795
Foreign exchange (gain)/loss, net	(247)	310
Gain on disposal of fixed assets, net	(109)	(639)

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

Short term employee benefits	6,122	5,212
CPF contributions	197	147
Share-based payments	900	622
Total compensation paid to key executives	<b>7,219</b>	5,981

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 6. OTHER INCOME

	Group	
	2015	2014
	S\$'000	S\$'000
Interest income from banks	37	107
Government grants	4,028	422
Miscellaneous income	2,110	1,359
	<b>6,175</b>	<b>1,888</b>

Included in miscellaneous income is project management fee income.

## 7. FINANCE COSTS

	Group	
	2015	2014
	S\$'000	S\$'000
Interest expense on bank loans	4,918	4,043

## 8. TAXATION

### Major components of income tax expense

Major components of income tax expense for the years ended 31 December 2015 and 2014 are:

	Group	
	2015	2014
	S\$'000	S\$'000
Current income tax		
- Current year	37,664	37,980
- Under provision in respect of prior year	88	27
Deferred income tax		
- Origination and reversal of temporary differences	1,160	2,887
- Under provision in respect of prior year	1,026	402
Income tax expense recognised in profit or loss	<b>39,938</b>	<b>41,296</b>

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 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 2015 and 2014 are as follows:

	Group	
	2015	2014
	%	%
Statutory rate	17.0	17.0
Adjustments for the tax effect of:		
Expenses not deductible for tax purposes	1.0	1.9
Income not subject to taxation	(0.1)	(0.1)
Under provision in respect of prior years	0.5	0.2
Others	(0.1)	-
Effective tax rate	<b>18.3</b>	<b>19.0</b>

### Deferred tax liabilities

Deferred taxation at 31 December 2015 and 2014 are related to the following:

	Group				Company	
	Consolidated statement of financial position		Consolidated statement of comprehensive income		Statement of financial position	
	2015	2014	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Deferred tax liabilities						
Difference in depreciation	<b>110,928</b>	108,742	<b>2,186</b>	3,289	<b>111,393</b>	108,708



# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 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	
	2015 S\$'000	2014 S\$'000
Net profit attributable to owners of the Company for basic and diluted earnings per share	178,482	175,778
	No. of shares 2015 '000	No. of shares 2014 '000
Weighted average of ordinary shares on issue applicable for basic earnings per share computation	935,984	928,737
Effect of dilution: Share options	2,039	5,756
Adjusted weighted average of ordinary shares on issue applicable for diluted earnings per share computation	938,023	934,493

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

EBITDA is derived as follows:

	Group	
	2015 S\$'000	2014 S\$'000
Profit before tax	218,420	217,074
Adjustments for:		
Amortisation of licences, spectrum rights and other intangibles	13,037	11,791
Depreciation of fixed assets	105,411	102,618
Finance costs	4,918	4,043
EBITDA	341,786	335,526

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 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
<b>Group</b>							
<b>Cost:</b>							
At 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 and 1 January 2015	111,980	1,683,503	241,369	1,290	72,459	97,400	2,208,001
Additions	3,933	88,287	18,167	395	3,249	19,451	133,482
Disposals	–	–	(119)	–	(39)	–	(158)
Reclassification	–	46,261	57,045	–	–	(103,306)	–
At 31 December 2015	115,913	1,818,051	316,462	1,685	75,669	13,545	2,341,325
<b>Accumulated depreciation:</b>							
At 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 and 1 January 2015	51,086	1,209,385	196,490	791	64,392	–	1,522,144
Depreciation charge for the year	4,521	75,853	19,708	206	5,123	–	105,411
Disposals	–	–	(118)	–	(39)	–	(157)
At 31 December 2015	55,607	1,285,238	216,080	997	69,476	–	1,627,398
<b>Net carrying amount:</b>							
At 31 December 2014	60,894	474,118	44,879	499	8,067	97,400	685,857
At 31 December 2015	60,306	532,813	100,382	688	6,193	13,545	713,927

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 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
<b>Company</b>							
<b>Cost:</b>							
At 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 and 1 January 2015	111,890	1,682,206	229,871	1,290	54,252	97,400	2,176,909
Additions	3,933	88,287	8,408	395	380	19,451	120,854
Disposals	–	–	(94)	–	(38)	–	(132)
Reclassification	–	46,261	57,045	–	–	(103,306)	–
At 31 December 2015	115,823	1,816,754	295,230	1,685	54,594	13,545	2,297,631
<b>Accumulated depreciation:</b>							
At 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 and 1 January 2015	51,034	1,208,153	189,649	792	52,238	–	1,501,866
Depreciation charge for the year	4,522	75,852	16,825	206	1,186	–	98,591
Disposals	–	–	(94)	–	(38)	–	(132)
At 31 December 2015	55,556	1,284,005	206,380	998	53,386	–	1,600,325
<b>Net carrying amount:</b>							
At 31 December 2014	60,856	474,053	40,222	498	2,014	97,400	675,043
At 31 December 2015	60,267	532,749	88,850	687	1,208	13,545	697,306

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 12. LICENCES AND SPECTRUM RIGHTS

	Licences S\$'000	Spectrum rights S\$'000	Total S\$'000
<b>Group and Company</b>			
<b>Cost:</b>			
At 1 January 2014	3,175	141,580	144,755
Addition	–	40,127	40,127
Disposal	(722)	–	(722)
At 31 December 2014 and 31 December 2015	2,453	181,707	184,160
<b>Accumulated amortisation:</b>			
At 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 and 1 January 2015	2,319	79,775	82,094
Amortisation charge for the year	101	12,851	12,952
At 31 December 2015	2,420	92,626	95,046
<b>Net carrying amount:</b>			
At 31 December 2014	134	101,932	102,066
At 31 December 2015	33	89,081	89,114

The licences and spectrum rights have remaining useful lives ranging from 1.5 years to 15 years (2014: 0.5 years to 15 years).

## 13. OTHER INTANGIBLES

	Goodwill S\$'000	Others S\$'000	Total S\$'000
<b>Group</b>			
<b>Cost:</b>			
At 31 December 2014 and 31 December 2015	13,177	764	13,941
<b>Accumulated amortisation:</b>			
At 1 January 2014	–	25	25
Amortisation charge for the year	–	43	43
At 31 December 2014 and 1 January 2015	–	68	68
Amortisation charge for the year	–	85	85
At 31 December 2015	–	153	153
<b>Net carrying amount:</b>			
At 31 December 2014	13,177	696	13,873
At 31 December 2015	13,177	611	13,788

Included in other intangibles are club memberships and internet protocol addresses. As at 31 December 2015, the internet protocol addresses have remaining useful lives of 12 years (2014: 13 years).



# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 13. OTHER INTANGIBLES (CONT'D)

	Club membership S\$'000
<b>Company</b>	
<b>Cost:</b>	
At 31 December 2014 and 31 December 2015	125
<b>Accumulated amortisation:</b>	
Amortisation charge for the year	42
At 31 December 2015	42
<b>Net carrying amount:</b>	
At 31 December 2014	125
At 31 December 2015	83

### 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% (2014: 8%) and nil (2014: 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 (2014: 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	
	2015 S\$'000	2014 S\$'000
Repayable within one year (included in Note 20)	81	71
Repayable after one year	187	100
	<b>268</b>	<b>171</b>

Staff loans are repayable in equal monthly instalments over periods of up to seven years and interest bearing at rates of up to 2% (2014: 2%) per annum.

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 15. INTERESTS IN SUBSIDIARIES

	Company	
	2015 S\$'000	2014 S\$'000
Unquoted shares:		
At cost	8,660	8,660
Impairment loss	(1,560)	(1,560)
	<b>7,100</b>	<b>7,100</b>

Details of the subsidiaries of the Company as at 31 December 2015 and 2014 are as follows:

Name of Company	Country of incorporation	Principal activities	Effective interest of the Company	
			2015 %	2014 %
<b>Held by the Company:</b>				
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
M1 Telinet Pte Ltd (formerly known as Wireless Intellect Labs Pte Ltd)	Singapore	Licensor of intellectual property rights and investment holding	100	100
Kliq Pte. Ltd.	Singapore	Dormant	100	100
<b>Held through M1 Net Ltd.:</b>				
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 2015

## 16. DUE FROM/(TO) RELATED PARTIES AND SUBSIDIARIES

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Due from a subsidiary (non-trade)	–	–	25,401	16,930
Due from subsidiaries	–	–	457	3,889
Due from related parties	235	515	235	474
	235	515	692	4,363
Due to subsidiaries	–	–	–	(24,151)
Due to related parties	(187)	(96)	(116)	(96)
	(187)	(96)	(116)	(24,247)

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. LONG-TERM INVESTMENTS

	Group	
	2015 S\$'000	2014 S\$'000
<b>Non-current:</b>		
Available-for-sale financial assets:		
Unquoted equity	6,353	–
Unquoted investment fund	2,118	–
	8,471	–

## 18. INVENTORIES

	Group		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Handsets	50,388	28,469	–	–
Accessories	1,124	1,864	39	112
	51,512	30,333	39	112

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 19. 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	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Billed trade debtors	70,482	67,236	66,108	64,139
Accrued handset revenue	91,135	80,772	91,135	80,772
Accrued service revenue	18,703	16,597	18,703	16,597
	180,320	164,605	175,946	161,508
Allowance for doubtful debts	(14,415)	(14,944)	(14,258)	(14,944)
	165,905	149,661	161,688	146,564

### 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	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Trade debtors past due:				
30 – 60 days	8,620	7,132	8,428	7,037
61 – 90 days	3,143	3,054	3,059	2,951
More than 90 days	4,386	4,659	4,194	4,249
	16,149	14,845	15,681	14,237

### 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		Company	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Trade receivables – gross amount	22,045	21,613	21,863	21,613
Less: Allowance for doubtful debts	(14,415)	(14,944)	(14,258)	(14,944)
	7,630	6,669	7,605	6,669
Movement in allowance accounts:				
Balance at beginning of financial year	14,944	15,701	14,944	15,701
Allowance charge for the year	10,551	13,035	10,394	13,035
Written-off	(11,080)	(13,792)	(11,080)	(13,792)
Balance at end of financial year	14,415	14,944	14,258	14,944



# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 20. OTHER DEBTORS AND DEPOSITS

	Group		Company	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Deposits	6,093	5,310	4,288	3,576
Staff loans (Note 14)	81	71	81	71
Sundry debtors	14,307	8,545	10,671	6,147
	20,481	13,926	15,040	9,794

## 21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances	9,973	22,783	9,189	22,416

Cash at banks earns interest at floating rates offered by short-term money market at 0.31% to 0.82% (2014: 0.19% to 0.45%) per annum.

## 22. CREDITORS AND ACCRUALS

	Group		Company	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Trade creditors	67,336	79,605	35,955	39,795
Accrued operating expenses	48,465	44,419	45,579	40,362
Accrued capital expenditure	24,246	27,100	23,898	26,866
Interest payable	459	441	459	441
Directors' fees payable	858	795	858	795
Other creditors	4,164	4,925	3,956	4,681
	145,528	157,285	110,705	112,940

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

## 23. BORROWINGS

	Group and Company	
	2015	2014
	S\$'000	S\$'000
<b>Current:</b>		
Short term bank loans	103,800	52,000
Current portion of long term bank loan	250,000	–
<b>Non-current:</b>		
Long term bank loan	–	250,000
	353,800	302,000

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 23. BORROWINGS (CONT'D)

As at 31 December 2015, the S\$103,800,000 (2014: S\$52,000,000) short-term bank loans were unsecured and interest bearing at rates ranging from 1.38% to 1.61% (2014: 0.93% to 1.00%) per annum. The S\$250,000,000 fixed rate long term bank loan is unsecured, repayable in full in May 2016 and bears an effective interest rate of 1.59% (2014: 1.59%) per annum.

## 24. SHARE CAPITAL

	Group and Company
	S\$'000
<b>Issued and fully-paid:</b>	
Balance as at 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 and 1 January 2015	
931,327,282 ordinary shares	200,589
Issued during the financial year	
5,860,500 ordinary shares for cash on exercise of employee share options	16,497
Balance as at 31 December 2015	
937,187,782 ordinary shares	217,086

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.

## 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	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Substantial shareholders and their subsidiaries</b>				
Telecommunications services rendered	14,636	13,746	14,311	13,694
Telecommunications services received	(17,692)	(17,744)	(17,691)	(17,726)
Rental and maintenance services received	(4,380)	(3,637)	(1,453)	(1,071)

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 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:

	<b>Group and Company</b>	
	<b>2015</b>	<b>2014</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Capital commitments	<b>77,623</b>	94,694

The capital commitments included S\$64 million (2014: S\$64 million) commitment for the 4G spectrum rights.

### (b) Operating lease commitments

Rental expenses (principally for land, offices, retail outlets, service centres and base stations) under operating leases were S\$29,888,000 and S\$30,513,000 for the financial years ended 31 December 2015 and 2014 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:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Not later than one year	<b>13,343</b>	13,821	<b>7,524</b>	8,192
Later than one year but not later than five years	<b>14,959</b>	16,643	<b>9,010</b>	9,819
Later than five years	<b>2,242</b>	1,794	<b>2,242</b>	1,794
	<b>30,544</b>	32,258	<b>18,776</b>	19,805

## 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 Moses Lee Kim Poo (Chairman, appointed on 1 July 2015), Mr Choo Chiau Beng, 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.

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 27. SHARE OPTIONS (CONT'D)

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.

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:

<b>Date of grant</b>	<b>Balance as at 1 January 2015 or date of grant</b>	<b>Exercised</b>	<b>Cancelled*</b>	<b>Balance as at 31 December 2015</b>	<b>Subscription price</b>
<b>2002 Scheme</b>					
3 February 2005	20,000	(20,000)	–	–	S\$1.81
2 February 2006	660,000	–	–	660,000	S\$2.21
6 February 2007	755,000	(625,000)	–	130,000	S\$2.17
11 February 2008	503,000	(253,000)	–	250,000	S\$1.90
2 February 2009	281,000	(166,000)	–	115,000	S\$1.60
3 February 2010	647,700	(349,700)	–	298,000	S\$2.04
7 February 2011	2,723,500	(871,800)	–	1,851,700	S\$2.44
30 January 2012	5,046,000	(1,853,000)	–	3,193,000	S\$2.43
<b>2013 Scheme</b>					
2 May 2013	7,452,000	(838,000)	(195,000)	6,419,000	S\$3.24
23 January 2014	8,870,000	(884,000)	(210,000)	7,776,000	S\$3.31
22 January 2015	9,230,000	–	(100,000)	9,130,000	S\$3.64
	<b>36,188,200</b>	<b>(5,860,500)</b>	<b>(505,000)</b>	<b>29,822,700</b>	

\* 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\$0.250 (2014: S\$0.183).

The weighted average share price at the date of exercise of the options during the financial year was S\$3.64 (2014: S\$3.31).

The weighted average remaining contractual life for options outstanding at the end of the financial year is 7.4 years (2014: 7.4 years).



# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 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	9,315,000	4,899,300	4,415,700	S\$1.25 - S\$3.64

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 2015 and 31 December 2014 are shown below:

Date of grant	22-Jan-15	23-Jan-14	2-May-13	30-Jan-12	7-Feb-11	15-Jun-10
Dividend Yield (%)	5.07	6.09	4.32	5.88	7.14	6.31
Expected Volatility (%)	17.00	17.00	16.00	27.00	28.00	29.00
Risk-free interest rate (%)	0.71	0.33	0.33	0.30	1.03	0.55
Expected life of option (years)	3.10	3.10	3.10	3.10	3.10	3.10
Share price (S\$)	3.73	3.45	3.38	2.43	2.45	2.13
Exercise price (S\$)	3.64	3.31	3.24	2.43	2.44	2.12

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.

## 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.

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### 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 2015, 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\$6,929,296 (31 December 2014: S\$7,294,000) for both the Group and the Company.

The Group is also exposed to currency translation risk arising from its long term investments denominated in USD.

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 2015

## 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	No maturity date S\$'000	Total S\$'000
<b>2015</b>					
<b>Group</b>					
<b>Financial assets</b>					
Trade and other receivables	186,386	187	–	–	186,573
Due from related parties	235	–	–	–	235
Cash and cash equivalents	9,973	–	–	–	9,973
Long-term investments	–	–	–	8,471	8,471
Total undiscounted financial assets	196,594	187	–	8,471	205,252
<b>Financial liabilities</b>					
Creditors and accruals	145,528	–	–	–	145,528
Due to related parties	187	–	–	–	187
Borrowings	355,414	–	–	–	355,414
Total undiscounted financial liabilities	501,129	–	–	–	501,129
Total net undiscounted financial (liabilities)/assets	(304,535)	187	–	8,471	(295,877)
<b>Company</b>					
<b>Financial assets</b>					
Trade and other receivables	176,728	187	–	–	176,915
Due from related parties and subsidiaries	692	–	25,401	–	26,093
Cash and cash equivalents	9,189	–	–	–	9,189
Total undiscounted financial assets	186,609	187	25,401	–	212,197
<b>Financial liabilities</b>					
Creditors and accruals	110,705	–	–	–	110,705
Due to related parties and subsidiaries	116	–	–	–	116
Borrowings	355,414	–	–	–	355,414
Total undiscounted financial liabilities	466,235	–	–	–	466,235
Total net undiscounted financial (liabilities)/assets	(279,626)	187	25,401	–	(254,038)

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 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
<b>2014</b>				
<b>Group</b>				
<b>Financial assets</b>				
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
<b>Financial liabilities</b>				
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)
<b>Company</b>				
<b>Financial assets</b>				
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
<b>Financial liabilities</b>				
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 2015

## 28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted funds. These quoted funds are classified as available-for-sale financial assets. The Group does not have exposure to commodity price risk.

### 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 2015 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 19.

## 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 measurements 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)   |

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 29. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

### Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group	
	2015	2014
	Significant unobservable inputs Level 3	
	S\$'000	S\$'000
<b>Financial assets:</b>		
Available-for-sale financial assets (Note 17)		
- Unquoted equity	6,353	–
- Unquoted investment fund	2,118	–
	8,471	–

### Determination of fair value

#### Level 3 fair value measurements

Unquoted equity instruments are valued based on the net asset value per share as reported by the managers of these funds, less impairment.

#### 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			
	2015		2014		2015		2014	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000

### Financial liability:

- Fixed rate bank loan	250,000	250,000	250,000	243,058	250,000	250,000	250,000	243,058
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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 2015

## 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:

	S\$'000
<b>Group</b>	
<b>31 December 2015</b>	
<b>Assets</b>	
<b>Available-for-sale financial assets:</b>	
Long-term investments	8,471
<b>Loans and receivables:</b>	
Staff loans	268
Trade debtors	165,905
Deposits	6,093
Sundry debtors	14,307
Due from related parties	235
Cash and cash equivalents	9,973
	205,252
	S\$'000
<b>Group</b>	
<b>31 December 2015</b>	
<b>Liabilities</b>	
<b>Liabilities at amortised cost:</b>	
Creditors and accruals	143,020
Due to related parties	187
Borrowings	353,800
	497,007

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 30. CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	S\$'000
<b>Group</b>	
<b>31 December 2014</b>	
<b>Assets</b>	
<b>Loans and receivables:</b>	
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
	S\$'000
<b>Group</b>	
<b>31 December 2014</b>	
<b>Liabilities</b>	
<b>Liabilities at amortised cost:</b>	
Creditors and accruals	159,571
Due to related parties	96
Borrowings	302,000
	461,667



# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 30. CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	S\$'000
<b>Company</b>	
<b>31 December 2015</b>	
<b>Assets</b>	
<b>Loans and receivables:</b>	
Staff loans	268
Due from subsidiaries	25,401
Trade debtors	161,688
Deposits	4,288
Sundry debtors	10,671
Due from related parties and subsidiaries	692
Cash and cash equivalents	9,189
	212,197
	S\$'000
<b>Company</b>	
<b>31 December 2015</b>	
<b>Liabilities</b>	
<b>Liabilities at amortised cost:</b>	
Creditors and accruals	106,238
Due to related parties and subsidiaries	116
Borrowings	353,800
	460,154

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 30. CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	S\$'000
<b>Company</b>	
<b>31 December 2014</b>	
<b>Assets</b>	
<b>Loans and receivables:</b>	
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
	S\$'000
<b>Company</b>	
<b>31 December 2014</b>	
<b>Liabilities</b>	
<b>Liabilities at amortised cost:</b>	
Creditors and accruals	111,572
Due to related parties and subsidiaries	24,247
Borrowings	302,000
	437,819

# Notes to the Financial Statements

For the financial year ended 31 December 2015

## 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.

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

	Group		Company	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Borrowings				
- Current	353,800	52,000	353,800	52,000
- Non-current	-	250,000	-	250,000
Less: Cash and cash equivalents	(9,973)	(22,783)	(9,189)	(22,416)
Net debts	343,827	279,217	344,611	279,584
Equity	413,213	394,570	385,228	382,322

## 32. DIVIDENDS

	Group and Company	
	2015	2014
	S\$'000	S\$'000
<b>Declared and paid during the financial year:</b>		
Final - the previous year		
11.9 cents (2014: 7.1 cents) per ordinary share (one-tier tax)	111,434	65,893
Special - the previous year		
Nil (2014: 7.1 cents) per ordinary share (one-tier tax)	-	65,892
Interim - the current year		
7.0 cents (2014: 7.0 cents) per ordinary share (one-tier tax)	65,590	65,130
	177,024	196,915
<b>Proposed but not recognised as a liability as at 31 December:</b>		
Final		
8.3 cents (2014: 11.9 cents) per ordinary share (one-tier tax)	77,787	110,828

The directors propose a final dividend of 8.3 cents per ordinary share (one-tier tax) in respect of the financial year ended 31 December 2015 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 2015 were authorised for issue in accordance with a resolution of the directors on 29 February 2016.

# Major Properties

<b>Name :</b>	Main Operations Centre
<b>Use :</b>	Head Office and Switch Centre
<b>Address :</b>	10 International Business Park, Singapore 609928
<b>Land Area (Sq m) :</b>	8,442
<b>Date of Purchase :</b>	8 October 1996
<b>Expiry Date of Lease<sup>1</sup> :</b>	28 February 2026

<b>Name :</b>	MiWorld Building
<b>Use :</b>	Office
<b>Address :</b>	9 International Business Park, Singapore 609915
<b>Land Area (Sq m) :</b>	6,850
<b>Date of Purchase :</b>	15 February 2002
<b>Expiry Date of Lease<sup>1</sup> :</b>	30 June 2022

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

<sup>1</sup> The Company has the option to lease for a further term of 30 years



# Statistics of Shareholdings

As at 25 February 2016

Number of Issued shares (including Treasury Shares)	:	937,237,782
Number of Issued shares (excluding Treasury Shares)	:	936,996,682
Number/Percentage of Treasury Shares	:	241,100 (0.03%)
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share. The Company cannot exercise any voting right in respect of treasury shares.

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	74	0.44	2,345	0.00
100 - 1,000	4,901	29.22	4,155,797	0.44
1,000 - 10,000	9,823	58.56	41,799,313	4.46
10,001 - 1,000,000	1,956	11.66	73,553,422	7.85
1,000,001 and above	21	0.12	817,485,805	87.25
<b>Total</b>	<b>16,775</b>	<b>100.00</b>	<b>936,996,682</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Raffles Nominees (Pte) Limited	290,685,335	31.02
2	Keppel Telecoms Pte Ltd	178,864,000	19.09
3	SPH Multimedia Private Limited	124,453,000	13.28
4	Citibank Nominees Singapore Pte Ltd	77,844,619	8.31
5	DBS Nominees (Private) Limited	49,723,980	5.31
6	HSBC (Singapore) Nominees Pte Ltd	41,576,661	4.44
7	DBSN Services Pte. Ltd.	16,109,255	1.72
8	United Overseas Bank Nominees (Private) Limited	6,859,515	0.73
9	DB Nominees (Singapore) Pte Ltd	5,698,060	0.61
10	Bank of Singapore Nominees Pte. Ltd.	4,311,015	0.46
11	Morgan Stanley Asia (Singapore) Securities Pte Ltd	3,877,739	0.41
12	OCBC Securities Private Limited	2,958,342	0.32
13	BNP Paribas Securities Services Singapore Branch	2,512,144	0.27
14	OCBC Nominees Singapore Private Limited	2,311,260	0.25
15	UOB Kay Hian Private Limited	1,680,900	0.18
16	Gralf Max Hans Sieghold	1,560,000	0.17
17	BNP Paribas Nominees Singapore Pte Ltd	1,443,400	0.15
18	Phillip Securities Pte Ltd	1,373,450	0.15
19	York Hotel (Private) Limited	1,300,000	0.14
20	Yap Chong Hin Gabriel	1,280,000	0.14
	<b>Total</b>	<b>816,422,675</b>	<b>87.15</b>

# Statistics of Shareholdings

As at 25 February 2016

## SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	No. of Shares Deemed Interest	Total Interest	% <sup>5</sup>
Axiata Investments (Singapore) Limited	265,410,150	–	265,410,150	28.33
Khazanah Nasional Berhad	–	265,410,150 <sup>1</sup>	265,410,150	28.33
Axiata Group Berhad	–	265,410,150 <sup>1</sup>	265,410,150	28.33
Temasek Holdings (Private) Limited	–	182,470,091 <sup>2</sup>	182,470,091	19.47
Keppel Telecoms Pte Ltd	178,864,000	–	178,864,000	19.09
Keppel Communications Pte Ltd	–	178,864,000 <sup>3</sup>	178,864,000	19.09
Keppel Data Centres Pte. Ltd.	–	178,864,000 <sup>3</sup>	178,864,000	19.09
Keppel Telecommunications & Transportation Ltd	–	178,864,000 <sup>3</sup>	178,864,000	19.09
Keppel Corporation Limited	–	178,864,000 <sup>3</sup>	178,864,000	19.09
SPH Multimedia Private Limited	124,453,000	–	124,453,000	13.28
Singapore Press Holdings Limited	–	124,453,000 <sup>4</sup>	124,453,000	13.28

### Notes:

- Each of 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*
- Temasek Holdings (Private) Limited is deemed to be interested in an aggregate of 182,470,091 shares in which its associated companies have or are deemed to have an interest pursuant to Section 7 of the Companies Act*
- 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*
- 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*
- The percentage of issued share capital is calculated based on the number of issued ordinary shares of the Company as at 25 February 2016, excluding treasury shares*

## FREE FLOAT

Approximately 39.18% of the issued share capital of the Company were held in the hands of the public (on the basis of information available to the Company).

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

The percentage of issued share capital held by the public is calculated based on the number of issued ordinary shares of the Company as at 25 February 2016, excluding treasury shares.

# Corporate Information

## BOARD OF DIRECTORS

Choo Chiau Beng, Chairman  
Karen Kooi Lee Wah  
Jamaludin Ibrahim  
Low Huan Ping  
Chow Kok Kee  
Huang Cheng Eng  
Elaine Lee Kia Jong  
Moses Lee Kim Poo  
Lionel Lim Chin Teck  
Alan Ow Soon Sian

## AUDIT COMMITTEE

Alan Ow Soon Sian, Chairman  
Chow Kok Kee  
Elaine Lee Kia Jong

## REMUNERATION COMMITTEE

Moses Lee Kim Poo, Chairman  
Choo Chiau Beng  
Low Huan Ping  
Chow Kok Kee  
Alan Ow Soon Sian

## NOMINATING COMMITTEE

Chow Kok Kee, Chairman  
Huang Cheng Eng  
Elaine Lee Kia Jong

## RISK COMMITTEE

Low Huan Ping, Chairman  
Huang Cheng Eng  
Lionel Lim Chin Teck  
Alan Ow Soon Sian

## COMPANY SECRETARIES

Foo Siang Larng  
Karen Teo

## 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  
Chartered Accountants

One Raffles Quay  
North Tower, Level 18  
Singapore 048583  
Partner-in-charge (since 2015):  
Ms Lim Siew Koon

## 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](mailto:ir@m1.com.sg)  
Website: [www.m1.com.sg](http://www.m1.com.sg)



M1 Limited is firmly committed to responsible corporate citizenship, and we endeavour 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 Heaven 42 and Ozone Offset paper, which are certified to be environmentally friendly according to the FSC standard.

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