



## **Third Quarter 2018 Financial Statement Announcement**

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**Notes:**

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



## 1(a) Consolidated Statement of Comprehensive Income for:

	Note	3Q2018 \$'m	3Q2017 \$'m	Change	9mth2018 \$'m	9mth2017 \$'m	Change
Operating revenue	(i)	274.6	249.5	10.1%	781.9	751.4	4.1%
Operating expenses	(ii)	(230.6)	(202.5)	13.8%	(646.6)	(614.2)	5.3%
Other revenue		1.4	0.4	229.7%	2.1	1.7	23.1%
Finance costs		(2.9)	(2.9)	1.1%	(8.6)	(7.0)	23.5%
Share of loss of associates		(0.4)	(*)	@	(0.5)	(0.3)	114.2%
Profit before tax		42.1	44.5	-5.4%	128.3	131.6	-2.5%
Taxation	(iii)	(7.6)	(8.0)	-5.0%	(22.8)	(24.7)	-7.4%
Net profit		34.5	36.5	-5.5%	105.5	107.0	-1.4%
Other comprehensive income		(0.2)	(0.2)	1.0%	(0.1)	(0.4)	-84.5%
Total comprehensive income for the period		34.3	36.3	-5.6%	105.4	106.6	-1.1%
Attributable to:-							
Shareholders of the company		34.4	36.3	-5.3%	105.7	106.6	-0.8%
Non-controlling interests		(0.1)	-	@	(0.3)	-	@
Total Comprehensive income for the period		34.3	36.3	-5.6%	105.4	106.6	-1.1%
Earnings per share (cents)							
Basic		3.7	3.9	-5.3%	11.4	11.5	-1.0%
Diluted		3.7	3.9	-5.3%	11.4	11.5	-1.0%
EBITDA (S\$m)		77.2	80.1	-3.6%	231.0	234.5	-1.5%

The results for third quarter and nine months ended 30 September 2017 are restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)s").

<sup>n.m.</sup> Non meaningful

@ Denotes more than +/-300%

\* Denotes less than \$0.05 million

### The net profit included the following:

	3Q2018 \$'m	3Q2017 \$'m	9mth2018 \$'m	9mth2017 \$'m
Other revenue including interest income	(1.4)	(0.4)	(2.1)	(1.7)
Interest on borrowings	2.9	2.9	8.6	7.0
Depreciation and amortisation	32.2	32.7	94.1	95.9
Loss allowance on trade receivables	1.9	2.4	5.8	6.8
Provision/(write-back) for inventory obsolescence	-	-	(0.2)	-
Foreign exchange (gain)/loss, net	*	0.1	(0.1)	0.1
(Gain)/loss on disposal of fixed assets	*	*	(*)	(2.4)
Impairment loss on investment in an associate	0.7	-	0.7	-

\* Denotes less than \$0.05 million



## 1(b) Statements of Financial Position as at:

	Note	Group		Company	
		30 Sep 2018	31 Dec 2017	30 Sep 2018	31 Dec 2017
		\$'m	\$'m	\$'m	\$'m
<b>Non-current assets:</b>					
Fixed assets		754.2	762.3	721.3	731.7
Capitalised contract cost		1.1	1.3	0.9	1.0
Contract asset		34.9	39.5	33.0	38.2
Licences and spectrum rights		131.2	143.5	131.2	143.5
Other intangibles		14.8	14.9	-	-
Staff loans		0.4	0.4	0.4	0.4
Investment securities		25.2	25.5	-	-
Investment in associates		4.4	2.7	-	-
Interest in subsidiaries		-	-	9.6	7.1
Due from subsidiaries		-	-	33.5	30.7
		<u>966.2</u>	<u>990.2</u>	<u>929.9</u>	<u>952.6</u>
<b>Current assets:</b>					
Inventories		33.9	49.8	0.1	0.2
Trade receivables	(iv)	93.6	78.1	84.0	65.4
Capitalised contract cost		3.3	4.0	2.6	3.1
Contract asset		104.7	118.6	99.1	114.5
Other receivables		29.9	39.1	13.7	31.9
Prepayments		13.3	13.3	11.9	12.2
Due from related companies		0.2	0.9	0.2	0.8
Investment securities		-	6.7	-	-
Cash and cash equivalents	(v)	86.5	46.5	73.8	43.4
		<u>365.4</u>	<u>357.0</u>	<u>285.4</u>	<u>271.5</u>
<b>Current liabilities:</b>					
Creditors and accruals		186.6	204.1	129.8	147.2
Contract liability		4.3	5.4	4.1	5.4
Unearned revenue		31.2	31.3	27.7	28.1
Due to related companies		1.9	0.3	49.8	28.5
Taxation		41.2	41.8	37.8	36.0
		<u>265.2</u>	<u>282.9</u>	<u>249.2</u>	<u>245.3</u>
<b>Net current assets</b>		<b>100.2</b>	<b>74.1</b>	<b>36.2</b>	<b>26.2</b>
<b>Non-current liabilities:</b>					
Borrowings	(vi)	450.0	450.0	450.0	450.0
Deferred tax liabilities		119.4	120.6	114.3	117.2
<b>Net assets</b>		<b><u>497.1</u></b>	<b><u>493.6</u></b>	<b><u>401.8</u></b>	<b><u>411.6</u></b>
Represented by:					
Share capital		217.0	217.1	217.0	217.1
Share option reserve		6.1	7.3	6.1	7.3
Treasury Shares		(26.4)	(27.3)	(26.4)	(27.3)
Fair value adjustment reserve		4.4	4.6	-	-
Retained profits		293.6	292.0	205.0	214.5
Non-Controlling Interests		2.3	-	-	-
<b>Total shareholders' equity</b>		<b><u>497.1</u></b>	<b><u>493.6</u></b>	<b><u>401.8</u></b>	<b><u>411.6</u></b>



## 1(c) Consolidated Cash Flow Statement for:

	3Q2018	3Q2017	9mth2018	9mth2017
	\$'m	\$'m	\$'m	\$'m
Cash flows from operating activities:				
Profit before tax	42.1	44.5	128.3	131.6
Adjustments for:				
Share-based payment expenses	0.4	(*)	1.0	*
Depreciation of fixed assets	28.1	28.6	81.8	84.4
Loss/(Gain) on disposal of fixed assets	*	*	(*)	(2.4)
Amortisation	4.1	4.1	12.3	11.5
Unrealised exchange (gain)/ loss	(0.1)	-	(0.1)	-
Write-back of inventories	-	-	(0.2)	-
Loss allowance on trade receivables	1.9	2.4	5.8	6.8
Impairment loss on investment in an associate	0.7	-	0.7	-
Interest income	(0.2)	(0.1)	(0.6)	(0.3)
Interest on borrowings	2.9	2.9	8.6	7.0
Share of loss of associates	0.4	*	0.5	0.3
Operating cash flows before working capital changes	80.3	82.4	238.1	239.0
Changes in:				
Inventories	11.5	(15.6)	16.2	(24.6)
Trade receivables	(8.2)	0.4	(21.4)	14.9
Capitalised contract cost	0.2	*	0.8	(0.2)
Contract asset	2.8	3.7	18.5	8.1
Non-current staff loans	0.1	(*)	0.1	(0.1)
Other receivables	(7.6)	(11.1)	8.7	(19.2)
Prepayments	0.1	0.3	(0.1)	1.0
Creditors and accruals	27.4	60.7	(19.2)	43.9
Contract liability	0.4	(0.6)	(1.1)	(0.7)
Unearned revenue	(1.3)	(1.6)	(0.1)	0.6
Related companies	1.3	0.1	2.3	1.0
Changes in working capital	26.6	36.4	4.7	24.7
Interest received	0.9	0.0	1.1	0.1
Interest paid	(1.2)	(0.1)	(6.8)	(4.2)
Tax paid	(10.6)	(11.3)	(24.6)	(25.2)
Net cash flows from operating activities	95.9	107.4	212.4	234.4
Cash flows from investing activities:				
Purchase of fixed assets	(23.1)	(27.6)	(73.6)	(104.2)
Purchase of spectrum rights	-	-	-	(20.0)
Purchase of long-term investments	(0.2)	0.1	(1.3)	(6.1)
Proceeds from redemption of investment securities	6.8	-	6.8	-
Acquisition in an associated company	-	-	(1.5)	-
Proceeds from disposal of fixed assets	-	*	*	-
Net cash flows used in investing activities	(16.5)	(27.5)	(69.6)	(130.3)
Cash flows from financing activities:				
Proceeds from loans	-	23.4	-	174.8
Repayment of term loans	-	-	-	(125.8)
Purchase of treasury shares	-	(8.9)	-	(8.9)
Proceeds from issuance of ordinary shares on exercise of employee share options - treasury shares	*	-	*	0.1
Proceeds from issuance of ordinary shares by subsidiary	-	-	2.6	-
Dividends paid to shareholders	(48.1)	(48.4)	(105.5)	(103.2)
Net cash flows used in financing activities	(48.1)	(33.9)	(102.9)	(63.0)
Net changes in cash and cash equivalents	31.4	46.0	40.0	41.1
Cash and cash equivalents at beginning of financial period	55.1	6.1	46.5	11.0
Cash and cash equivalents at end of financial period	86.5	52.1	86.5	52.1

\*Denotes less than \$0.05 million



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

Group	Attributable to Equity Holders of the Company							
	Share Capital \$'m	Share-Based Payment Reserve \$'m	Treasury Shares \$'m	Fair Value Adjustment Reserve \$'m	Retained Profits \$'m	Total \$'m	Non-Controlling Interests \$'m	Total \$'m
<b>As at 1 Jan 2018, as previously stated</b>	<b>217.1</b>	<b>7.3</b>	<b>(27.3)</b>	<b>4.6</b>	<b>227.2</b>	<b>428.9</b>	<b>-</b>	<b>428.9</b>
<b>Impact on adoption of new accounting policy</b>	-	-	-	-	64.8	64.8	-	64.8
<b>As at 1 Jan 2018, as restated</b>	<b>217.1</b>	<b>7.3</b>	<b>(27.3)</b>	<b>4.6</b>	<b>292.0</b>	<b>493.6</b>	<b>-</b>	<b>493.6</b>
Net Profit	-	-	-	-	34.8	34.8	(0.1)	34.8
<u>Other comprehensive income</u>								
Fair value adjustment reserve	-	-	-	(0.8)	-	(0.8)	-	(0.8)
Total comprehensive income for the period	-	-	-	(0.8)	34.8	34.1	(0.1)	34.0
Treasury shares transferred pursuant to share option plans	-	(0.2)	0.2	-	-	-	-	-
Expenses on share options	-	0.2	-	-	-	0.2	-	0.2
Change in non-controlling interests	-	-	-	-	-	-	2.6	2.6
<b>As at 31 Mar 2018</b>	<b>217.1</b>	<b>7.3</b>	<b>(27.1)</b>	<b>3.8</b>	<b>326.8</b>	<b>527.9</b>	<b>2.5</b>	<b>530.4</b>
Net Profit	-	-	-	-	36.3	36.3	(0.1)	36.2
<u>Other comprehensive income</u>								
Fair value adjustment reserve	-	-	-	0.9	-	0.9	-	0.9
Total comprehensive income for the period	-	-	-	0.9	36.3	37.3	(0.1)	37.1
Treasury shares transferred pursuant to share option plans	(0.1)	(0.7)	0.7	-	-	(0.1)	-	(0.1)
Expenses on share options	-	0.4	-	-	-	0.4	-	0.4
Dividends	-	-	-	-	(57.4)	(57.4)	-	(57.4)
Expiry of employee share options	-	(1.1)	-	-	1.1	-	-	-
<b>As at 30 Jun 2018</b>	<b>217.0</b>	<b>5.9</b>	<b>(26.4)</b>	<b>4.7</b>	<b>306.9</b>	<b>508.1</b>	<b>2.4</b>	<b>510.6</b>
Net Profit	-	-	-	-	34.6	34.6	(0.1)	34.5
<u>Other comprehensive income</u>								
Fair value adjustment reserve	-	-	-	(0.2)	-	(0.2)	-	(0.2)
Total comprehensive income for the period	-	-	-	(0.2)	34.6	34.4	(0.1)	34.3
Treasury shares transferred pursuant to share option plans	-	(*)	*	-	-	*	-	*
Expenses on share options	-	0.4	-	-	-	0.4	-	0.4
Dividends	-	-	-	-	(48.1)	(48.1)	-	(48.1)
Expiry of employee share options	-	(0.2)	-	-	0.2	-	-	-
<b>As at 30 Sep 2018</b>	<b>217.0</b>	<b>6.1</b>	<b>(26.4)</b>	<b>4.4</b>	<b>293.7</b>	<b>494.9</b>	<b>2.3</b>	<b>497.1</b>

\* Denotes less than \$0.05 million



Group	Attributable to Equity Holders of the Company					
	Share Capital \$'m	Share-based payment Reserve \$'m	Treasury Shares \$'m	Fair Value Adjustment Reserve \$'m	Retained Profits \$'m	Total \$'m
<b>As at 1 Jan 2017</b>	<b>217.2</b>	<b>6.7</b>	<b>(18.6)</b>	<b>0.2</b>	<b>198.0</b>	<b>403.4</b>
<b>Impact on adoption of new accounting policy</b>	-	-	-	-	58.2	58.2
<b>As at 1 Jan 2017, as restated</b>	<b>217.2</b>	<b>6.7</b>	<b>(18.6)</b>	<b>0.2</b>	<b>256.2</b>	<b>461.6</b>
Net profit (restated)	-	-	-	-	34.8	34.8
<u>Other comprehensive income</u>						
Fair value adjustment reserve	-	-	-	(1.0)	-	(1.0)
Total comprehensive income for the period	-	-	-	(1.0)	34.8	33.8
Issuance of ordinary shares on exercise of employee share options	-	(0.2)	-	-	-	(0.2)
Treasury shares transferred pursuant to share option plans	-	-	0.1	-	-	0.1
Expenses on share options	-	0.1	-	-	-	0.1
<b>As at 31 Mar 2017</b>	<b>217.2</b>	<b>6.6</b>	<b>(18.5)</b>	<b>(0.8)</b>	<b>290.9</b>	<b>495.3</b>
Net Profit	-	-	-	-	35.7	35.7
<u>Other comprehensive income</u>						
Fair value adjustment reserve	-	-	-	0.8	-	0.8
Total comprehensive income for the period	-	-	-	0.8	35.7	36.5
Treasury shares transferred pursuant to share option plans	(0.1)	-	0.1	-	-	-
Expenses on share options	-	0.1	-	-	-	0.1
Dividends	-	-	-	-	(54.9)	(54.9)
<b>As at 30 Jun 2017</b>	<b>217.1</b>	<b>6.7</b>	<b>(18.4)</b>	<b>-</b>	<b>271.7</b>	<b>477.3</b>
Net Profit	-	-	-	-	36.5	36.5
<u>Other comprehensive income</u>						
Fair value adjustment reserve	-	-	-	(0.2)	-	(0.2)
Total comprehensive income for the period	-	-	-	(0.2)	36.5	36.3
Expenses on share options	-	(*)	-	-	-	(*)
Purchase of treasury share	-	-	(8.9)	-	-	(8.9)
Dividends	-	-	-	-	(48.4)	(48.4)
<b>As at 30 Sep 2017</b>	<b>217.1</b>	<b>6.7</b>	<b>(27.3)</b>	<b>(0.2)</b>	<b>259.9</b>	<b>456.2</b>

\*Denotes less than \$0.05 million



Company	Attributable to Equity Holders of the Company				
	Share Capital	Share-based payment Reserve	Treasury Shares	Retained Profits	Total
	\$'m	\$'m	\$'m	\$'m	\$'m
<b>As at 1 Jan 2018, as previously stated</b>	<b>217.1</b>	<b>7.3</b>	<b>(27.3)</b>	<b>158.9</b>	<b>355.9</b>
<b>Impact on adoption of new accounting policy</b>	-	-	-	55.6	55.6
<b>As at 1 Jan 2018, as restated</b>	<b>217.1</b>	<b>7.3</b>	<b>(27.3)</b>	<b>214.5</b>	<b>411.6</b>
Total comprehensive income for the period	-	-	-	31.9	31.9
Treasury shares transferred pursuant to share option plans	-	(0.2)	0.2	-	(*)
Expenses on share options	-	0.2	-	-	0.2
<b>As at 31 Mar 2018</b>	<b>217.1</b>	<b>7.3</b>	<b>(27.1)</b>	<b>246.4</b>	<b>443.7</b>
Total comprehensive income for the period	-	-	-	32.5	32.5
Treasury shares transferred pursuant to share option plans	(0.1)	(0.7)	0.7	-	(0.1)
Expenses on share options	-	0.4	-	-	0.4
Dividends	-	-	-	(57.4)	(57.4)
Expiry of employee share options	-	(1.1)	-	1.1	-
<b>As at 30 Jun 2018</b>	<b>217.0</b>	<b>5.9</b>	<b>(26.4)</b>	<b>222.6</b>	<b>419.1</b>
Total comprehensive income for the period	-	-	-	30.3	30.3
Treasury shares transferred pursuant to share option plans	-	(*)	*	-	-
Expenses on share options	-	0.4	-	-	0.4
Dividends	-	-	-	(48.1)	(48.1)
Expiry of employee share options	-	(0.2)	-	0.2	-
<b>As at 30 Sep 2018</b>	<b>217.0</b>	<b>6.1</b>	<b>(26.4)</b>	<b>205.0</b>	<b>401.7</b>

\* Denotes less than \$0.05 million



Company	Attributable to Equity Holders of the Company				
	Share Capital	Share-based payment Reserve	Treasury Shares	Retained Profits	Total
	\$'m	\$'m	\$'m	\$'m	\$'m
<b>As at 1 Jan 2017</b>	<b>217.2</b>	<b>6.7</b>	<b>(18.6)</b>	<b>153.6</b>	<b>358.8</b>
<b>Impact on adoption of new accounting policy</b>	-	-	-	57.5	57.5
<b>As at 1 Jan 2017, as restated</b>	<b>217.2</b>	<b>6.7</b>	<b>(18.6)</b>	<b>211.1</b>	<b>416.3</b>
Total comprehensive income for the period	-	-	-	30.9	30.9
Issuance of ordinary shares on exercise of employee share options	-	(0.2)	-	-	(0.2)
Treasury shares transferred pursuant to share-based payment plans	-	-	0.1	-	0.1
Expenses on share-based payment	-	0.1	-	-	0.1
<b>As at 31 Mar 2017</b>	<b>217.2</b>	<b>6.6</b>	<b>(18.5)</b>	<b>242.0</b>	<b>447.2</b>
Total comprehensive income for the period	-	-	-	30.9	30.9
Treasury shares transferred pursuant to share-based payment plans	(0.1)	-	0.1	-	-
Expenses on share-based payment	-	0.1	-	-	0.1
Dividends	-	-	-	(54.9)	(54.9)
<b>As at 30 Jun 2017</b>	<b>217.1</b>	<b>6.7</b>	<b>(18.4)</b>	<b>218.1</b>	<b>423.6</b>
Total comprehensive income for the period	-	-	-	31.6	31.6
Expenses on share-based payment	-	(*)	-	-	(*)
Purchase of treasury share	-	-	(8.9)	-	(8.9)
Dividends	-	-	-	(48.4)	(48.4)
<b>As at 30 Sep 2017</b>	<b>217.1</b>	<b>6.7</b>	<b>(27.3)</b>	<b>201.5</b>	<b>397.9</b>

\*Denotes less than \$0.05 million





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

No. of Shares	Share options		Ordinary shares		Treasury shares	
	3Q2018	3Q2017	3Q2018	3Q2017	3Q2018	3Q2017
<b>As at 1 Jul</b>	<b>28,004,000</b>	<b>35,769,700</b>	<b>925,529,082</b>	<b>930,114,782</b>	<b>11,708,700</b>	<b>7,123,000</b>
Exercised during the financial period	(5,000)		5,000	-	-	-
Cancelled during the financial period	(1,140,000)	(1,990,000)	-	-	-	-
Purchased of treasury shares during the financial period	-	-	-	(5,000,000)	-	5,000,000
Treasury shares transferred pursuant to share option plans	-	-	2,600	-	(7,600)	-
<b>As at 30 Sep</b>	<b>26,859,000</b>	<b>33,779,700</b>	<b>925,536,682</b>	<b>925,114,782</b>	<b>11,701,100</b>	<b>12,123,000</b>

## 1(e) Notes to Financial Statements

### (i) Operating Revenue

	Group		Group	
	3Q2018	3Q2017	9mth2018	9mth2017
	\$'m	\$'m	\$'m	\$'m
<b>Operating revenue</b>				
Mobile telecommunications services	142.6	142.7	429.7	420.8
International call services	9.8	13.9	31.9	41.8
Fixed services*	37.8	30.0	106.4	86.8
<b>Total service revenue</b>	<b>190.2</b>	<b>186.6</b>	<b>568.0</b>	<b>549.5</b>
<b>Handset sales</b>	<b>84.5</b>	<b>63.0</b>	<b>214.0</b>	<b>201.9</b>
<b>Total</b>	<b>274.6</b>	<b>249.5</b>	<b>781.9</b>	<b>751.4</b>

\* Fixed services includes access and ICT services.



## (ii) Operating expenses

	Group		Group	
	3Q2018	3Q2017	9mth2018	9mth2017
	\$'m	\$'m	\$'m	\$'m
Cost of sales	122.0	95.2	321.9	299.2
Staff costs	31.5	30.3	94.3	89.5
Advertising and promotion expenses	2.8	4.9	11.1	14.0
Depreciation and amortisation	32.2	32.7	94.1	95.9
Loss allowance on trade receivables	1.9	2.4	5.8	6.8
Facilities expenses	23.7	21.9	69.9	64.3
Leased circuit costs	7.8	8.0	25.0	24.3
Licence fees	1.1	0.9	3.4	2.7
Other general and administrative expenses	7.4	6.3	21.1	17.2
Foreign exchange (gain)/loss	*	0.1	(0.1)	0.1
<b>Total</b>	<b>230.6</b>	<b>202.5</b>	<b>646.6</b>	<b>614.2</b>

\*Denotes less than \$0.05 million

## (iii) Taxation

Major components of income tax expense for the periods ended 30 September were:

	Group		Group	
	3Q2018	3Q2017	9mth2018	9mth2017
	\$'m	\$'m	\$'m	\$'m
Current tax				
- Current provision	8.6	9.0	24.1	24.6
Deferred tax				
- Movement in temporary differences	(1.0)	(0.9)	(1.3)	0.1
Income tax expense	<b>7.6</b>	<b>8.0</b>	<b>22.8</b>	<b>24.7</b>

## (iv) Trade receivables

	Group		Company	
	30 Sep 2018	31 Dec 2017	30 Sep 2018	31 Dec 2017
	\$'m	\$'m	\$'m	\$'m
Mobile and fixed services				
- Billed	61.1	53.5	61.1	53.5
- Accrued service revenue	15.3	9.6	15.3	9.6
Others				
- Billed	25.0	23.9	15.3	11.1
- Accrued	1.1	1.2	1.1	1.2
	<b>102.4</b>	<b>88.2</b>	<b>92.7</b>	<b>75.4</b>
Loss allowance on trade receivables	(8.8)	(10.1)	(8.7)	(10.1)
	<b>93.6</b>	<b>78.1</b>	<b>84.0</b>	<b>65.4</b>



**(v) Cash and cash equivalents comprise:**

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2018</b>	<b>31 Dec 2017</b>	<b>30 Sep 2018</b>	<b>31 Dec 2017</b>
	<b>\$'m</b>	<b>\$'m</b>	<b>\$'m</b>	<b>\$'m</b>
Cash and bank balances	<b>86.5</b>	<b>46.5</b>	<b>73.8</b>	<b>43.4</b>

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

**Amount repayable in one year or less, or on demand**

<b>As at 30 September 2018</b>		<b>As at 31 December 2017</b>	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

**Amount repayable after one year**

<b>As at 30 September 2018</b>		<b>As at 31 December 2017</b>	
Secured	Unsecured	Secured	Unsecured
Nil	\$450.0m	Nil	\$450.0m

**Details of any collateral**

None.

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

The \$200 million long term loan is unsecured and bears an effective interest rate at 2.45% per annum and is repayable in full in June 2020.



## **2(a) NEGATIVE ASSURANCE**

We, DANNY TEOH LEONG KAY and KAREN KOOI, being two directors of M1 Limited (the “Company”) do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company that may render the Third Quarter and Nine Months ended 30 September 2018 financial results to be false or misleading.

On behalf of the directors

**DANNY TEOH LEONG KAY**  
**Chairman**

**KAREN KOOI**  
**Director**

Singapore  
24 October 2018

## **2(b) AUDIT/ REVIEW**

The financial information of the Group relating to the nine months ended 30 September 2018 has been extracted from the interim condensed financial statements prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34, Interim Financial Reporting. This financial information has been reviewed by the auditors in accordance with Singapore Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

## **3. BASIS OF PREPARATION**

The condensed interim consolidated statement of comprehensive income of the Group and the statements of financial position and statements of changes in equity of the Group and Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34, Interim Financial Reporting.

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



#### 4. ACCOUNTING POLICIES

The Group and Company has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current period as compared with the audited financial statements for the year ended 31 December 2017, except for the adoption of new or revised Financial Reporting Standards (International) (“SFRS(I)”) 1-34 and Interpretations to FRS (“INT FRS”) which became effective from this financial year. The adoption of these new or revised FRS and INT FRS does not have any significant impact on the financial statement of the Group and the Company, except as stated below.

The Accounting Standards Council announced on 29 May 2014 that Singapore incorporated companies listed on the Singapore Exchange will apply a new financial reporting framework identical to the International Financial Reporting Standards. The Group has adopted the new financial reporting framework on 1 January 2018. Other than the adoption of the new standards that are effective on 1 January 2018, the new framework will have no material impact on the financial statements in the year of application except as follows:-

##### SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 establishes a five step model to account for revenue arising from contracts with customers, and introduces new contract costs guidance. Under SFRS(I) 15, revenue is recognized at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is effective for annual periods beginning on or after 1 January 2018. The Group and Company has applied the changes in accounting policies retrospectively to each reporting year presenting, using the full retrospective approach. As such, the comparative 2017 figures in this report is not comparable to previously announced 2017 figures.

##### SFRS(I) 9 Financial Instruments

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting, and is effective for annual periods beginning on or after 1 January 2018. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in SFRS(I) 9 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

The Group and Company adopted the new standard on the required effective date without restating prior periods’ information and recognizes any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.



## 5. EARNINGS PER SHARE

	3Q2018	3Q2017	Change	9mth2018	9mth2017	Change
Earnings per ordinary share of the Group based on the net profit attributable to shareholders:-						
(i) Based on weighted average number of shares	3.7cts	3.9cts	-5.3%	11.4cts	11.5cts	-1.0%
- Weighted average number of shares ('000)	925,535	927,743	-0.2%	925,341	929,277	-0.4%
(ii) On fully diluted basis	3.7cts	3.9cts	-5.3%	11.4cts	11.5cts	-1.0%
- Adjusted weighted average number of shares ('000)	925,543	927,754	-0.2%	925,349	929,306	-0.4%

## 6. NET ASSET VALUE

	Group		Company	
	30 Sep 2018	31 Dec 2017	30 Sep 2018	31 Dec 2017
Net asset value per share (cents)	53.5	53.4	43.4	44.3

## 7. DIVIDEND

### (a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No.

### (b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

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

No dividend has been declared or recommended for the financial period.



## 9. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	3Q2018	3Q2017	9mth2018	9mth2017
	\$'m	\$'m	\$'m	\$'m
Sales	(0.7)	(1.7)	(5.7)	(8.1)
Purchases	3.4	3.2	10.8	12.6

## 10. INTERESTED PERSON TRANSACTIONS

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

	3Q2018	9mth2018
	\$'000	\$'000
<b>Transactions for the purchase of goods and services</b>		
Singapore Telecommunications Limited & its associates	10,729	34,249
Axiata Group Berhad	826	2,700
Keppel Logistics Pte Ltd	321	935
Starhub Ltd & its associates	5,269	15,451
Temasek Holdings (Private) Limited & its associates	1,134	3,408
<b>Transactions for the sale of goods and services</b>		
Singapore Telecommunications Limited & its associates	3,498	10,044
Axiata Group Berhad	334	1,258
Starhub Ltd & its associates	1,449	4,038
<b>Total Interested Person Transactions</b>	<u>23,560</u>	<u>72,083</u>

## 11. REVIEW OF PERFORMANCE OF THE GROUP

Please refer to the Management Discussion and Analysis of the Group for the nine months financial results ended 30 September 2018.

## 12. AUDITOR'S REPORT

Please refer to the independent auditor's report dated 24 October 2018 appended to this announcement.



### 13. REVIEW OF PERFORMANCE

	<u>Group</u>		YoY Change	<u>Group</u>		YoY Change	<u>Group</u>		Change (3Q2018 vs 2Q2018)
	3Q2018 \$'m	3Q2017 \$'m		9mth2018 \$'m	9mth2017 \$'m		2Q2018 \$'m		
<b>Revenues</b>									
<b>Operating revenue</b>									
Mobile telecommunications services	142.6	142.7	-0.1%	429.7	420.8	2.1%	146.2	-2.4%	
International call services	9.8	13.9	-29.4%	31.9	41.8	-23.8%	10.2	-4.1%	
Fixed services*	37.8	30.0	25.9%	106.4	86.8	22.5%	36.7	3.1%	
<b>Total service revenue</b>	<b>190.2</b>	<b>186.6</b>	1.9%	<b>568.0</b>	<b>549.5</b>	3.4%	<b>193.0</b>	-1.5%	
<b>Handset sales</b>	<b>84.5</b>	<b>63.0</b>	34.1%	<b>214.0</b>	<b>201.9</b>	6.0%	<b>60.2</b>	40.4%	
<b>Total</b>	<b>274.6</b>	<b>249.5</b>	10.1%	<b>781.9</b>	<b>751.4</b>	4.1%	<b>253.2</b>	8.5%	
<b>Key Drivers</b>									
<b>Number of customers ('000)</b>									
Postpaid	1,362	1,272	7.1%	1,362	1,272	7.1%	1,338	1.8%	
Prepaid	584	736	-20.7%	584	736	-20.7%	625	-6.7%	
Total Mobile	1,946	2,007	-3.1%	1,946	2,007	-3.1%	1,964	-0.9%	
Fibre	204	182	12.3%	204	182	12.3%	200	2.4%	
Total	2,150	2,189	-1.8%	2,150	2,189	-1.8%	2,164	-0.6%	
<b>Mobile market share ^</b>									
Postpaid	25.7%	25.1%	-	25.7%	25.1%	-	25.7%	-	
Prepaid	19.8%	22.3%	-	19.8%	22.3%	-	20.0%	-	
Overall	23.5%	24.0%	-	23.5%	24.0%	-	23.6%	-	
Mobile penetration rate ^	147.7%	149.2%	-	147.7%	149.2%	-	147.8%	-	
<b>Monthly minutes of use per active customer (per month)</b>									
Postpaid	177	189	-6.2%	179	191	-6.4%	182	-2.6%	
Prepaid	111	145	-23.5%	115	155	-25.7%	117	-5.4%	
Average monthly churn rate	1.0%	1.3%	-	1.0%	1.3%	-	1.0%	-	
Acquisition cost per postpaid customer	\$411	\$378	8.7%	\$393	\$374	5.1%	\$355	15.8%	

^ Based on latest published statistics July 2018.

\* Fixed services includes access and ICT services.





## 13.1 Operating Revenue

YoY, operating revenue at \$274.6m for 3Q2018 and \$781.9m for 9M2018 were 10.1% and 4.1% higher respectively mainly due to higher fixed services revenue and handset sales. Compared to 2Q2018, it was 8.5% higher due to higher handset sales.

### 13.1.1 Key Drivers

As at 30 September 2018, our customer base stood at 2,150,000, 1.8% lower than last year. Compared to 2Q2018, it was 0.6% lower. Market share was 23.5% at end July 2018.

Churn rate at 1.0% for 3Q2018 was lower YoY but stable QoQ.

YoY, postpaid customer acquisition cost increased 8.7% to \$411 for 3Q2018 and 5.1% to \$393 for 9M2018. Compared to 2Q2018, it was 15.8% higher.

### 13.1.2 Mobile Telecommunications Services

	<u>Group</u>		YoY Change	<u>Group</u>		YoY Change	<u>Group</u>	Change (3Q2018 vs 2Q2018)
	3Q2018 \$'m	3Q2017 \$'m		9mth2018 \$'m	9mth2017 \$'m		2Q2018 \$'m	
<b>Telecommunications revenue</b>								
Postpaid	129.4	127.6	1.4%	389.4	375.1	3.8%	132.6	-2.4%
Prepaid	13.2	15.1	-12.8%	40.4	45.7	-11.8%	13.6	-2.9%
<b>Total</b>	<b>142.6</b>	<b>142.7</b>	<b>-0.1%</b>	<b>429.7</b>	<b>420.8</b>	<b>2.1%</b>	<b>146.2</b>	<b>-2.4%</b>
<b>ARPU* (per month)</b>								
Postpaid (net)	\$40.8	\$41.9	-2.6%	\$41.4	\$41.6	-0.5%	\$42.3	-3.5%
Postpaid (gross)	\$54.0	\$55.4	-2.5%	\$54.7	\$55.6	-1.6%	\$55.6	-2.9%
Data plan (net)	\$10.6	\$12.7	-16.5%	\$10.9	\$13.0	-16.2%	\$10.9	-2.8%
Data plan (gross)	\$11.0	\$13.1	-16.0%	\$11.3	\$13.4	-15.7%	\$11.3	-2.7%
Prepaid	\$10.5	\$10.8	-2.8%	\$10.3	\$10.8	-4.6%	\$10.5	0.0%
Fibre Broadband (net)	\$38.6	\$37.0	4.3%	\$39.0	\$37.3	4.6%	\$38.6	0.0%
Fibre Broadband (gross)	\$42.7	\$40.9	4.4%	\$43.0	\$41.1	4.6%	\$42.6	0.2%
Mobile data contribution as a % of service revenue	64.6%	57.3%		63.4%	55.5%		64.4%	

\* Average Revenue Per User

YoY, mobile telecommunications revenue decreased 0.1% to \$142.6m for 3Q2018 and increased 2.1% to \$429.7m for 9M2018 due to higher postpaid revenue. Against 2Q2018, it was 2.4% lower.

Postpaid revenue increased 1.4% YoY to \$129.4m for 3Q2018 and 3.8% to \$389.4m for 9M2018. Compared to 2Q2018, it was 2.4% lower.

YoY, prepaid revenue decreased 12.8% to \$13.2m for 3Q2018 and 11.8% to \$40.4m for 9M2018. Against 2Q2018, it was 2.9% lower.



Average postpaid smartphone data usage increased to 5.5GB per month this quarter from 4.2GB per month a year ago. Mobile data contribution increased YoY by 7.3% point to 64.6% for 3Q2018 and 7.9% points to 63.4% for 9M2018 respectively. Against 2Q2018, it was 0.2% point higher.

### 13.1.3 International call services

	<u>Group</u>		YoY Change	<u>Group</u>		YoY Change	<u>Group</u>	Change (3Q2018 vs 2Q2018)
	3Q2018 \$'m	3Q2017 \$'m		9mth2018 \$'m	9mth2017 \$'m		2Q2018 \$'m	
<b>International call services</b>								
Retail revenue	6.4	8.7	-26.3%	20.8	27.6	-24.5%	7.1	-8.8%
Wholesale and bilateral revenue	3.3	5.1	-34.6%	11.0	14.2	-22.4%	3.1	6.7%
Total	9.8	13.9	-29.4%	31.9	41.8	-23.8%	10.2	-4.1%
Total international retail minutes (in millions)	106	155	-31.9%	341	494	-30.9%	114	-7.5%

YoY, international call services revenue decreased 29.4% to \$9.8m for 3Q2018 and 23.8% to \$31.9m for 9M2018 respectively due to lower retail traffic. Compared to 2Q2018, it was 4.1% lower.

### 13.1.4 Fixed services

Fixed services revenue grew 25.9% and 22.5% YoY to \$37.8m for 3Q2018 and \$106.4m for 9M2018 respectively driven by higher fibre customer base and contribution from corporate projects. Against 2Q2018, it was 3.0% higher.

### 13.1.5 Handset sales

Handset sales increased 34.1% and 6.0% YoY to \$84.5m for 3Q2018 and \$214.0m for 9M2018 respectively due to higher average selling price and higher sales volume. Against 2Q2018, it was 40.4% higher.



## 13.2 Operating Expenses

	Group		YoY Change	Group		YoY Change	Group		Change (3Q2018 vs 2Q2018)
	3Q2018 \$'m	3Q2017 \$'m		9mth2018 \$'m	9mth2017 \$'m		2Q2018 \$'m		
Cost of sales	122.0	95.2	28.3%	321.9	299.2	7.6%	97.6	25.1%	
Staff costs	31.5	30.3	4.1%	94.3	89.5	5.3%	31.2	1.1%	
Advertising and promotion expenses	2.8	4.9	-43.7%	11.1	14.0	-20.6%	4.2	-34.0%	
Depreciation & amortisation	32.2	32.7	-1.5%	94.1	95.9	-1.9%	31.4	2.4%	
Loss allowance on trade receivables	1.9	2.4	-22.1%	5.8	6.8	-14.7%	1.9	-3.3%	
Facilities expenses	23.7	21.9	8.5%	69.9	64.3	8.7%	23.7	-0.1%	
Leased circuit costs	7.8	8.0	-1.4%	25.0	24.3	2.9%	8.7	-9.8%	
Licence fees	1.1	0.9	17.5%	3.4	2.7	23.1%	1.3	-15.1%	
Other general & administrative expenses	7.4	6.3	19.0%	21.1	17.2	22.5%	7.0	6.4%	
Foreign exchange (gain)/loss	*	0.1	-35.7%	(0.1)	0.1	-155.5%	(0.3)	-122.7%	
<b>Total</b>	<b>230.5</b>	<b>202.5</b>	<b>13.8%</b>	<b>646.6</b>	<b>614.2</b>	<b>5.3%</b>	<b>206.7</b>	<b>11.5%</b>	

\*Denotes less than \$0.05 million

YoY, operating expenses increased 13.8% to \$230.5m for 3Q2018 and 5.3% to \$646.6m for 9M2018. Against 2Q2018, operating expenses was 11.5% higher.

### 13.2.1 Cost of sales

	Group		YoY Change	Group		YoY Change	Group		Change (3Q2018 vs 2Q2018)
	3Q2018 \$'m	3Q2017 \$'m		9mth2018 \$'m	9mth2017 \$'m		2Q2018 \$'m		
Handset costs	85.9	62.3	37.9%	219.5	202.4	8.5%	62.9	36.5%	
Traffic expenses	7.2	9.7	-26.5%	22.2	28.9	-23.0%	7.3	-2.3%	
Wholesale costs of fixed services	14.3	14.3	0.1%	44.6	41.3	8.1%	16.1	-11.5%	
Other costs	14.7	8.9	65.7%	35.7	26.7	33.4%	11.2	31.9%	
<b>Total</b>	<b>122.0</b>	<b>95.2</b>	<b>28.3%</b>	<b>321.9</b>	<b>299.2</b>	<b>7.6%</b>	<b>97.6</b>	<b>25.1%</b>	

YoY, cost of sales increased 28.3% to \$122.0m for 3Q2018 and 7.6% to \$321.9m for 9M2018 mainly due to higher handset costs and other costs. Lower traffic expenses at \$7.2m for 3Q2018 and \$22.2m for 9M2018 were due to lower retail traffic. YoY, wholesale costs of fixed services was stable at \$14.3m for 3Q2018 but increased 8.1% to \$44.6m for 9M2018 due to higher customer base. YoY, other costs was higher mainly due to expenses incurred for corporate projects.



### 13.2.2 Staff costs

YoY, Staff costs increased 4.1% to \$31.5m for 3Q2018 and 5.3% to \$94.3m for 9M2018 due to salary increment and expansion of Corporate team to support growth in ICT business.

### 13.2.3 Advertising and promotion expenses

Advertising and promotion expenses at \$2.8m for 3Q2018 decreased 43.7% YoY and 34.0% QoQ. For 9M2018, it was 20.6% lower.

### 13.2.4 Depreciation and amortisation

Depreciation and amortisation expenses at \$32.2m for 3Q2018 and \$94.1m for 9M2018 were 1.5% and 1.9% lower YoY respectively as certain 3G network assets were fully depreciated. Against 2Q2018, it was 2.4% higher.

### 13.2.5 Loss allowance on trade receivables

For 3Q2018 and 9M2018, loss allowance on trade receivables decreased 22.1% and 14.7% YoY to \$1.9m and \$5.8m respectively. Against 2Q2018, it was 3.3% lower.

### 13.2.6 Facilities expenses

Facilities expenses at \$23.7m for 3Q2018 was 8.5% higher YoY mainly due to higher repair and maintenance expenses in respect of microwave and 4G networks.

### 13.2.7 Leased circuit costs

Leased circuit costs decreased 1.4% to \$7.8m for 3Q2018 and increased 2.9% to \$25.0m for 9M2018. Against 2Q2018, it was 9.8% lower.

### 13.2.8 Other general and administrative expenses

Other general and administrative expenses at \$7.4m for 3Q2018 was 19.0% higher YoY and 6.4% higher QoQ. Against 9M2017, it was 22.5% higher due to impairment loss on investment in an associate and 9M2017 benefited from gain on disposal of fixed asset.

## 13.3 Finance Costs

Finance costs was stable at \$2.9m for 3Q2018. Against 9M2017, it was 23.5% higher due to higher borrowings and interest rate.

## 13.4 Taxation

YoY, provision for taxation decreased 5.0% to \$7.6m for 3Q2018 and 7.4% to \$22.8m for 9M2018.



### 13.5 Net Profit

	Group			Group			Group	Change
	3Q2018	3Q2017	YoY	9mth2018	9mth2017	YoY		
	\$'m	\$'m	Change	\$'m	\$'m	Change	\$'m	(3Q2018 vs 2Q2018)
Net profit	34.5	36.5	-5.5%	105.5	107.0	-1.4%	36.2	-4.8%
Net profit margin (on service revenue)	18.1%	19.6%		18.6%	19.5%		18.8%	

YoY, net profit at \$34.5m for 3Q2018 and \$105.5m for 9M2018 were 5.5% and 1.4% lower respectively. Compared to 2Q2018, it was 4.8% lower.

Compared to the corresponding periods last year, net profit margin on service revenue was lower at 18.1% and 18.6% for 3Q2018 and 9M2018 respectively. Against 2Q2018, it was 0.7% point lower.

### 13.6 EBITDA

	Group			Group			Group	Change
	3Q2018	3Q2017	YoY	9mth2018	9mth2017	YoY		
	\$'m	\$'m	Change	\$'m	\$'m	Change	\$'m	(3Q2018 vs 2Q2018)
EBITDA	77.2	80.1	-3.6%	231.0	234.5	-1.5%	78.4	-1.5%
EBITDA margin (on service revenue)	40.6%	42.9%		40.7%	42.7%		40.6%	

YoY, EBITDA at \$77.2m for 3Q2018 and \$231.0m for 9M2018 was 3.6% and 1.5% lower respectively. Compared to 2Q2018, it was 1.5% lower.

EBITDA margin, as a percentage of service revenue, was 40.6% for 3Q2018 and 40.7% for 9M2018.

### 13.7 Capital Expenditure and Commitments

Capital expenditure incurred for 9M2018 was \$73.6m whereas it was \$104.2m for 9M2017.

Capital commitment as at 30 September 2018 was \$196.4m which includes \$188.0m for the 700MHz spectrum.



### 13.8 Liquidity and Capital Resources

	<u>Group</u>		YoY Change	<u>Group</u>		YoY Change	<u>Group</u>	Change (3Q2018 vs 2Q2018)
	3Q2018 \$'m	3Q2017 \$'m		9mth2018 \$'m	9mth2017 \$'m		2Q2018 \$'m	
Profit before tax	42.1	44.5	-5.4%	128.3	131.6	-2.5%	44.0	-4.4%
Non-cash item and net interest expense adjustments	27.3	26.5	2.7%	79.4	78.1	1.7%	18.0	51.3%
Net change in working capital	26.6	36.4	-26.9%	4.7	24.7	-80.9%	7.4	260.4%
Net cash provided by operating activities	95.9	107.4	-10.7%	212.4	234.4	-9.4%	69.4	38.2%
Net cash used in investing activities	(16.5)	(27.5)	-40.2%	(69.6)	(130.3)	-46.6%	(29.6)	-44.5%
Net cash used in financing activities	(48.1)	(33.9)	41.9%	(102.9)	(63.0)	63.3%	(57.4)	-16.2%
Net change in cash and cash equivalents	31.4	46.0	-31.8%	40.0	41.1	-2.6%	(17.6)	-278.6%
Cash and cash equivalents at beginning of financial period	55.1	6.1	@	46.5	11.0	@	72.7	-24.2%
Cash and cash equivalents at end of financial period	86.5	52.1	66.1%	86.5	52.1	66.1%	55.1	56.9%
Free Cash flow <sup>(1)</sup>	72.9	79.8	-8.7%	138.9	110.2	26.1%	41.6	75.2%

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

@ Denotes more than +/-300%

YoY, operating cash flow decreased from \$107.4m to \$95.9m for 3Q2018. Against 2Q2018, it was 38.2% higher.

Free cash flow at \$72.9m for 3Q2018 was 8.7% lower YoY.

### 13.9 Gearing and Interest Cover

As at end September 2018, gearing ratio was stable at 0.7 times compared to end December 2017. Interest coverage ratio (EBITDA/Interest) was 26.7 times for 3Q2018 compared to 31.4 times for 3Q2017.



### **13.10 Balance Sheet**

Total non-current assets decreased 2.4% from \$990.2m as at 31 December 2017 to \$966.2m as at 30 September 2018 mainly due to amortisation of licences and spectrum right.

Total current assets increased 2.4% from \$357.0m as at 31 December 2017 to \$365.4m as at 30 September 2018, mainly due to higher cash and cash equivalents and trade receivables.

Total current liabilities was \$265.2m as at 30 September 2018, a decrease of 6.3% from \$282.9m as at 31 December 2017.

Against 31 December 2017, total shareholders' equity as at 30 September 2018 was 0.7% higher at \$497.1m.

### **14. VARIANCE FROM PROSPECT STATEMENT**

No comments as a result of the pre-conditional voluntary general offer announced on 27 September 2018.

### **15. OUTLOOK**

M1 continues its transformation to a Smart Communications Provider to compete in the converged digital economy.

#### Pre-conditional Voluntary General Offer

On 27 September 2018, a pre-conditional offer announcement was made by Konnectivity Pte. Ltd. (the "Offeror"), a company jointly owned by Keppel Corporation Limited and Singapore Press Holdings Limited, that the Offeror intends to make a pre-conditional voluntary conditional general offer for all the issued and paid up ordinary shares in the capital of the Company (excluding treasury shares), other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations, and their respective nominees, in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers.

#### The Singapore Code on Take-Overs and Mergers

The unaudited results for the third quarter and 9-month period ended 30 September 2018 have been reported on in accordance with The Singapore Code on Take-overs and Mergers.

#### Auditors' Consent

Ernst & Young LLP, named as the auditors of the Company in the Unaudited Interim Condensed Financial Statements for the 9-month period ended 30 September 2018 (the "Interim Financial Information"), has given and has not withdrawn its written consent to the release of its review letter dated 24 October 2018 on the Interim Financial Information of the Group for purpose of attachment to the Company's announcement on its unaudited results for the period ended 30 September 2018, and all references to its name in the form and context in which they appear herein.



**16. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**

Karen Teo  
Company Secretary  
24 October 2018



## **M1 Limited**

### **Independent auditor's report on Review of Interim Condensed Financial Statements for the nine-month period ended 30 September 2018**

#### **Independent auditor's report to the members of M1 Limited**

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#### **Introduction**

We have reviewed the accompanying unaudited interim condensed financial statements of M1 Limited (the Company) and its subsidiaries (collectively, the Group), which comprise the interim condensed statements of financial position of the Group and the Company as at 30 September 2018, the statements of changes in equity of the Group and the Company and the interim condensed consolidated statement of comprehensive income, and interim condensed consolidated cash flow statement for the period from 1 January 2018 to 30 September 2018, and explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with Singapore Financial Reporting Standard (International) 1-34 *Interim Financial Reporting* (SFRS(I) 1-34). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

#### **Scope of Review**

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with SFRS(I) 1-34.

#### **Other matters**

We have not carried out a review in accordance with Singapore Standards on Review Engagements on the interim financial information for the nine-month period ended 30 September 2017 included as comparative figures in this interim financial information, as the Group was not required to present reviewed financial information for the period. The interim financial information for the nine-month period ended 30 September 2017 is the responsibility of the management and directors.

**M1 Limited**

**Independent auditor's report on Review of Interim Condensed Financial Statements for the nine-month period ended 30 September 2018**

**Independent auditor's report to the members of M1 Limited (continued)**

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**Restriction of use**

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting the Company to comply with Rule 25 of the Singapore Code on Take-overs and Mergers, and for no other purpose. Our report is included in the Company's announcement of its unaudited results for the period ended 30 September 2018, for the information of its members. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions we have reached in our report.



Ernst & Young LLP

Public Accountants and  
Chartered Accountants  
Singapore

24 October 2018