



## **Full Year 2013 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  | Year Ended 31 Dec |         |         |         |         |        |
|--|-------|-------------------|---------|---------|---------|---------|--------|
|  |       | 4Q13              | 4Q12    | Change  | 2013    | 2012    | Change |
|  |       | S\$m              | S\$m    |         | S\$m    | S\$m    |        |
| Operating revenue  | (i)   | 278.6             | 327.4   | -14.9%  | 1,007.9 | 1,076.8 | -6.4%  |
| Operating expenses   | (ii)  | (230.6)           | (276.5) | -16.6%  | (812.4) | (888.6) | -8.6%  |
| Other revenue  |       | 0.1               | 0.1     | -8.4%   | 1.8     | 0.7     | 147.7% |
| Finance costs  |       | (1.0)             | (1.3)   | -24.7%  | (4.5)   | (5.5)   | -19.2% |
| Profit before tax  |       | 47.1              | 49.7    | -5.3%   | 192.8   | 183.4   | 5.1%   |
| Taxation   | (iii) | (6.5)             | (11.8)  | -44.8%  | (32.6)  | (36.9)  | -11.7% |
| Net profit   |       | 40.5              | 37.9    | 7.1%    | 160.2   | 146.5   | 9.4%   |
| Other comprehensive income:                                    |       |                   |         |         |         |         |        |
| Items that may be reclassified subsequently to profit or loss: |       |                   |         |         |         |         |        |
| Fair value changes on interest rate swap                       |       | -                 | *       | -100.0% | 0.2     | 0.5     | -63.4% |
| Total comprehensive income for the period                      |       | 40.5              | 37.9    | 6.9%    | 160.4   | 147.0   | 9.1%   |
| Earnings per share (cents)                                     |       |                   |         |         |         |         |        |
| Basic  |       | 4.4               | 4.1     | 5.9%    | 17.4    | 16.1    | 8.3%   |
| Diluted  |       | 4.4               | 4.1     | 5.7%    | 17.4    | 16.1    | 8.1%   |
| EBITDA (S\$m)  |       | 79.1              | 80.7    | -2.1%   | 312.3   | 299.9   | 4.1%   |

\* Denotes less than S\$0.05 million

**The net profit included the following:**

|   | Year Ended 31 Dec |       |       |       |
|---|-------------------|-------|-------|-------|
|   | 4Q13              | 4Q12  | 2013  | 2012  |
|   | S\$m              | S\$m  | S\$m  | S\$m  |
| Other revenue including interest income                                 | (0.1)             | (0.1) | (1.8) | (0.7) |
| Interest on borrowings  | 1.0               | 1.3   | 4.5   | 5.5   |
| Depreciation and amortisation   | 31.0              | 29.7  | 115.1 | 111.0 |
| Allowance for doubtful debts and bad debts written off                  | 2.8               | 2.6   | 12.7  | 12.9  |
| Provision/(write-back) for inventory obsolescence                       | 0.1               | (0.2) | 0.1   | (0.2) |
| Foreign exchange (gain)/loss, net                                       | (0.1)             | (*)   | *     | (2.7) |
| Adjustments for under/(over) provision of tax in respect of prior years | (2.2)             | 2.5   | (2.6) | 3.5   |
| (Gain)/loss on disposal of fixed assets                                 | *                 | (0.2) | (1.2) | (0.8) |

\* Denotes less than S\$0.05 million



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

|   | Note | Group               |                     | Company             |                     |
|---|------|---------------------|---------------------|---------------------|---------------------|
|   |      | 31-Dec-13           | 31-Dec-12           | 31-Dec-13           | 31-Dec-12           |
|   |      | S\$'m               | S\$'m               | S\$'m               | S\$'m               |
| <b>Non-current assets:</b>              |      |                     |                     |                     |                     |
| Fixed assets                            |      | 649.4               | 629.9               | 640.6               | 621.4               |
| Licences and spectrum rights            |      | 73.8                | 85.6                | 73.8                | 85.6                |
| Other intangibles                       |      | 13.9                | 13.2                | 0.1                 | 0.1                 |
| Staff loans                             |      | 0.2                 | 0.3                 | 0.2                 | 0.3                 |
| Interest in subsidiaries                |      | -                   | -                   | 7.0                 | 7.0                 |
| Due from a subsidiary                   |      | -                   | -                   | 16.9                | 16.9                |
|   |      | <u>737.3</u>        | <u>728.9</u>        | <u>738.6</u>        | <u>731.3</u>        |
| <b>Current assets:</b>                  |      |                     |                     |                     |                     |
| Inventories                             |      | 29.1                | 33.1                | 0.3                 | 0.5                 |
| Trade debtors                           | (iv) | 144.8               | 180.0               | 142.5               | 177.8               |
| Other debtors                           |      | 11.8                | 13.2                | 8.8                 | 12.7                |
| Prepayments                             |      | 8.8                 | 7.7                 | 8.5                 | 7.5                 |
| Due from related companies              |      | 0.2                 | 0.6                 | 2.6                 | 4.5                 |
| Cash and cash equivalents               | (v)  | 54.5                | 11.6                | 54.3                | 10.2                |
|   |      | <u>249.1</u>        | <u>246.2</u>        | <u>217.0</u>        | <u>213.1</u>        |
| <b>Current liabilities:</b>             |      |                     |                     |                     |                     |
| Creditors and accruals                  |      | (181.0)             | (187.8)             | (155.4)             | (166.9)             |
| Unearned revenue                        |      | (24.7)              | (34.9)              | (23.3)              | (33.9)              |
| Due to related companies                |      | (0.6)               | (0.1)               | (11.5)              | (36.1)              |
| Borrowings                              | (vi) | -                   | (272.0)             | -                   | (272.0)             |
| Derivative liability                    |      | -                   | (0.2)               | -                   | (0.2)               |
| Taxation                                |      | (28.5)              | (29.3)              | (28.5)              | (27.3)              |
|   |      | <u>(234.8)</u>      | <u>(524.4)</u>      | <u>(218.7)</u>      | <u>(536.3)</u>      |
| <b>Net current assets/(liabilities)</b> |      | <b>14.3</b>         | <b>(278.2)</b>      | <b>(1.7)</b>        | <b>(323.2)</b>      |
| <b>Non-current liabilities:</b>         |      |                     |                     |                     |                     |
| Borrowings                              | (vi) | (250.0)             | -                   | (250.0)             | -                   |
| Deferred tax liabilities                |      | (106.6)             | (102.8)             | (105.7)             | (101.9)             |
| <b>Net assets</b>                       |      | <b><u>395.1</u></b> | <b><u>347.9</u></b> | <b><u>381.2</u></b> | <b><u>306.1</u></b> |
| <b>Represented by:</b>                  |      |                     |                     |                     |                     |
| Share capital                           |      | 179.8               | 155.9               | 179.8               | 155.9               |
| Hedging reserve                         |      | -                   | (0.2)               | -                   | (0.2)               |
| Share option reserve                    |      | 5.0                 | 5.9                 | 5.0                 | 5.9                 |
| Retained profits                        |      | 210.2               | 186.3               | 196.4               | 144.5               |
| <b>Total shareholders' equity</b>       |      | <b><u>395.1</u></b> | <b><u>347.9</u></b> | <b><u>381.2</u></b> | <b><u>306.1</u></b> |



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

|   | 4Q13<br>S\$'m | 4Q12<br>S\$'m | 2013<br>S\$'m | 2012<br>S\$'m |
|---|---------------|---------------|---------------|---------------|
| Cash flows from operating activities:   |               |               |               |               |
| Profit before tax   | 47.1          | 49.7          | 192.8         | 183.4         |
| Adjustments for:  |               |               |               |               |
| Share option expenses   | 0.5           | (0.8)         | 1.5           | 0.6           |
| Depreciation of fixed assets  | 28.0          | 26.8          | 103.2         | 99.2          |
| (Gain)/loss on disposal of fixed assets   | *             | (0.2)         | (1.2)         | (0.8)         |
| Amortisation  | 3.0           | 2.9           | 11.8          | 11.8          |
| Interest income   | (*)           | (*)           | (0.1)         | (*)           |
| Interest on borrowings  | 1.0           | 1.3           | 4.5           | 5.5           |
| Operating cash flows before working capital changes                             | 79.5          | 79.7          | 312.6         | 299.8         |
| Changes in:   |               |               |               |               |
| Inventories   | (2.7)         | (1.9)         | 4.1           | 3.2           |
| Trade debtors   | (4.5)         | (15.2)        | 35.2          | 7.7           |
| Other debtors   | 1.2           | 4.3           | 1.4           | 4.6           |
| Prepayments   | (0.5)         | 0.8           | (1.1)         | (1.1)         |
| Non-current staff loans   | (0.1)         | 0.1           | 0.1           | 0.3           |
| Creditors and accruals  | (16.3)        | (29.0)        | (6.7)         | (7.9)         |
| Unearned revenue  | (1.0)         | (1.4)         | (10.2)        | 1.4           |
| Related companies   | 0.4           | 2.1           | 0.9           | (0.6)         |
| Changes in working capital  | (23.4)        | (40.2)        | 23.5          | 7.7           |
| Interest received   | *             | *             | 0.1           | *             |
| Interest paid   | (2.0)         | (2.6)         | (4.6)         | (6.1)         |
| Payment of tax  | (3.3)         | (1.7)         | (29.7)        | (26.5)        |
| Net cash flows from operating activities  | 50.9          | 35.2          | 302.0         | 274.9         |
| Cash flows from investing activities:   |               |               |               |               |
| Purchase of fixed assets  | (46.0)        | (51.9)        | (125.3)       | (122.5)       |
| Purchase of intangible assets   | -             | -             | (0.7)         | -             |
| Proceeds from disposal of fixed assets  | *             | 0.5           | 3.6           | 1.0           |
| Net cash flows used in investing activities                                     | (46.0)        | (51.4)        | (122.4)       | (121.5)       |
| Cash flows from financing activities:   |               |               |               |               |
| Proceeds from loans   | -             | 22.0          | 2.5           | 120.5         |
| Repayment of term loans   | -             | (19.5)        | (24.5)        | (151.8)       |
| Proceeds from issuance of ordinary shares on exercise of employee share options | 0.8           | 1.5           | 21.5          | 9.9           |
| Dividends paid to shareholders  | -             | -             | (136.3)       | (132.2)       |
| Net cash flows generated from/(used in) financing activities                    | 0.8           | 4.0           | (136.8)       | (153.6)       |
| Net changes in cash and cash equivalents  | 5.7           | (12.2)        | 42.8          | (0.2)         |
| Cash and cash equivalents at beginning of financial period                      | 48.7          | 23.8          | 11.6          | 11.8          |
| Cash and cash equivalents at end of financial period                            | 54.5          | 11.6          | 54.5          | 11.6          |

\* Denotes less than S\$0.05 million



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

| Group   | Attributable to Equity Holders of the Company |                          |                               |                           |                |
|---|---|--------------------------|-------------------------------|---------------------------|----------------|
|   | Share Capital<br>S\$'m                        | Hedging Reserve<br>S\$'m | Share Option Reserve<br>S\$'m | Retained Profits<br>S\$'m | Total<br>S\$'m |
| <b>As at 1 Jan 13</b>   | <b>155.9</b>                                  | <b>(0.2)</b>             | <b>5.9</b>                    | <b>186.3</b>              | <b>347.9</b>   |
| Total comprehensive income for the period                         | -   | 0.1                      | -                             | 41.0                      | 41.2           |
| Issuance of ordinary shares on exercise of employee share options | 10.1  | -                        | (1.0)                         | -                         | 9.1            |
| Expenses on share options   | -   | -                        | 0.2                           | -                         | 0.2            |
| <b>As at 31 Mar 13</b>  | <b>166.0</b>                                  | <b>(0.1)</b>             | <b>5.1</b>                    | <b>227.4</b>              | <b>398.4</b>   |
| Total comprehensive income for the period                         | -   | 0.1                      | -                             | 39.2                      | 39.2           |
| Issuance of ordinary shares on exercise of employee share options | 11.0  | -                        | (1.1)                         | -                         | 9.9            |
| Expenses on share options   | -   | -                        | 0.5                           | -                         | 0.5            |
| Dividends   | -   | -                        | -                             | (73.6)                    | (73.6)         |
| <b>As at 30 Jun 13</b>  | <b>177.0</b>                                  | <b>-</b>                 | <b>4.5</b>                    | <b>192.9</b>              | <b>374.4</b>   |
| Total comprehensive income for the period                         | -   | -                        | -                             | 39.5                      | 39.5           |
| Issuance of ordinary shares on exercise of employee share options | 1.9   | -                        | (0.2)                         | -                         | 1.7            |
| Expenses on share options   | -   | -                        | 0.3                           | -                         | 0.3            |
| Dividends   | -   | -                        | -                             | (62.8)                    | (62.8)         |
| <b>As at 30 Sep 13</b>  | <b>178.9</b>                                  | <b>-</b>                 | <b>4.6</b>                    | <b>169.7</b>              | <b>353.2</b>   |
| Total comprehensive income for the period                         | -   | -                        | -                             | 40.5                      | 40.5           |
| Issuance of ordinary shares on exercise of employee share options | 0.9   | -                        | (0.1)                         | -                         | 0.8            |
| Expenses on share options   | -   | -                        | 0.5                           | -                         | 0.5            |
| <b>As at 31 Dec 13</b>  | <b>179.8</b>                                  | <b>-</b>                 | <b>5.0</b>                    | <b>210.2</b>              | <b>395.1</b>   |



**Group**

|   | <b>Attributable to Equity Holders of the Company</b> |                        |                             |                         |              |
|---|--|------------------------|-----------------------------|-------------------------|--------------|
|   | <b>Share Capital</b>                                 | <b>Hedging Reserve</b> | <b>Share Option Reserve</b> | <b>Retained Profits</b> | <b>Total</b> |
|   | <b>S\$'m</b>   | <b>S\$'m</b>           | <b>S\$'m</b>                | <b>S\$'m</b>            | <b>S\$'m</b> |
| <b>As at 1 Jan 12</b>   | <b>144.7</b>   | <b>(0.7)</b>           | <b>6.6</b>                  | <b>172.0</b>            | <b>322.6</b> |
| Total comprehensive income for the period                         | -  | *                      | -                           | 40.3                    | 40.4         |
| Issuance of ordinary shares on exercise of employee share options | 6.0  | -                      | (0.8)                       | -                       | 5.1          |
| Expenses on share options   | -  | -                      | 0.1                         | -                       | 0.1          |
| <b>As at 31 Mar 12</b>  | <b>150.7</b>   | <b>(0.7)</b>           | <b>5.8</b>                  | <b>212.3</b>            | <b>368.1</b> |
| Total comprehensive income for the period                         | -  | 0.4                    | -                           | 35.2                    | 35.6         |
| Issuance of ordinary shares on exercise of employee share options | 1.2  | -                      | (0.1)                       | -                       | 1.1          |
| Expenses on share options   | -  | -                      | 0.8                         | -                       | 0.8          |
| Dividends   | -  | -                      | -                           | (72.0)                  | (72.0)       |
| <b>As at 30 Jun 12</b>  | <b>151.9</b>   | <b>(0.3)</b>           | <b>6.5</b>                  | <b>175.6</b>            | <b>333.7</b> |
| Total comprehensive income for the period                         | -  | 0.1                    | -                           | 33.1                    | 33.1         |
| Issuance of ordinary shares on exercise of employee share options | 2.3  | -                      | (0.1)                       | -                       | 2.1          |
| Expenses on share options   | -  | -                      | 0.5                         | -                       | 0.5          |
| Dividends   | -  | -                      | -                           | (60.2)                  | (60.2)       |
| <b>As at 30 Sep 12</b>  | <b>154.2</b>   | <b>(0.2)</b>           | <b>6.9</b>                  | <b>148.5</b>            | <b>309.3</b> |
| Total comprehensive income for the period                         | -  | *                      | -                           | 37.9                    | 37.9         |
| Issuance of ordinary shares on exercise of employee share options | 1.7  | -                      | (0.2)                       | -                       | 1.5          |
| Expenses on share options   | -  | -                      | (0.8)                       | -                       | (0.8)        |
| <b>As at 31 Dec 12</b>  | <b>155.9</b>   | <b>(0.2)</b>           | <b>5.9</b>                  | <b>186.3</b>            | <b>347.9</b> |

\* Denotes less than S\$0.05 million



**Company**

|   | <b>Attributable to Equity Holders of the Company</b> |                        |                             |                         |              |
|---|--|------------------------|-----------------------------|-------------------------|--------------|
|   | <b>Share Capital</b>                                 | <b>Hedging Reserve</b> | <b>Share Option Reserve</b> | <b>Retained Profits</b> | <b>Total</b> |
|   | <b>S\$'m</b>   | <b>S\$'m</b>           | <b>S\$'m</b>                | <b>S\$'m</b>            | <b>S\$'m</b> |
| <b>As at 1 Jan 13</b>   | <b>155.9</b>   | <b>(0.2)</b>           | <b>5.9</b>                  | <b>144.5</b>            | <b>306.1</b> |
| Total comprehensive income for the period                         | -  | 0.1                    | -                           | 40.5                    | 40.7         |
| Issuance of ordinary shares on exercise of employee share options | 10.1   | -                      | (1.0)                       | -                       | 9.1          |
| Expenses on share options   | -  | -                      | 0.2                         | -                       | 0.2          |
| <b>As at 31 Mar 13</b>  | <b>166.0</b>   | <b>(0.1)</b>           | <b>5.1</b>                  | <b>185.1</b>            | <b>356.1</b> |
| Total comprehensive income for the period                         | -  | 0.1                    | -                           | 70.9                    | 70.9         |
| Issuance of ordinary shares on exercise of employee share options | 11.0   | -                      | (1.1)                       | -                       | 9.9          |
| Expenses on share options   | -  | -                      | 0.5                         | -                       | 0.5          |
| Dividends   | -  | -                      | -                           | (73.6)                  | (73.6)       |
| <b>As at 30 Jun 13</b>  | <b>177.0</b>   | <b>-</b>               | <b>4.5</b>                  | <b>182.4</b>            | <b>363.9</b> |
| Total comprehensive income for the period                         | -  | -                      | -                           | 39.5                    | 39.5         |
| Issuance of ordinary shares on exercise of employee share options | 1.9  | -                      | (0.2)                       | -                       | 1.7          |
| Expenses on share options   | -  | -                      | 0.3                         | -                       | 0.3          |
| Dividends   | -  | -                      | -                           | (62.8)                  | (62.8)       |
| <b>As at 30 Sep 13</b>  | <b>178.9</b>   | <b>-</b>               | <b>4.6</b>                  | <b>159.2</b>            | <b>342.7</b> |
| Total comprehensive income for the period                         | -  | -                      | -                           | 37.2                    | 37.2         |
| Issuance of ordinary shares on exercise of employee share options | 0.9  | -                      | (0.1)                       | -                       | 0.8          |
| Expenses on share options   | -  | -                      | 0.5                         | -                       | 0.5          |
| <b>As at 31 Dec 13</b>  | <b>179.8</b>   | <b>-</b>               | <b>5.0</b>                  | <b>196.4</b>            | <b>381.2</b> |



**Company**

|   | <b>Attributable to Equity Holders of the Company</b> |                        |                             |                         |              |
|---|--|------------------------|-----------------------------|-------------------------|--------------|
|   | <b>Share Capital</b>                                 | <b>Hedging Reserve</b> | <b>Share Option Reserve</b> | <b>Retained Profits</b> | <b>Total</b> |
|   | <b>S\$'m</b>   | <b>S\$'m</b>           | <b>S\$'m</b>                | <b>S\$'m</b>            | <b>S\$'m</b> |
| <b>As at 1 Jan 12</b>   | <b>144.7</b>   | <b>(0.7)</b>           | <b>6.6</b>                  | <b>145.0</b>            | <b>295.6</b> |
| Total comprehensive income for the period                         | -  | *                      | -                           | 40.0                    | 40.0         |
| Issuance of ordinary shares on exercise of employee share options | 6.0  | -                      | (0.8)                       | -                       | 5.1          |
| Expenses on share options   | -  | -                      | 0.1                         | -                       | 0.1          |
| <b>As at 31 Mar 12</b>  | <b>150.7</b>   | <b>(0.7)</b>           | <b>5.8</b>                  | <b>185.0</b>            | <b>340.8</b> |
| Total comprehensive income for the period                         | -  | 0.4                    | -                           | 35.0                    | 35.4         |
| Issuance of ordinary shares on exercise of employee share options | 1.2  | -                      | (0.1)                       | -                       | 1.1          |
| Expenses on share options   | -  | -                      | 0.8                         | -                       | 0.8          |
| Dividends   | -  | -                      | -                           | (72.0)                  | (72.0)       |
| <b>As at 30 Jun 12</b>  | <b>151.9</b>   | <b>(0.3)</b>           | <b>6.5</b>                  | <b>148.1</b>            | <b>306.2</b> |
| Total comprehensive income for the period                         | -  | 0.1                    | -                           | 29.5                    | 29.5         |
| Issuance of ordinary shares on exercise of employee share options | 2.3  | -                      | (0.1)                       | -                       | 2.1          |
| Expenses on share options   | -  | -                      | 0.5                         | -                       | 0.5          |
| Dividends   | -  | -                      | -                           | (60.2)                  | (60.2)       |
| <b>As at 30 Sep 12</b>  | <b>154.2</b>   | <b>(0.2)</b>           | <b>6.9</b>                  | <b>117.3</b>            | <b>278.2</b> |
| Total comprehensive income for the period                         | -  | *                      | -                           | 27.1                    | 27.3         |
| Issuance of ordinary shares on exercise of employee share options | 1.7  | -                      | (0.2)                       | -                       | 1.5          |
| Expenses on share options   | -  | -                      | (0.8)                       | -                       | (0.8)        |
| <b>As at 31 Dec 12</b>  | <b>155.9</b>   | <b>(0.2)</b>           | <b>5.9</b>                  | <b>144.5</b>            | <b>306.1</b> |

\* Denotes less than S\$0.05 million



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

|   | Share options     |             | Ordinary shares   |             |
|---|-------------------|-------------|-------------------|-------------|
|   | Year Ended 31 Dec |             | Year Ended 31 Dec |             |
|   | 2013              | 2012        | 2013              | 2012        |
| As at 1 Jan   | 28,989,200        | 30,186,200  | 913,191,282       | 907,965,782 |
| Options granted during the financial period (\$3.24/\$2.43) | 8,810,000         | 9,025,000   | -                 | -           |
| Exercised during the financial period                       | (10,219,000)      | (5,225,500) | 10,219,000        | 5,225,500   |
| Cancelled during the financial period                       | (755,000)         | (4,996,500) | -                 | -           |
| As at 31 Dec  | 26,825,200        | 28,989,200  | 923,410,282       | 913,191,282 |

# 1(e) Notes to Financial Statements

## (i) Operating Revenue

|                                    | Group        |              | Group          |                |
|------------------------------------|--------------|--------------|----------------|----------------|
|                                    | 4Q13         | 4Q12         | 2013           | 2012           |
|                                    | S\$'m        | S\$'m        | S\$'m          | S\$'m          |
| <b>Operating Revenue</b>           |              |              |                |                |
| Mobile Telecommunications services | 163.3        | 155.3        | 644.2          | 607.0          |
| International call services        | 27.3         | 26.3         | 114.0          | 116.5          |
| Fixed services                     | 16.4         | 12.6         | 61.6           | 48.1           |
| <b>Total service revenue</b>       | <b>207.0</b> | <b>194.1</b> | <b>819.8</b>   | <b>771.6</b>   |
| <b>Handset sales</b>               | <b>71.6</b>  | <b>133.3</b> | <b>188.1</b>   | <b>305.2</b>   |
| <b>Total</b>                       | <b>278.6</b> | <b>327.4</b> | <b>1,007.9</b> | <b>1,076.8</b> |

## (ii) Operating Expenses

|   | Group        |              | Group        |              |
|---|--------------|--------------|--------------|--------------|
|   | 4Q13         | 4Q12         | 2013         | 2012         |
|   | S\$'m        | S\$'m        | S\$'m        | S\$'m        |
| Cost of sales                           | 134.1        | 179.4        | 424.1        | 515.1        |
| Staff costs                             | 28.5         | 24.8         | 108.7        | 97.4         |
| Advertising and promotion expenses      | 7.1          | 6.7          | 24.7         | 22.3         |
| Depreciation and amortisation           | 31.0         | 29.7         | 115.1        | 111.0        |
| Allowance for doubtful debts            | 2.8          | 2.6          | 12.7         | 12.9         |
| Facilities expenses                     | 19.5         | 19.6         | 78.0         | 76.1         |
| Leased circuit costs                    | 1.7          | 7.8          | 25.0         | 31.5         |
| Licence fees                            | (*)          | 0.4          | 1.2          | 1.6          |
| Other general & administrative expenses | 6.2          | 5.4          | 22.9         | 23.3         |
| Foreign exchange (gain)/loss            | (0.1)        | (*)          | *            | (2.7)        |
| <b>Total</b>                            | <b>230.6</b> | <b>276.5</b> | <b>812.4</b> | <b>888.6</b> |

\* Denotes less than S\$0.05 million



### (iii) Taxation

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

|                                     | <b>Group</b> |              | <b>Group</b> |              |
|-------------------------------------|--------------|--------------|--------------|--------------|
|                                     | <b>4Q13</b>  | <b>4Q12</b>  | <b>2013</b>  | <b>2012</b>  |
|                                     | <b>S\$'m</b> | <b>S\$'m</b> | <b>S\$'m</b> | <b>S\$'m</b> |
| Current Tax                         |              |              |              |              |
| - Current provision                 | 5.6          | 6.3          | 31.5         | 29.4         |
| - Over provision in prior year      | (2.2)        | -            | (2.6)        | -            |
| Deferred Tax                        |              |              |              |              |
| - Under provision in prior year     | -            | 2.5          | -            | 3.5          |
| - Movement in temporary differences | 3.1          | 3.0          | 3.7          | 4.0          |
| Income tax expense                  | <b>6.5</b>   | <b>11.8</b>  | <b>32.6</b>  | <b>36.9</b>  |

### (iv) Trade debtors

|                              | <b>Group</b>     |                  | <b>Company</b>   |                  |
|------------------------------|------------------|------------------|------------------|------------------|
|                              | <b>31-Dec-13</b> | <b>31-Dec-12</b> | <b>31-Dec-13</b> | <b>31-Dec-12</b> |
|                              | <b>S\$'m</b>     | <b>S\$'m</b>     | <b>S\$'m</b>     | <b>S\$'m</b>     |
| Mobile and Fixed Services    |                  |                  |                  |                  |
| - Billed                     | 56.3             | 56.6             | 56.3             | 56.6             |
| - Accrued service revenue    | 12.6             | 15.8             | 12.6             | 15.8             |
| - Accrued handsets revenue   | 74.5             | 101.6            | 74.5             | 101.6            |
| Others                       |                  |                  |                  |                  |
| - Billed                     | 14.3             | 18.0             | 12.0             | 15.9             |
| - Accrued                    | 2.7              | 3.8              | 2.7              | 3.8              |
|                              | <b>160.5</b>     | <b>195.8</b>     | <b>158.2</b>     | <b>193.7</b>     |
| Allowance for doubtful debts | <b>(15.7)</b>    | <b>(15.9)</b>    | <b>(15.7)</b>    | <b>(15.9)</b>    |
|                              | <b>144.8</b>     | <b>180.0</b>     | <b>142.5</b>     | <b>177.8</b>     |

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

|                        | <b>Group</b>     |                  | <b>Company</b>   |                  |
|------------------------|------------------|------------------|------------------|------------------|
|                        | <b>31-Dec-13</b> | <b>31-Dec-12</b> | <b>31-Dec-13</b> | <b>31-Dec-12</b> |
|                        | <b>S\$'m</b>     | <b>S\$'m</b>     | <b>S\$'m</b>     | <b>S\$'m</b>     |
| Cash and bank balances | 54.5             | 11.6             | 54.3             | 10.2             |
|                        | <b>54.5</b>      | <b>11.6</b>      | <b>54.3</b>      | <b>10.2</b>      |



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

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

| <b>As at 31 Dec 13</b> |           | <b>As at 31 Dec 12</b> |           |
|------------------------|-----------|------------------------|-----------|
| Secured                | Unsecured | Secured                | Unsecured |
| Nil                    | Nil       | Nil                    | S\$272.0m |

**Amount repayable after one year**

| <b>As at 31 Dec 13</b> |           | <b>As at 31 Dec 12</b> |           |
|------------------------|-----------|------------------------|-----------|
| Secured                | Unsecured | Secured                | Unsecured |
| Nil                    | S\$250.0m | Nil                    | Nil       |

**Details of any collateral**

None.

The S\$250 million term loan was refinanced in May 2013 at an effective interest rate of 1.59% per annum and is repayable in full in May 2016.

**2. AUDIT/ REVIEW**

The figures have not been audited or reviewed.

**3. 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 Standard ("FRS").

The financial statements have been prepared on a historical cost basis.

**4. ACCOUNTING POLICIES**

The Group and Company has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current year as compared with the audited financial statements for the year ended 31 December 2012, except for the adoption of new or revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") which became effective from this financial year. The adoption of these new or revised FRS and INT FRS does not have any significant impact on the financial statements of the Group and the Company.



## 5. EARNINGS PER SHARE

|   | 4Q13    | 4Q12    | Change | 2013     | 2012     | Change |
|---|---------|---------|--------|----------|----------|--------|
| Earnings per ordinary share of the Group based on the net profit attributable to shareholders:- |         |         |        |          |          |        |
| (i) Based on weighted average number of shares  | 4.4 cts | 4.1 cts | 5.9%   | 17.4 cts | 16.1 cts | 8.3%   |
| - Weighted average number of shares ('000)  | 923,180 | 912,859 | 1.1%   | 920,506  | 911,279  | 1.0%   |
| (ii) On fully diluted basis   | 4.4 cts | 4.1 cts | 5.7%   | 17.4 cts | 16.1 cts | 8.1%   |
| - Adjusted weighted average number of shares ('000)   | 924,818 | 913,190 | 1.3%   | 922,020  | 911,463  | 1.2%   |

## 6. NET ASSET VALUE

|                                   | Group     |           | Company   |           |
|-----------------------------------|-----------|-----------|-----------|-----------|
|                                   | 31-Dec-13 | 31-Dec-12 | 31-Dec-13 | 31-Dec-12 |
| Net asset value per share (cents) | 42.8      | 38.1      | 41.3      | 33.5      |

## 7. DIVIDEND

### (a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

| Name of Dividend | Interim                                     | Final (proposed)                            | Special (proposed)                          |
|------------------|---|---|---|
| Dividend Type    | Cash  | Cash  | Cash  |
| Dividend Rate    | 6.8 cents per ordinary share (one-tier tax) | 7.1 cents per ordinary share (one-tier tax) | 7.1 cents per ordinary share (one-tier tax) |
| Tax Rate         | N.A   | N.A   | N.A   |

Directors are pleased to propose a final dividend of 7.1 cents per ordinary share (one-tier tax) and a special dividend of 7.1 cents per ordinary share (one-tier tax) in respect of the financial year ended 31 Dec 2013 for approval by shareholders at the next Annual General Meeting to be held on 7 April 2014. The interim, proposed final and special dividends amounted to 21.0 cents per ordinary share.



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

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

Yes.

|                  |   |   |   |
|------------------|---|---|---|
| Name of Dividend | Interim                                     | Final                                       | Special                                     |
| Dividend Type    | Cash  | Cash  | Cash  |
| Dividend Rate    | 6.6 cents per ordinary share (one-tier tax) | 6.3 cents per ordinary share (one-tier tax) | 1.7 cents per ordinary share (one-tier tax) |
| Tax Rate         | N.A   | N.A   | N.A   |

**(c) Date Payable**

The proposed final and special dividends, if approved at the next Annual General Meeting to be held on 7 April 2014, will be paid on 25 April 2014.

**(d) Books Closure Date**

NOTICE IS HEREBY GIVEN that subject to Shareholders approving the declaration of the proposed final and special dividends, the Transfer Books and Register of Members of the Company will be closed from 16 April 2014 to 17 April 2014, both dates inclusive for the preparation of dividend warrants.

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to the close of business at 5.00 p.m. on 15 April 2014, will be registered to determine shareholders' entitlement to the proposed final and special dividends.

In respect of shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the proposed final and special dividends will be paid by the Company to CDP which will in turn distribute the final and special dividends entitlements to the CDP account holders in accordance with its normal practice.

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

N.A.



## 9. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

|           | 4Q13  | 4Q12  | 2013   | 2012   |
|-----------|-------|-------|--------|--------|
|           | S\$'m | S\$'m | S\$'m  | S\$'m  |
| Sales     | (8.9) | (2.6) | (20.2) | (14.5) |
| Purchases | 8.0   | 6.2   | 26.7   | 19.7   |

## 10. INTERESTED PERSON TRANSACTIONS

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

|  | 4Q13          | 4Q12          | 2013          | 2012          |
|--|---------------|---------------|---------------|---------------|
|  | S\$'000       | S\$'000       | S\$'000       | S\$'000       |
| <b>Transactions for the purchase of goods and services</b> |               |               |               |               |
| Singapore Telecommunications Limited & its associates      | 1,005         | 1,356         | 3,746         | 4,868         |
| Telekom Malaysia Berhad                                    | 5,037         | 3,632         | 15,144        | 8,064         |
| Axiata Group Berhad  | 127           | 231           | 715           | 1,377         |
| Keppel Logistics Pte Ltd                                   | 243           | 243           | 971           | 974           |
| Keppel FMO Pte Ltd   | 260           | 245           | 1,035         | 979           |
| CapitaMall Trust   | 350           | 444           | 1,313         | 1,536         |
| Starhub Ltd  | 264           | 898           | 2,243         | 4,612         |
| Temasek Holdings (Private) Limited & its associates        | 2,106         | 2,366         | 8,436         | 7,687         |
| <b>Transactions for the sale of goods and services</b>     |               |               |               |               |
| Telekom Malaysia Berhad                                    | 7,725         | 1,001         | 14,799        | 8,251         |
| Axiata Group Berhad  | 57            | 102           | 283           | 321           |
| Temasek Holdings (Private) Limited & its associates        | 117           | 73            | 328           | 368           |
| <b>Total Interested Person Transactions</b>                | <b>17,291</b> | <b>10,591</b> | <b>49,013</b> | <b>39,037</b> |



## 11. REVIEW OF PERFORMANCE

|   | Group        |              |               | Group          |                |               | Group        | Change       |
|---|--------------|--------------|---------------|----------------|----------------|---------------|--------------|--------------|
|   | 4Q13         | 4Q12         | YoY           | 2013           | 2012           | YoY           | 3Q13         | (4Q13        |
|   | S\$'m        | S\$'m        | Change        | S\$'m          | S\$'m          | Change        | S\$'m        | vs           |
|   |              |              |               |                |                |               |              | 3Q13)        |
| <b><u>Revenues</u></b>  |              |              |               |                |                |               |              |              |
| <b>Operating Revenue</b>                                      |              |              |               |                |                |               |              |              |
| Mobile Telecommunications                                     | 163.3        | 155.3        | 5.2%          | 644.2          | 607.0          | 6.1%          | 162.2        | 0.7%         |
| International call services                                   | 27.3         | 26.3         | 3.8%          | 114.0          | 116.5          | -2.1%         | 28.1         | -2.8%        |
| Fixed services  | 16.4         | 12.6         | 30.6%         | 61.6           | 48.1           | 28.0%         | 15.6         | 5.5%         |
| <b>Total service revenue</b>                                  | <b>207.0</b> | <b>194.1</b> | <b>6.6%</b>   | <b>819.8</b>   | <b>771.6</b>   | <b>6.3%</b>   | <b>205.8</b> | <b>0.6%</b>  |
| <b>Handset sales</b>  | <b>71.6</b>  | <b>133.3</b> | <b>-46.3%</b> | <b>188.1</b>   | <b>305.2</b>   | <b>-38.4%</b> | <b>35.9</b>  | <b>99.6%</b> |
| <b>Total</b>  | <b>278.6</b> | <b>327.4</b> | <b>-14.9%</b> | <b>1,007.9</b> | <b>1,076.8</b> | <b>-6.4%</b>  | <b>241.7</b> | <b>15.3%</b> |
| <b><u>Key Drivers</u></b>                                     |              |              |               |                |                |               |              |              |
| <b>Number of customers ('000)</b>                             |              |              |               |                |                |               |              |              |
| Postpaid  | 1,130        | 1,095        | 3.2%          | 1,130          | 1,095          | 3.2%          | 1,125        | 0.4%         |
| Prepaid   | 979          | 1,014        | -3.4%         | 979            | 1,014          | -3.4%         | 1,007        | -2.7%        |
| <b>Total</b>  | <b>2,109</b> | <b>2,109</b> | <b>0.0%</b>   | <b>2,109</b>   | <b>2,109</b>   | <b>0.0%</b>   | <b>2,132</b> | <b>-1.1%</b> |
| <b>Market Share ^</b>   |              |              |               |                |                |               |              |              |
| Postpaid  | 25.0%        | 25.7%        | -             | 25.0%          | 25.7%          | -             | 25.3%        | -            |
| Prepaid   | 25.6%        | 26.7%        | -             | 25.6%          | 26.7%          | -             | 25.8%        | -            |
| Overall   | 25.3%        | 26.1%        | -             | 25.3%          | 26.1%          | -             | 25.6%        | -            |
| Mobile Penetration Rate ^                                     | 155.4%       | 151.8%       | -             | 155.4%         | 151.8%         | -             | 154.5%       | -            |
| <b>Monthly minutes of use per active customer (per month)</b> |              |              |               |                |                |               |              |              |
| Postpaid  | 290          | 322          | -10.0%        | 305            | 336            | -9.5%         | 306          | -5.2%        |
| Prepaid   | 302          | 360          | -16.1%        | 319            | 337            | -5.4%         | 318          | -5.1%        |
| Average monthly churn rate                                    | 1.2%         | 1.3%         | -             | 1.1%           | 1.3%           | -             | 1.0%         | -            |
| Acquisition cost per postpaid customer                        | S\$396       | S\$418       | -5.3%         | S\$346         | S\$371         | -6.7%         | S\$326       | 21.5%        |

^ Based on latest published statistics.



## 11.1 Operating Revenue

YoY, operating revenue at \$1,007.9m for the year ended 31 Dec 13 (“FY13”) and \$278.6m for 4Q13 were 6.4% and 14.9% lower due to lower handset sales. Compared to 3Q13, it was 15.3% higher mainly due to higher handset sales.

### 13.1.1 Key Drivers

Our mobile customer base was stable at 2,109,000 for FY13. Compared to 3Q13, mobile customer base for 4Q13 was 1.1% lower. Market share was 25.3% as at end Nov 13.

Churn rate was 1.2% for 4Q13 and 1.1% for FY13.

YoY, customer acquisition cost decreased 5.3% to \$396 for 4Q13 and 6.7% to \$346 for FY13. Compared to 3Q13, it was 21.5% higher due to increased sales of high-end smartphones.

### 11.1.2 Mobile Telecommunications Services

|  | <b>Group</b> |              |               | <b>Group</b> |              |               | <b>Group</b> | <b>Change</b> |
|--|--------------|--------------|---------------|--------------|--------------|---------------|--------------|---------------|
|  | <b>4Q13</b>  | <b>4Q12</b>  | <b>YoY</b>    | <b>2013</b>  | <b>2012</b>  | <b>YoY</b>    | <b>3Q13</b>  | <b>(4Q13</b>  |
|  | <b>S\$’m</b> | <b>S\$’m</b> | <b>Change</b> | <b>S\$’m</b> | <b>S\$’m</b> | <b>Change</b> | <b>S\$’m</b> | <b>vs</b>     |
|  |              |              |               |              |              |               |              | <b>3Q13)</b>  |
| <b>Telecommunications revenue</b>            |              |              |               |              |              |               |              |               |
| Postpaid                                     | 142.8        | 136.0        | 5.0%          | 558.4        | 529.5        | 5.4%          | 140.0        | 2.0%          |
| Prepaid                                      | 20.5         | 19.2         | 6.6%          | 85.8         | 77.4         | 10.9%         | 22.2         | -7.8%         |
| Total  | 163.3        | 155.3        | 5.2%          | 644.2        | 607.0        | 6.1%          | 162.2        | 0.7%          |
| <b>ARPU (per month)</b>                      |              |              |               |              |              |               |              |               |
| Postpaid (gross)                             | S\$62.2      | S\$62.1      | 0.2%          | S\$61.8      | S\$62.7      | -1.4%         | S\$61.8      | 0.6%          |
| Postpaid (net)                               | S\$54.4      | S\$52.8      | 3.0%          | S\$53.4      | S\$52.8      | 1.1%          | S\$53.4      | 1.9%          |
| Data plan                                    | S\$19.6      | S\$22.4      | -12.5%        | S\$20.8      | S\$23.2      | -10.3%        | S\$20.4      | -3.9%         |
| Prepaid                                      | S\$13.6      | S\$15.5      | -12.3%        | S\$14.8      | S\$15.4      | -3.9%         | S\$14.7      | -7.5%         |
| Non-voice services as a % of service revenue | 43.4%        | 38.3%        |               | 41.6%        | 37.6%        |               | 42.3%        |               |

YoY, mobile telecommunications revenue increased 5.2% to \$163.3m for 4Q13 and 6.1% to \$644.2m for FY13 driven by higher postpaid revenue. Against 3Q13, it was 0.7% higher.

Postpaid revenue increased YoY by 5.0% to \$142.8m for 4Q13 and 5.4% to \$558.4m for FY13 due to growth in postpaid customer base. Compared to 3Q13, it was 2.0% higher.

Prepaid revenue at \$20.5m for 4Q13 and \$85.8m for FY13 were 6.6% and 10.9% higher YoY respectively. Compared to 3Q13, it was 7.8% lower.

Non-voice services as a percentage of service revenue increased YoY by 5.1% point to 43.4% for 4Q13 and 4.0% point to 41.6% for FY13 respectively. Against 3Q13, it was 1.1% point higher.



### 11.1.3 International call services

|  | Group       |             |             | Group        |              |              | Group       | Change       |
|--|-------------|-------------|-------------|--------------|--------------|--------------|-------------|--------------|
|  | 4Q13        | 4Q12        | YoY         | 2013         | 2012         | YoY          | 3Q13        | (4Q13        |
|  | S\$'m       | S\$'m       | Change      | S\$'m        | S\$'m        | Change       | S\$'m       | vs           |
|  |             |             |             |              |              |              |             | 3Q13)        |
| <b>International Call Services</b>               |             |             |             |              |              |              |             |              |
| Retail revenue                                   | 21.9        | 24.2        | -9.2%       | 93.8         | 103.9        | -9.8%        | 23.3        | -6.0%        |
| Wholesale & bilateral revenue                    | 5.4         | 2.1         | 151.7%      | 20.2         | 12.5         | 61.3%        | 4.7         | 13.4%        |
| <b>Total</b>                                     | <b>27.3</b> | <b>26.3</b> | <b>3.8%</b> | <b>114.0</b> | <b>116.5</b> | <b>-2.1%</b> | <b>28.1</b> | <b>-2.8%</b> |
| Total international retail minutes (in millions) | 324         | 309         | 4.9%        | 1,303        | 1,186        | 9.8%         | 337         | -3.8%        |

YoY, international call revenue increased 3.8% to \$27.3m for 4Q13 due to higher wholesale & bilateral revenue. For FY13, it was 2.1% lower YoY due to lower retail revenue. Against 3Q13, it was 2.8% lower.

### 11.1.4 Handset sales

Handset sales decreased YoY by 46.3% to \$71.6m for 4Q13 and 38.4% to \$188.1m for FY13 due to lower sales volume. It was 99.6% higher than \$35.9m for 3Q13 due to higher sales volume.

## 11.2 Operating Expenses

|                                   | Group        |              |               | Group        |              |              | Group        | Change       |
|-----------------------------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|
|                                   | 4Q13         | 4Q12         | YoY           | 2013         | 2012         | YoY          | 3Q13         | (4Q13        |
|                                   | S\$'m        | S\$'m        | Change        | S\$'m        | S\$'m        | Change       | S\$'m        | vs           |
|                                   |              |              |               |              |              |              |              | 3Q13)        |
| Cost of sales                     | 134.1        | 179.4        | -25.3%        | 424.1        | 515.1        | -17.7%       | 95.0         | 41.1%        |
| Staff costs                       | 28.5         | 24.8         | 15.2%         | 108.7        | 97.4         | 11.5%        | 27.2         | 5.1%         |
| Advertising & promotion           | 7.1          | 6.7          | 6.1%          | 24.7         | 22.3         | 10.5%        | 5.1          | 39.4%        |
| Depreciation & amortisation       | 31.0         | 29.7         | 4.2%          | 115.1        | 111.0        | 3.6%         | 29.0         | 6.9%         |
| Allowance for bad & doubtful debt | 2.8          | 2.6          | 4.2%          | 12.7         | 12.9         | -0.9%        | 3.6          | -24.4%       |
| Facilities expenses               | 19.5         | 19.6         | -0.6%         | 78.0         | 76.1         | 2.4%         | 19.6         | -0.3%        |
| Leased circuit costs              | 1.7          | 7.8          | -78.5%        | 25.0         | 31.5         | -20.7%       | 7.9          | -78.8%       |
| Licence fees                      | (*)          | 0.4          | -110.3%       | 1.2          | 1.6          | -25.2%       | 0.6          | -107.7%      |
| Other general & administrative    | 6.2          | 5.4          | 13.8%         | 22.9         | 23.3         | -1.6%        | 6.2          | 0.2%         |
| Foreign exchange (gain)/loss      | (0.1)        | (*)          | 101.1%        | *            | (2.7)        | -101.6%      | *            | @            |
| <b>Total</b>                      | <b>230.6</b> | <b>276.5</b> | <b>-16.6%</b> | <b>812.4</b> | <b>888.6</b> | <b>-8.6%</b> | <b>194.1</b> | <b>18.8%</b> |

\* Denotes less than S\$0.05 million

@ Denotes more than +/-300%

YoY, operating expenses decreased 16.6% to \$230.6m for 4Q13 and 8.6% to \$812.4m for FY13. Against 3Q13, it was 18.8% higher mainly due to higher cost of sales.



### 11.2.1 Cost of sales

|                                   | <u>Group</u> |              |               | <u>Group</u> |              |               | <u>Group</u> | <u>Change</u> |
|-----------------------------------|--------------|--------------|---------------|--------------|--------------|---------------|--------------|---------------|
|                                   | <b>4Q13</b>  | <b>4Q12</b>  | <b>YoY</b>    | <b>2013</b>  | <b>2012</b>  | <b>YoY</b>    | <b>3Q13</b>  | <b>(4Q13</b>  |
|                                   | <b>S\$'m</b> | <b>S\$'m</b> | <b>Change</b> | <b>S\$'m</b> | <b>S\$'m</b> | <b>Change</b> | <b>S\$'m</b> | <b>vs</b>     |
|                                   |              |              |               |              |              |               |              | <b>3Q13)</b>  |
| Handset costs                     | 98.1         | 147.6        | -33.5%        | 284.4        | 384.8        | -26.1%        | 60.1         | 63.1%         |
| Traffic expenses                  | 16.5         | 16.5         | -0.4%         | 69.7         | 64.0         | 8.9%          | 18.0         | -8.8%         |
| Wholesale costs of fixed services | 9.0          | 6.4          | 40.9%         | 30.9         | 25.0         | 23.4%         | 7.8          | 15.0%         |
| Other costs                       | 10.5         | 8.9          | 17.7%         | 39.2         | 41.3         | -5.1%         | 9.0          | 16.7%         |
| <b>Total</b>                      | <b>134.1</b> | <b>179.4</b> | <b>-25.3%</b> | <b>424.1</b> | <b>515.1</b> | <b>-17.7%</b> | <b>95.0</b>  | <b>41.1%</b>  |

Cost of sales decreased 25.3% and 17.7% YoY to \$134.1m for 4Q13 and \$424.1m for FY13 respectively mainly due to lower handset costs. Handset costs decreased 33.5% and 26.1% YoY to \$98.1m for 4Q13 and \$284.4m for FY13 respectively due to lower sales volume. Against 3Q13, it was 63.1% higher due to sales volume. Wholesale costs of fixed services increased to \$30.9m for FY13 due to higher customer base.

### 11.2.2 Staff costs

YoY, Staff costs increased 15.2% to \$28.5m for 4Q13 and 11.5% to \$108.7m for FY13 due to higher performance-linked incentives paid. Against 3Q13, staff costs was 5.1% higher.

### 11.2.3 Advertising & promotion expenses

Advertising & promotion expenses increased 6.1% to \$7.1m for 4Q13 and 10.5% to \$24.7m for FY13 due to higher level of marketing activities. Compared to 3Q13, it was 39.4% higher.

### 11.2.4 Depreciation & amortisation

Depreciation and amortisation expenses at \$31.0m for 4Q13 and \$115.1m for FY13 were 4.2% and 3.6% higher YoY respectively due to higher asset base. Against 3Q13, it was 6.9% higher.

### 11.2.5 Allowance for bad & doubtful debt

YoY, doubtful debt allowance increased 4.2% for 4Q13. For FY13, it decreased 0.9% to \$12.7m. Compared to 3Q13, it was 24.4% lower.

### 11.2.6 Facilities expenses

YoY, Facilities expenses was 0.6% lower at \$19.5m for 4Q13 and 2.4% higher at \$78.0m for FY13 due to higher repair and maintenance expenses. Against 3Q13, it was 0.3% lower.

### 11.2.7 Leased circuit costs

Leased circuit costs at \$1.7m for 4Q13 decreased 78.5% YoY and 78.8% QoQ due to previous overprovision. Against FY12, it was 20.7% lower at \$25.0m.



### 11.2.8 Other general and administrative expenses

YoY, other general and administrative expenses was 13.8% higher at \$6.2m for 4Q13 and 1.6% lower at \$22.9m for FY13. Against 3Q13, it was stable.

### 11.3 Finance Costs

Compared to the corresponding periods last year, finance costs decreased 24.7% and 19.2% to \$1.0m for 4Q13 and \$4.5m for FY13 respectively due to lower borrowings and lower interest rate.

### 11.4 Taxation

YoY, provision for taxation decreased 44.8% to \$6.5m for 4Q13 and 11.7% to \$32.6m for FY13.

### 11.5 Net Profit

|  | <u>Group</u> |             |               | <u>Group</u> |             |               | <u>Group</u> | <u>Change</u> |
|--|--------------|-------------|---------------|--------------|-------------|---------------|--------------|---------------|
|  | <b>4Q13</b>  | <b>4Q12</b> | <b>YoY</b>    | <b>2013</b>  | <b>2012</b> | <b>YoY</b>    | <b>3Q13</b>  | <b>(4Q13</b>  |
|  | <b>S\$m</b>  | <b>S\$m</b> | <b>Change</b> | <b>S\$m</b>  | <b>S\$m</b> | <b>Change</b> | <b>S\$m</b>  | <b>vs</b>     |
|  |              |             |               |              |             |               |              | <b>3Q13)</b>  |
| Net profit                             | 40.5         | 37.9        | 7.1%          | 160.2        | 146.5       | 9.4%          | 39.5         | 2.6%          |
| Net profit margin (on service revenue) | 19.6%        | 19.5%       |               | 19.5%        | 19.0%       |               | 19.2%        |               |

YoY, net profit grew 7.1% to \$40.5m for 4Q13 and 9.4% to \$160.2m for FY13. Compared to 3Q13, it was 2.6% higher.

Compared to the corresponding periods last year, net profit margin was higher at 19.6% for 4Q13 and 19.5% for FY13. Against 3Q13, it was 0.4% point higher.

### 11.6 EBITDA

|                                    | <u>Group</u> |             |               | <u>Group</u> |             |               | <u>Group</u> | <u>Change</u> |
|------------------------------------|--------------|-------------|---------------|--------------|-------------|---------------|--------------|---------------|
|                                    | <b>4Q13</b>  | <b>4Q12</b> | <b>YoY</b>    | <b>2013</b>  | <b>2012</b> | <b>YoY</b>    | <b>3Q13</b>  | <b>(4Q13</b>  |
|                                    | <b>S\$m</b>  | <b>S\$m</b> | <b>Change</b> | <b>S\$m</b>  | <b>S\$m</b> | <b>Change</b> | <b>S\$m</b>  | <b>vs</b>     |
|                                    |              |             |               |              |             |               |              | <b>3Q13)</b>  |
| EBITDA                             | 79.1         | 80.7        | -2.1%         | 312.3        | 299.9       | 4.1%          | 77.5         | 2.0%          |
| EBITDA margin (on service revenue) | 38.2%        | 41.6%       |               | 38.1%        | 38.9%       |               | 37.7%        |               |

YoY, EBITDA at \$79.1m for 4Q13 and \$312.3m for FY13 were 2.1% lower and 4.1% higher respectively. Compared to 3Q13, it was 2.0% higher.

EBITDA margin, as a percentage of service revenue, was 38.2% for 4Q13 and 38.1% for FY13.



## 11.7 Capital Expenditure and Commitments

Capital expenditure incurred for FY13 was marginally higher at \$125.3m and was mainly for network capacity expansion and coverage enhancement.

Capital commitment as at 31 Dec 13 was \$157.2m and included \$104.0m commitment for the 4G spectrum rights.

## 11.8 Liquidity and Capital Resources

|  | Group  |        |         | Group   |         |        | Group  | Change  |
|--|--------|--------|---------|---------|---------|--------|--------|---------|
|  | 4Q13   | 4Q12   | YoY     | 2013    | 2012    | YoY    | 3Q13   | (4Q13   |
|  | S\$m   | S\$m   | Change  | S\$m    | S\$m    | Change | S\$m   | vs      |
|  |        |        |         |         |         |        |        | 3Q13)   |
| Profit before tax  | 47.1   | 49.7   | -5.3%   | 192.8   | 183.4   | 5.1%   | 47.5   | -1.0%   |
| Non-cash item and net interest expense adjustments         | 27.2   | 25.7   | 5.9%    | 85.7    | 83.8    | 2.2%   | 18.9   | 44.4%   |
| Net change in working capital                              | (23.4) | (40.2) | -41.7%  | 23.5    | 7.7     | 206.5% | 36.2   | -164.8% |
| Net cash provided by operating activities                  | 50.9   | 35.2   | 44.4%   | 302.0   | 274.9   | 9.9%   | 102.6  | -50.5%  |
| Net cash used in investing activities                      | (46.0) | (51.4) | -10.6%  | (122.4) | (121.5) | 0.7%   | (45.4) | 1.3%    |
| Net cash used in financing activities                      | 0.8    | 4.0    | -79.1%  | (136.8) | (153.6) | -11.0% | (61.0) | -101.4% |
| Net change in cash and cash equivalents                    | 5.7    | (12.2) | -147.0% | 42.8    | (0.2)   | @      | (3.8)  | -250.0% |
| Cash and cash equivalents at beginning of financial period | 48.7   | 23.8   | 104.8%  | 11.6    | 11.8    | -1.9%  | 52.5   | -7.3%   |
| Cash and cash equivalents at end of financial period       | 54.5   | 11.6   | @       | 54.5    | 11.6    | @      | 48.7   | 11.8%   |
| Free Cash flow <sup>(1)</sup>                              | 4.9    | (16.7) | 129.1%  | 176.0   | 152.3   | 15.5%  | 57.1   | -91.5%  |

@ Denotes more than +/-300%

<sup>(1)</sup> Free Cash flow refers to Net cash provided by operating activities less current year capital expenditure

Operating cash flow increased from \$35.2m for 4Q12 to \$50.9m for 4Q13. Against 3Q13, it was 50.5% lower.

For FY13, free cash flow at \$176.0m was 15.5% higher YoY.



### **11.9 Gearing and Interest Cover**

As at end Dec 13, gearing ratio was 49.5% compared to 74.8% as at end Dec 12. Interest coverage ratio (EBITDA/Interest) was 70.1x for FY13.

### **11.10 Balance Sheet**

Total non-current assets increased 1.2% from \$728.9m as at 31 Dec 12 to \$737.3m as at 31 Dec 13 due to increase in fixed assets.

Total current assets increased 1.2% from \$246.2m as at 31 Dec 12 to \$249.1m as at 31 Dec 13, mainly due to higher cash and cash equivalents, offset by lower trade debtors balance.

Total current liabilities as at 31 Dec 13 was \$234.8m, 55.2% lower than \$524.4m as at 31 Dec 12. This was due to the reclassification of the \$250.0m term loan from short term to long term borrowings as a result of the refinancing in May 13.

Against 31 Dec 12, total equity as at 31 Dec 13 was 13.6% higher at \$395.1m.

## **12. VARIANCE FROM PROSPECT STATEMENT**

For the full year ended 31 Dec 13, net profit after tax increased 9.4% YoY to \$160.2m. This is in line with our guidance.

## **13. OUTLOOK**

We continue to invest in our mobile networks to enhance network performance and customer experience. The nationwide rollout of 3G network on 900 MHz spectrum is scheduled to complete by end of the first quarter and our 4G network upgrade to LTE-Advanced will be completed by 4Q 2014.

Mobile data revenue will continue to grow, driven by customers upgrading their smartphone plans and increasing adoption of smartphones by prepaid customers. Growth in fixed services will be driven by increasing fibre adoption in both the consumer and enterprise segments.

Based on current economic outlook and barring unforeseen circumstances, we estimate moderate growth in net profit after tax for the year 2014.



**14. Segmented revenue and results for business or geographical segments (or the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

The company and its subsidiaries operate in Singapore in one business segment, that of provision of telecommunications services, international direct dial services, telecommunication retail sales, after sales support and customer services.

**15. In the review of performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments.**

See comment above (14).

**16. A breakdown of sales**

| <b>Half yearly results</b>                | <b>Group<br/>2013<br/>S\$'m</b> | <b>Group<br/>2012<br/>S\$'m</b> | <b>Group<br/>YoY<br/>Change</b> |
|---|---------------------------------|---------------------------------|---------------------------------|
| Operating revenue for first half year     | 487.5                           | 494.7                           | -1.5%                           |
| Net profit after tax for first half year  | 80.2                            | 75.5                            | 6.1%                            |
| Operating revenue for second half year    | 520.3                           | 582.1                           | -10.6%                          |
| Net profit after tax for second half year | 80.0                            | 71.0                            | 12.7%                           |

**17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

|                   | <b>Latest Full Year<br/>(S\$'m)</b> | <b>Previous Full Year<br/>(S\$'m)</b> |
|-------------------|-------------------------------------|---------------------------------------|
| Ordinary shares   | 136.3                               | 132.2                                 |
| Preference shares | -                                   | -                                     |
| <b>Total</b>      | <b>136.3</b>                        | <b>132.2</b>                          |



**18. Disclosure under Rule 704(13) of the Listing Manual.**

**Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive office or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company who is related to the director, chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

FOO SIANG LARNG  
Company Secretary  
20 Jan 2014