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STARHUB LTD

Announcement of Unaudited Results for the Second Quarter and Half Year ended 30 June 2017

StarHub is pleased to announce the unaudited results for the second quarter and half year ended 30 June 2017.

Results for the Second Quarter and Half Year ended 30 June 2017

1. GROUP INCOME AND COMPREHENSIVE INCOME STATEMENTS**1.1 GROUP INCOME STATEMENT**

	Quarter ended 30 Jun				Half Year ended 30 Jun			
	2017 S\$m	2016 S\$m	Incr / (Decr) S\$m	%	2017 S\$m	2016 S\$m	Incr/ (Decr) S\$m	%
Total revenue	579.1	585.7	(6.6)	(1.1)	1,171.4	1,176.6	(5.2)	(0.4)
Operating expenses	(467.2)	(467.5)	(0.3)	(0.1)	(965.9)	(953.4)	12.5	1.3
Other income	0.4	7.9	(7.5)	(94.4)	0.7	20.5	(19.8)	(96.6)
Profit from operations	112.3	126.1	(13.8)	(11.0)	206.2	243.7	(37.5)	(15.4)
Finance income	0.7	0.8	(0.1)	(17.0)	1.5	1.3	0.2	13.1
Finance expense ⁽¹⁾	(8.1)	(5.9)	2.2	37.9	(15.2)	(11.1)	4.1	37.5
	104.9	121.0	(16.1)	(13.4)	192.5	233.9	(41.4)	(17.7)
Non-operating income ⁽²⁾	-	9.5	(9.5)	nm	-	9.5	(9.5)	nm
Share of loss of associate (net of tax)	(0.9)	(0.3)	0.6	186.6	(1.1)	(0.5)	0.6	133.5
Profit before taxation	104.0	130.2	(26.2)	(20.1)	191.4	242.9	(51.5)	(21.2)
Taxation	(18.3)	(21.6)	(3.3)	(15.6)	(32.6)	(41.5)	(8.9)	(21.6)
Profit for the period	85.7	108.6	(22.9)	(21.0)	158.8	201.4	(42.6)	(21.2)
Attributable to:								
Equity holders of the Company	85.7	108.6	(22.9)	(21.0)	158.8	201.4	(42.6)	(21.2)
	85.7	108.6	(22.9)	(21.0)	158.8	201.4	(42.6)	(21.2)
EBITDA	180.3	192.0	(11.7)	(6.1)	341.0	375.3	(34.3)	(9.2)
EBITDA as a % of service revenue	33.2%	34.7%	-1.5% pts		31.6%	34.2%	-2.6% pts	
Free Cash Flow ⁽³⁾	16.4	137.1	(120.7)	(88.1)	132.9	227.0	(94.1)	(41.5)
<i>Profit from operations is arrived after charging the following:</i>								
<i>Allowance for doubtful receivables and bad debts written off</i>	3.9	3.6	0.3	9.8	10.0	7.9	2.1	26.8
<i>Depreciation and amortisation (net of asset grants)</i>	68.0	65.9	2.1	3.2	134.8	131.6	3.2	2.4
<i>Changes in fair value of financial instruments</i>	-	(2.0)	(2.0)	nm	-	5.1	(5.1)	nm

nm – Not meaningful

Notes:

(1) Finance expense include interest and other financing charges

(2) Non-operating income refers to the fair value gain on initial recognition of available-for-sale investment

(3) Free Cash Flow refers to net cash from operating activities less purchase of property, plant and equipment and intangible assets in the cash flow statement

(4) Numbers in all tables may not exactly add up due to rounding

1.2 GROUP COMPREHENSIVE INCOME STATEMENT

	Quarter ended 30 Jun				Half Year ended 30 Jun			
	2017 S\$m	2016 S\$m	Incr / (Decr) S\$m	%	2017 S\$m	2016 S\$m	Incr/(Decr) S\$m	%
Profit for the period	85.7	108.6	(22.9)	(21.0)	158.8	201.4	(42.6)	(21.2)
Other comprehensive income Items that are or may be reclassified subsequently to profit or loss:								
Foreign currency translation differences	-	-	-	nm	-	0.1	(0.1)	nm
Effective portion of changes in fair value of cash flow hedge	(3.8)	(0.1)	3.7	nm	(10.2)	(0.4)	9.8	nm
Change in fair value of available- for-sale financial assets	7.9	2.0	5.9	nm	9.3	2.0	7.3	nm
Other comprehensive income for the period (net of taxation)	4.1	1.9	2.2	119.9	(0.9)	1.7	(2.6)	nm
Total comprehensive income for the period	89.8	110.5	(20.7)	(18.6)	157.9	203.1	(45.2)	(22.2)
Attributable to:								
Equity holders of the Company	89.8	110.5	(20.7)	(18.6)	157.9	203.1	(45.2)	(22.2)
	89.8	110.5	(20.7)	(18.6)	157.9	203.1	(45.2)	(22.2)

nm – Not meaningful

1.3 GROUP PERFORMANCE REVIEW FOR THE PERIOD ENDED 30 JUNE 2017

(A) Revenue

Revenue	Quarter ended 30 Jun				Half Year ended 30 Jun			
	2017 S\$m	2016 S\$m	Incr / (Decr) S\$m	(Decr) %	2017 S\$m	2016 S\$m	Incr / (Decr) S\$m	(Decr) %
Mobile	302.7	305.3	(2.6)	(0.9)	598.9	603.4	(4.5)	(0.8)
Pay TV	87.9	95.4	(7.5)	(7.9)	176.3	190.3	(14.0)	(7.4)
Broadband	52.8	54.4	(1.6)	(3.0)	106.5	107.9	(1.4)	(1.3)
Enterprise Fixed	99.2	98.6	0.6	0.7	197.9	194.4	3.5	1.8
Service revenue	542.6	553.7	(11.1)	(2.0)	1,079.6	1,096.0	(16.4)	(1.5)
Sales of equipment	36.5	32.0	4.5	14.1	91.8	80.6	11.2	13.9
Total revenue	579.1	585.7	(6.6)	(1.1)	1,171.4	1,176.6	(5.2)	(0.4)

Revenue mix	Quarter ended 30 Jun		Half Year ended 30 Jun	
	2017 Mix %	2016 Mix %	2017 Mix %	2016 Mix %
Mobile	52.3	52.1	51.1	51.3
Pay TV	15.2	16.3	15.1	16.2
Broadband	9.1	9.3	9.1	9.2
Enterprise Fixed	17.1	16.8	16.9	16.5
Sales of equipment	6.3	5.5	7.8	6.8
Total	100.0	100.0	100.0	100.0

The Group's total revenue of S\$579.1 million in 2Q2017 was S\$6.6 million or 1.1% lower YoY (year-on-year), while the Group's total revenue for 1H2017 of S\$1,171.4 million was S\$5.2 million or 0.4% lower YoY. This was mainly attributable to lower Mobile, Broadband and Pay TV service revenue, partially mitigated by higher sales of equipment and Enterprise Fixed service revenue.

Against the corresponding periods last year, Mobile service revenue in 2Q2017 and 1H2017 was lower by 0.9% and 0.8% respectively, mainly due to lower voice, IDD and roaming usage from both post-paid and pre-paid services. This was partially mitigated by higher data usage and mobile value-added services revenue.

Pay TV service revenue decreased YoY by 7.9% in 2Q2017 and 7.4% in 1H2017, while Broadband service revenue decreased by 3.0% and 1.3% YoY respectively for the corresponding periods. The above was primarily due to a lower subscriber base.

Enterprise Fixed service revenue of S\$99.2 million in 2Q2017 grew by 0.7% YoY, while 1H2017 revenue grew 1.8% YoY to S\$197.9 million. The increase was mainly driven by higher managed services revenue.

For 2Q2017 and 1H2017, revenue from sales of equipment rose by 14.1% and 13.9% YoY respectively, largely due to increase in sales of high-end smartphones.

(B) Operating expenses

	Quarter ended 30 Jun				Half Year ended 30 Jun			
	2017	2016	Incr / (Decr)		2017	2016	Incr / (Decr)	
Operating expenses	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Cost of sales	226.6	216.8	9.8	4.5	486.5	446.8	39.7	8.9
Other operating expenses	240.6	250.7	(10.1)	(4.0)	479.4	506.6	(27.2)	(5.4)
Total	467.2	467.5	(0.3)	(0.1)	965.9	953.4	12.5	1.3

Total operating expenses for 2Q2017 was lower by 0.1% YoY mainly due to lower other operating expenses partially mitigated by higher cost of sales. For 1H2017, total operating expenses increased by 1.3% as compared to 1H2016. The increase was mainly due to higher cost of sales partially mitigated by lower other operating expenses.

As a percentage of revenue, total operating expenses for 2Q2017 and 1H2017 were at 80.7% and 82.5% respectively when compared to 79.8% and 81.0% in the corresponding periods last year.

A breakdown of total operating expenses is as follows:

(i) Cost of sales

	Quarter ended 30 Jun				Half Year ended 30 Jun			
	2017	2016	Incr / (Decr)		2017	2016	Incr / (Decr)	
Cost of sales	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Cost of equipment sold	92.1	87.5	4.6	5.4	214.0	191.7	22.3	11.7
Cost of services	109.0	99.8	9.2	9.1	215.7	192.6	23.1	12.0
Traffic expenses	25.5	29.5	(4.0)	(13.5)	56.8	62.5	(5.7)	(9.1)
Total	226.6	216.8	9.8	4.5	486.5	446.8	39.7	8.9

Cost of sales for 2Q2017 and 1H2017 increased by 4.5% and 8.9% respectively. The increase was primarily due to higher cost of equipment sold and higher cost of services.

The increase in cost of equipment was driven by higher volume of high-end smartphones sold. Higher cost of services was primarily attributed to higher TV content amortisation, advertising, fibre broadband and managed services cost.

Traffic expenses were lower mainly due to decrease in domestic and international traffic volume.

(ii) Other operating expenses

	Quarter ended 30 Jun				Half Year ended 30 Jun			
	2017	2016	Incr / (Decr)		2017	2016	Incr / (Decr)	
Other operating expenses	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Staff costs	67.2	69.9	(2.7)	(3.8)	129.4	137.6	(8.2)	(5.9)
Operating leases	28.1	29.5	(1.4)	(5.0)	61.0	61.0	-	-
Marketing and promotions	26.4	34.8	(8.4)	(24.1)	56.1	67.4	(11.3)	(16.7)
Allowance for doubtful receivables	3.9	3.6	0.3	9.8	10.0	7.9	2.1	26.8
Repair and maintenance	24.3	22.2	2.1	9.3	48.7	48.3	0.4	0.7
Other expenses	22.7	24.8	(2.1)	(8.2)	39.4	52.8	(13.4)	(25.2)
Subtotal	172.6	184.8	(12.2)	(6.6)	344.6	375.0	(30.4)	(8.1)
Depreciation and amortisation (net of asset grants)	68.0	65.9	2.1	3.2	134.8	131.6	3.2	2.4
Total	240.6	250.7	(10.1)	(4.0)	479.4	506.6	(27.2)	(5.4)

The Group's total operating expenses were 4.0% and 5.4% lower YoY for 2Q2017 and 1H2017 respectively. As a percentage of total revenue, other operating expenses were 41.6% in 2Q2017 and 40.9% in 1H2017, down from 42.8% and 43.1% in the corresponding periods last year.

Analysis of major variances in other operating expenses is provided below:

Staff costs

Staff costs were 3.8% and 5.9% lower YoY for 2Q2017 and 1H2017 respectively. For 1H2017, there was a reversal of accruals for share-based payments expenses no longer required. Excluding this reversal, staff costs were 1.4% lower compared to 1H2016.

Operating leases

Operating leases for 2Q2017 were 5.0% lower YoY while cost remained stable for 1H2017 when compared to 1H2016. In 1H2016, there was a reversal of accrual no longer required. Excluding this reversal, operating leases for both 2Q2017 and 1H2017 were lower by 15.5% and 7.5% YoY respectively, mainly from lower duct lease rental.

Marketing and promotions

Compared to the corresponding periods last year, the lower marketing and promotions expenses in both 2Q2017 and 1H2017 were primarily due to lower acquisition costs and the reclassification of certain expenses to cost of sales.

Allowance for doubtful receivables

Allowance for doubtful receivables were higher for both 2Q2017 and 1H2017 by 9.8% and 26.8% YoY respectively, mainly due to higher allowance for corporate customer receivables.

Repair and maintenance

On a YoY comparison, repair and maintenance cost for both 2Q2017 and 1H2017 were higher driven by expanded network and systems infrastructure cost.

Other expenses

Other expenses in 2Q2017 were lower by S\$2.1 million YoY, primarily due to higher miscellaneous income. For 1H2017, other expenses were lower by S\$13.4 million, mainly due to foreign exchange gains recognised in 1H2017 as compared to the unfavourable changes in fair value of derivative financial instruments in 1H2016. Excluding the foreign exchange impact, other expenses for 2Q2017 and 1H2017 would have decreased by 9.4% and 4.9% YoY.

Depreciation and amortisation

The higher depreciation and amortisation expenses for both 2Q2017 and 1H2017 were mainly due to higher additions of property, plant and equipment and intangible assets made in 2016.

(C) Other income

Compared to the corresponding periods last year, other income was S\$7.5 million and S\$19.8 million lower for 2Q2017 and 1H2017 respectively, mainly due to lower NBN grants. All rollout grants have been fully amortised and adoption grants from residential fibre have been fully claimed in 2016.

(D) Profitability

Profit from operations of S\$112.3 million in 2Q2017 and S\$206.2 million in 1H2017 was lower by S\$13.8 million and S\$37.5 million YoY respectively. The decrease was mainly due to lower service revenue, lower income grants, higher handset subsidies and higher cost of services.

Compared to 2Q2016, EBITDA of S\$180.3 million in 2Q2017 was 6.1% lower while EBITDA margin as a percentage of service revenue at 33.2% was 1.5% points lower YoY. For 1H2017, EBITDA of S\$341.0 million was 9.2% lower YoY, resulting in a lower EBITDA margin as a percentage of service revenue at 31.6% when compared to 34.2% in 1H2016.

Finance expenses for 1H2017 increased S\$4.1 million YoY mainly due to the issuance of S\$300.0 million medium term notes in 2Q2016.

The share of loss from associate increased for both 2Q2017 and 1H2017 when compared to the corresponding periods last year.

Profit before taxation at S\$104.0 million in 2Q2017 and S\$191.4 million for 1H2017 was S\$26.2 million and S\$51.5 million lower respectively as compared to the corresponding periods last year. This was mainly due to lower profit from operations and a one-time fair value gain of S\$9.5 million recognised in 2Q2016 for the investment in mm2 Asia Ltd ("mm2"). As a result, taxation expenses were lower at S\$18.3 million in 2Q2017 and S\$32.6 million in 1H2017 when compared to the corresponding periods last year.

2. BUSINESS REVIEW

Mobile Services

	Quarter ended 30 Jun				Half Year ended 30 Jun			
	2017	2016	Incr / (Decr)		2017	2016	Incr / (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Mobile revenue	302.7	305.3	(2.6)	(0.9)	598.9	603.4	(4.5)	(0.8)

Mobile operating statistics	Quarter ended / As of			Half Year ended / As of		YoY
	30 Jun 2017	31 Mar 2017	30 Jun 2016	30 Jun 2017	30 Jun 2016	Incr / (Decr) %
Number of registered customers (in thousands)						
Post-paid	1,385	1,392	1,364	1,385	1,364	1.6
Pre-paid	905	898	872	905	872	3.8
Total	2,290	2,291	2,235	2,290	2,235	2.4
Monthly minutes of use per registered customer						
Post-paid	185	188	210	186	212	(12.2)
Pre-paid	141	159	220	150	228	(34.2)
ARPU with IDD included (S\$ per month)						
Post-paid	70	67	71	69	70	(1.9)
Pre-paid	15	15	16	15	16	(8.1)
Tiered data plans						
Percentage of total Post-paid customers	68.4%	67.8%	66.3%	68.4%	66.3%	-
Percentage of tiered data plan customers exceeding data bundles ⁽¹⁾	33.4%	31.8%	24.9%	32.6%	23.5%	-
Average monthly churn rate (post-paid)	1.0%	0.9%	0.9%	1.0%	0.9%	-
Singapore mobile penetration ⁽²⁾	151.0%	150.9%	148.2%	151.0%	148.2%	-
Market Share ⁽²⁾	27.0%	27.1%	26.9%	27.0%	26.9%	-

Note:

(1) Prior periods' figures have been restated to reflect percentage of customers exceeding primary data bundles.

(2) Source: IMDA (As of April 2017)

The overall Mobile service revenue of S\$302.7 million in 2Q2017 was S\$2.6 million or 0.9% lower YoY. For 1H2017, Mobile service revenue of S\$598.9 million was S\$4.5 million or 0.8% lower YoY. The lower revenue was mainly due to the lower usage revenue from voice, IDD and roaming services, partly mitigated by an increase in mobile value-added services revenue and growing data usage.

Post-paid mobile services

As of 30 June 2017, post-paid mobile subscriber base stood at 1,385,000 subscribers after the quarter's net churn of 7,000 subscribers. Compared to a year ago, post-paid customer base grew by 21,000 customers or 1.6%.

Post-paid mobile ARPU at S\$70 in 2Q2017 and S\$69 in 1H2017 was S\$1 lower YoY as compared to the corresponding periods last year, mainly due to lower voice, IDD and roaming

usage. The percentage of customers on tiered data mobile subscription plans increased to 68.4% as of 30 June 2017 when compared to 66.3% a year ago; while the percentage of tiered data customers exceeding their primary data bundle was higher at 33.4% in 2Q2017 and 32.6% in 1H2017, up from 24.9% and 23.5% in the corresponding periods last year.

Post-paid mobile monthly average churn of 1.0% was 0.1% higher when compared to both 2Q2016 and 1H2016.

Pre-paid mobile services

As of 30 June 2017, pre-paid mobile customer base was 905,000 customers after the quarter's net adds of 7,000 customers. Compared to a year ago, pre-paid customer base grew by 33,000 customers or 3.8% YoY.

Pre-paid mobile ARPU at S\$15 was S\$1 lower YoY for both 2Q2017 and 1H2017 due to continued decline in voice and IDD usage.

Pay TV Services

	Quarter ended 30 Jun				Half Year ended 30 Jun			
	2017	2016	Incr / (Decr)		2017	2016	Incr / (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Pay TV revenue	87.9	95.4	(7.5)	(7.9)	176.3	190.3	(14.0)	(7.4)

Pay TV operating statistics	Quarter ended / As of			Half Year ended / As of		YoY
	30 Jun	31 Mar	30 Jun	30 Jun		Incr / (Decr)
	2017	2017	2016	2017	2016	%
Number of residential Pay TV customers (in thousands)	477	487	518	477	518	(7.9)
ARPU (S\$ per month)	51	51	52	51	51	(1.6)
Average monthly churn rate	0.9%	0.9%	1.0%	0.9%	0.9%	-

Pay TV service revenue of S\$87.9 million in 2Q2017 and S\$176.3 million in 1H2017 were 7.9% and 7.4% lower YoY respectively. This was mainly due to a lower subscriber base, partially mitigated by higher advertising revenue.

As of 30 June 2017, Pay TV subscriber base was 477,000 subscribers after the quarter's net churn of 10,000 subscribers. Compared to a year ago, Pay TV subscriber base was reduced by 41,000 subscribers or 7.9%.

Pay TV ARPU was at S\$51 in both 2Q2017 and 1H2017 and was S\$1 lower when compared to 2Q2016.

Monthly average churn for Pay TV stood at 0.9% for both 2Q2017 and 1H2017.

Broadband Services

	Quarter ended 30 Jun				Half Year ended 30 Jun			
	2017	2016	Incr / (Decr)		2017	2016	Incr / (Decr)	
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Broadband revenue	52.8	54.4	(1.6)	(3.0)	106.5	107.9	(1.4)	(1.3)

Broadband operating statistics	Quarter ended / As of			Half Year ended / As of		YoY
	30 Jun 2017	31 Mar 2017	30 Jun 2016	30 Jun 2017	30 Jun 2016	Incr / (Decr) %
Number of residential broadband customers - subscription-based (in thousands)	467	470	473	467	473	(1.2)
Number of fibre broadband customers - subscription-based (in thousands)	373	370	328	373	328	14.0
ARPU (S\$ per month)	36	37	37	37	37	(0.4)
Average monthly churn rate	1.0%	0.9%	1.2%	0.9%	1.1%	-

Broadband service revenue of S\$52.8 million in 2Q2017 and S\$106.5 million in 1H2017 was 3.0% and 1.3% lower respectively as compared to the corresponding periods last year. The decrease was mainly due to a lower subscriber base, partially mitigated by higher mix of customers on fibre plans.

1H2017 Broadband ARPU of \$37 remained stable against last year.

Broadband average monthly churn was lower at 1.0% in 2Q2017 and 0.9% in 1H2017, down from 1.2% and 1.1% respectively YoY due to on-going retention efforts.

Enterprise Fixed Services

	Quarter ended 30 Jun				Half Year ended 30 Jun			
	2017	2016	Incr / (Decr)		2017	2016	Incr / (Decr)	
Enterprise Fixed revenue	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Data & Internet	88.5	85.5	3.0	3.6	176.0	167.6	8.4	5.0
Voice services	10.7	13.1	(2.4)	(18.3)	21.9	26.8	(4.9)	(18.4)
Total	99.2	98.6	0.6	0.7	197.9	194.4	3.5	1.8

Enterprise fixed service revenue in 2Q2017 at S\$99.2 million increased by 0.7% YoY, while revenue for 1H2017 increased YoY by 1.8% to S\$197.9 million. This was mainly due to growth in Data & Internet services and partially offset by lower voice service revenue.

Data & Internet service revenue for 2Q2017 and 1H2017 was higher by 3.6% and 5.0% respectively, primarily driven by higher demand for managed services.

Voice service revenue for 2Q2017 and 1H2017 was lower by 18.3% and 18.4% respectively. The reduction was mainly due to lower traffic from IDD and international interconnect services.

Hubbing (Multi-Service Households)

Hubbing Metrics	Quarter ended / As of		
	30 Jun 2017	31 Mar 2017	30 Jun 2016
Total households with three or more services of Post-paid Mobile, Pay TV and Broadband and/or Digital Voice services (in thousands)	333	338	347

As of 30 June 2017, the number of households with three or more services stood at 333,000 households. This was lower compared to 347,000 households a year ago, primarily due to churn in overall TV households.

3. GROUP CASH FLOW STATEMENT

	Quarter ended 30 Jun		Half Year ended 30 Jun	
	2017 S\$m	2016 S\$m	2017 S\$m	2016 S\$m
Operating Activities				
Profit before taxation	104.0	130.2	191.4	242.9
Adjustments for :			-	
Depreciation and amortisation (net of asset grants)	68.0	65.9	134.8	131.6
Income related grants	(0.4)	(7.8)	(0.7)	(20.3)
Share-based payments expenses	2.6	2.6	(1.6)	4.6
Changes in fair value of financial instruments	-	(2.0)	-	5.1
Net finance expenses	7.4	5.1	13.8	9.8
Non-operating income	-	(9.5)	-	(9.5)
Share of loss of associate (net of tax)	0.9	0.3	1.1	0.5
Others	0.3	1.0	0.4	1.2
Operating cash flow before working capital changes	182.8	185.8	339.2	365.9
Changes in operating assets and liabilities	(20.3)	33.0	(25.1)	(1.1)
Income tax paid	(31.6)	(33.3)	(33.0)	(47.6)
Net cash from operating activities	130.9	185.5	281.1	317.2
Investing Activities				
Interest received	0.6	0.7	1.3	0.9
Proceeds from disposal of property, plant and equipment and intangible assets	0.3	0.1	0.3	0.1
Purchase of property, plant and equipment and intangible assets	(114.5)	(48.4)	(148.2)	(90.2)
Purchase of available-for-sale financial assets	-	(18.0)	-	(18.0)
Repayment of loan from an associate	-	-	1.1	-
Net cash used in investing activities	(113.6)	(65.6)	(145.5)	(107.2)
Financing Activities				
Net proceeds from issue of perpetual capital securities	199.6	-	199.6	-
Grants received	0.3	11.3	3.4	23.5
Proceeds from issue of medium term notes	-	300.0	-	300.0
Dividends paid	(155.6)	(173.1)	(155.6)	(173.1)
Finance expenses paid	(9.9)	(5.9)	(15.3)	(10.9)
Net cash from financing activities	34.4	132.3	32.1	139.5
Net change in cash and cash equivalents	51.7	252.2	167.7	349.5
Cash and cash equivalents at beginning of the period	401.2	270.7	285.2	173.4
Cash and cash equivalents at end of the period	452.9	522.9	452.9	522.9

The Group's net cash from operating activities in 2Q2017 of S\$130.9 million was S\$54.6 million lower YoY. Net cash from operating activities in 1H2017 of S\$281.1 million was S\$36.1 million lower YoY. This was largely due to higher working capital needs, lower cash flow from operations and partially mitigated by lower income tax paid.

The negative working capital changes of S\$20.3 million in 2Q2017 were mainly due to lower trade and other payables coupled with higher other receivables, deposits and prepayments. This was mitigated by lower inventories balances and higher net balances due to related parties. For 1H2017, the negative working capital changes of S\$25.1 million was mainly due to lower trade and other payables. This was partially mitigated by lower inventories balances, trade receivables, other receivables, deposits and prepayments and higher net balances due to related parties.

Net cash used in investing activities increased S\$48.0 million to S\$113.6 million in 2Q2017, primarily due to partial spectrum payment of \$69.3 million in 2Q2017. For 1H2017, the net cash flow from investing activities of S\$145.5 million was S\$38.3 million higher YoY for the same reason.

The Group's CAPEX payments (including spectrum payment) amounted to S\$114.5 million in 2Q2017 and S\$148.2 million in 1H2017, representing 19.8% and 12.7% of total revenue respectively. Excluding spectrum payments, capex payments as a percentage of total revenue would have been 7.8% and 6.7% for 2Q2017 and 1H2017 respectively.

As a result of lower cash from operating activities and higher CAPEX payments, the Group's free cash flow was lower at S\$16.4 million in 2Q2017 and S\$132.9 million in 1H2017.

The Group issued S\$200.0 million of subordinated perpetual capital securities (S\$199.6 million net of transaction expense) in 2Q2017. As a result, there was a net cash inflow from financing activities of S\$34.4 million and S\$32.1 million in 2Q2017 and 1H2017 respectively.

The resulting net cash generated was a surplus of S\$51.7 million in 2Q2017 and S\$167.7 million in 1H2017. As a result, cash and cash equivalents balance was S\$70.0 million lower than a year ago.

Capital expenditure commitments

As of 30 June 2017, the Group's total outstanding capital expenditure commitments amounted to S\$422.3 million. The outstanding commitments included S\$280.3 million for the 4G spectrum rights, capital expenditures committed for TV headend migration, network infrastructure expansion and enhancement.

4. STATEMENT OF FINANCIAL POSITION

	Group		Company	
	30 Jun 17 S\$m	31 Dec 16 S\$m	30 Jun 17 S\$m	31 Dec 16 S\$m
Non-current assets				
Property, plant and equipment	883.0	918.0	426.8	431.0
Intangible assets	526.9	463.8	80.4	78.3
Subsidiaries	-	-	2,472.8	2,472.8
Associate	24.8	25.9	27.8	27.8
Available-for-sale financial assets	49.3	40.0	49.3	40.0
Amount due from related parties	7.8	7.6	7.8	7.6
	1,491.8	1,455.3	3,064.9	3,057.5
Current assets				
Inventories	40.5	49.6	0.8	0.7
Trade receivables	162.6	172.2	137.8	141.7
Other receivables, deposits and prepayments	199.8	212.2	46.0	43.6
Amount due from related parties	23.1	21.8	99.5	19.4
Cash and cash equivalents	452.9	285.2	406.9	236.0
	878.9	741.0	691.0	441.4
Less:				
Current liabilities				
Trade and other payables	647.7	707.9	273.1	309.4
Amount due to related parties	102.8	67.1	471.9	356.5
Borrowings	10.0	10.0	10.0	10.0
Provision for taxation	78.8	70.5	32.8	15.4
	839.3	855.5	787.8	691.3
Net current assets / (liabilities)	39.6	(114.5)	(96.8)	(249.9)
Non-current liabilities				
Trade and other payables	23.0	21.6	23.0	21.6
Borrowings	977.5	977.5	977.5	977.5
Deferred income	1.0	1.4	1.0	1.4
Deferred tax liabilities	135.1	145.4	68.9	73.5
	1,136.6	1,145.9	1,070.4	1,074.0
Net assets	394.8	194.9	1,897.7	1,733.6
Shareholders' equity				
Share capital	299.7	299.7	299.7	299.7
Perpetual Capital Securities	199.6	-	199.6	-
Reserves	(104.5)	(104.8)	1,398.4	1,433.9
Total equity	394.8	194.9	1,897.7	1,733.6

GROUP BALANCE SHEET REVIEW

Compared to 31 December 2016, the Group's total non-current assets were S\$36.5 million higher at S\$1,491.8 million as of 30 June 2017. The increase was mainly due higher intangible assets and available-for-sale financial assets stated at fair value, partially offset by lower net book values for property, plant and equipment.

Total current assets of S\$878.9 million as of 30 June 2017 were S\$137.9 million higher when compared to 31 December 2016, primarily due to higher cash and cash equivalents offset by lower inventories, trade receivables, other receivables, deposits and prepayments.

Total current liabilities amounted to S\$839.3 million as of 30 June 2017, down from S\$855.5 million as of 31 December 2016. The decrease of S\$16.2 million was due to lower trade payables and other payables, partially offset by higher provision for taxation and amount due to related parties.

Against 31 December 2016, total non-current liabilities decreased S\$9.3 million to S\$1,136.6 million as of 30 June 2017, mainly due to lower deferred tax liabilities and deferred income, partially offset by higher non-current trade and other payables.

The Group's shareholders' equity grew by S\$199.9 million to S\$394.8 million as of 30 June 2017. The increase was primarily due to the issuance of S\$200.0 million of subordinated perpetual capital securities (S\$199.6 million net of transaction expense) in 2Q2017.

5. GROUP UNSECURED BORROWINGS

Unsecured borrowings	30 Jun 17	31 Dec 16
	S\$m	S\$m
Amount repayable in one year or less		
Bank loans	10.0	10.0
	10.0	10.0
Amount repayable after one year		
Bank loans	457.5	457.5
Medium term notes	520.0	520.0
	977.5	977.5
Total	987.5	987.5

The Group's unsecured borrowing remained unchanged at S\$987.5 million as of 30 June 2017.

On the account of a higher cash and cash equivalent balance, net debt was S\$167.7 million lower at S\$534.6 million as of 30 June 2017 when compared to S\$702.3 million as of 31 December 2016. As a ratio of the past 12 months' EBITDA, the Group's net debt was lower at 0.82 times as of 30 June 2017, down from 1.02 times as of 31 December 2016.

6. STATEMENT OF CHANGES IN EQUITY

Group	Share capital S\$m	Perpetual Capital Securities S\$m	Treasury shares S\$m	Goodwill written off S\$m	Share- based payments reserve S\$m	Fair value reserve S\$m	Hedging reserve S\$m	Translation reserve S\$m	Retained profits S\$m	Total reserves S\$m	Total equity S\$m
At 1 Jan 2017	299.7	-	(12.3)	(276.3)	14.1	12.5	4.4	1.3	151.5	(104.8)	194.9
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	-	73.1	73.1	73.1
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	-	-	(6.4)	-	-	(6.4)	(6.4)
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	1.4	-	-	-	1.4	1.4
Total comprehensive income for the period	-	-	-	-	-	1.4	(6.4)	-	73.1	68.1	68.1
Transactions with equity holders of the Company, recognised directly in equity											
<i>Contributions by and distributions to equity holders of the Company</i>											
Share-based payments expenses	-	-	-	-	(4.2)	-	-	-	-	(4.2)	(4.2)
Transfer from treasury shares to share-based payments reserve	-	-	2.2	-	(2.2)	-	-	-	-	-	-
Tax impact on transfer of treasury shares	-	-	-	-	(0.3)	-	-	-	-	(0.3)	(0.3)
Total transactions with equity holders of the Company	-	-	2.2	-	(6.7)	-	-	-	-	(4.5)	(4.5)
At 31 Mar 2017	299.7	-	(10.1)	(276.3)	7.4	13.9	(2.0)	1.3	224.6	(41.2)	258.5
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	-	85.7	85.7	85.7
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	-	-	(3.8)	-	-	(3.8)	(3.8)
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	7.9	-	-	-	7.9	7.9
Total comprehensive income for the period	-	-	-	-	-	7.9	(3.8)	-	85.7	89.8	89.8
Transactions with equity holders of the Company, recognised directly in equity											
<i>Contributions by and distributions to equity holders of the Company</i>											
Issue of perpetual capital securities	-	199.6	-	-	-	-	-	-	-	199.6	199.6
Share-based payments expenses	-	-	-	-	2.6	-	-	-	-	2.6	2.6
Transfer from treasury shares to share-based payments reserve	-	-	1.5	-	(1.5)	-	-	-	-	-	-
Tax impact on transfer of treasury shares	-	-	-	-	(0.1)	-	-	-	-	(0.1)	(0.1)
Dividends paid	-	-	-	-	-	-	-	-	(155.6)	(155.6)	(155.6)
Total transactions with equity holders of the Company	-	199.6	1.5	-	1.0	-	-	-	(155.6)	46.5	46.5
At 30 Jun 2017	299.7	199.6	(8.6)	(276.3)	8.4	21.8	(5.8)	1.3	154.7	95.1	394.8

6. STATEMENT OF CHANGES IN EQUITY (CONT'D)

Group	Share capital S\$m	Goodwill written off S\$m	Share-based payments reserve S\$m	Fair value reserve S\$m	Hedging reserve S\$m	Translation reserve S\$m	Retained profits S\$m	Total reserves S\$m	Total equity S\$m
At 1 Jan 2016	293.5	(276.3)	12.3	-	0.5	1.3	156.3	(105.9)	187.6
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	92.8	92.8	92.8
Other comprehensive income									
Foreign currency translation differences	-	-	-	-	-	0.1	-	0.1	0.1
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	(0.3)	-	-	(0.3)	(0.3)
Total comprehensive income for the period	-	-	-	-	(0.3)	0.1	92.8	92.6	92.6
Transactions with equity holders of the Company, recognised directly in equity									
<i>Contributions by and distributions to equity holders of the Company</i>									
Issue of shares pursuant to share plans	2.6	-	(2.6)	-	-	-	-	(2.6)	-
Share-based payments expenses	-	-	2.0	-	-	-	-	2.0	2.0
Total transactions with equity holders of the Company	2.6	-	(0.6)	-	-	-	-	(0.6)	2.0
At 31 Mar 2016	296.1	(276.3)	11.7	-	0.2	1.4	249.1	(13.9)	282.2
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	108.6	108.6	108.6
Other comprehensive income									
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	(0.1)	-	-	(0.1)	(0.1)
Changes in fair value of available-for-sale financial assets	-	-	-	2.0	-	-	-	2.0	2.0
Total comprehensive income for the period	-	-	-	2.0	(0.1)	-	108.6	110.5	110.5
Transactions with equity holders of the Company, recognised directly in equity									
<i>Contributions by and distributions to equity holders of the Company</i>									
Issue of shares pursuant to share plans	3.1	-	(3.1)	-	-	-	-	(3.1)	-
Share-based payments expenses	-	-	2.6	-	-	-	-	2.6	2.6
Dividends paid	-	-	-	-	-	-	(173.1)	(173.1)	(173.1)
Total transactions with equity holders of the Company	3.1	-	(0.5)	-	-	-	(173.1)	(173.6)	(170.5)
At 30 Jun 2016	299.2	(276.3)	11.2	2.0	0.1	1.4	184.6	(77.0)	222.2

6. STATEMENT OF CHANGES IN EQUITY (CONT'D)

Company	Share capital S\$m	Perpetual Capital Securities S\$m	Treasury shares S\$m	Merger/ Capital reserve S\$m	Share- based payments reserve S\$m	Fair value reserve S\$m	Retained profits S\$m	Total reserves S\$m	Total equity S\$m
At 1 Jan 2017	299.7	-	(12.3)	276.5	14.1	12.5	1,143.1	1,433.9	1,733.6
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	47.1	47.1	47.1
Other comprehensive income									
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	1.4	-	1.4	1.4
Total comprehensive income for the period	-	-	-	-	-	1.4	47.1	48.5	48.5
Transactions with equity holders of the Company, recognised directly in equity									
<i>Contributions by and distributions to equity holders of the Company</i>									
Share-based payments expenses	-	-	-	-	(4.2)	-	-	(4.2)	(4.2)
Transfer from treasury shares to share-based payments reserve	-	-	2.2	-	(2.2)	-	-	-	-
Tax impact on transfer of treasury shares	-	-	-	-	(0.3)	-	-	(0.3)	(0.3)
Total transactions with equity holders of the Company	-	-	2.2	-	(6.7)	-	-	(4.5)	(4.5)
At 31 Mar 2017	299.7	-	(10.1)	276.5	7.4	13.9	1,190.2	1,477.9	1,777.6
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	65.7	65.7	65.7
Other comprehensive income									
Changes in fair value of available-for-sale financial assets	-	-	-	-	-	7.9	-	7.9	7.9
Total comprehensive income for the period	-	-	-	-	-	7.9	65.7	73.6	73.6
Transactions with equity holders of the Company, recognised directly in equity									
<i>Contributions by and distributions to equity holders of the Company</i>									
Issue of perpetual capital securities	-	199.6	-	-	-	-	-	199.6	199.6
Share-based payments expenses	-	-	-	-	2.6	-	-	2.6	2.6
Transfer from treasury shares to share-based payments reserve	-	-	1.5	-	(1.5)	-	-	-	-
Tax impact on transfer of treasury shares	-	-	-	-	(0.1)	-	-	(0.1)	(0.1)
Dividends paid	-	-	-	-	-	-	(155.6)	(155.6)	(155.6)
Total transactions with equity holders of the Company	-	199.6	1.5	-	1.0	-	(155.6)	46.5	46.5
At 30 Jun 2017	299.7	199.6	(8.6)	276.5	8.4	21.8	1,100.3	1,598.0	1,897.7

6. STATEMENT OF CHANGES IN EQUITY (CONT'D)

Company	Share capital S\$m	Merger/ Capital reserve S\$m	Share- based payments reserve S\$m	Fair value reserve S\$m	Hedging reserve S\$m	Retained profits S\$m	Total reserves S\$m	Total equity S\$m
At 1 Jan 2016	293.5	276.5	12.3	-	0.5	992.2	1,281.5	1,575.0
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	44.0	44.0	44.0
Other comprehensive income								
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	(0.3)	-	(0.3)	(0.3)
Total comprehensive income for the period	-	-	-	-	(0.3)	44.0	43.7	43.7
Transactions with equity holders of the Company, recognised directly in equity								
<i>Contributions by and distributions to equity holders of the Company</i>								
Issue of shares pursuant to share plans	2.6	-	(2.6)	-	-	-	(2.6)	-
Share-based payments expenses	-	-	2.0	-	-	-	2.0	2.0
Total transactions with equity holders of the Company	2.6	-	(0.6)	-	-	-	(0.6)	2.0
At 31 Mar 2016	296.1	276.5	11.7	-	0.2	1,036.2	1,324.6	1,620.7
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	104.7	104.7	104.7
Other comprehensive income								
Effective portion of changes in fair value of cash flow hedge (net of taxation)	-	-	-	-	(0.1)	-	(0.1)	(0.1)
Changes in fair value of available-for-sale financial assets	-	-	-	2.0	-	-	2.0	2.0
Total comprehensive income for the period	-	-	-	2.0	(0.1)	104.7	106.6	106.6
Transactions with equity holders of the Company, recognised directly in equity								
<i>Contributions by and distributions to equity holders of the Company</i>								
Issue of shares pursuant to share plans	3.1	-	(3.1)	-	-	-	(3.1)	-
Share-based payments expenses	-	-	2.6	-	-	-	2.6	2.6
Dividends paid	-	-	-	-	-	(173.1)	(173.1)	(173.1)
Total transactions with equity holders of the Company	3.1	-	(0.5)	-	-	(173.1)	(173.6)	(170.5)
At 30 Jun 2016	299.2	276.5	11.2	2.0	0.1	967.8	1,257.6	1,556.8

7. CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

As of 30 June 2017, the share capital of the Company was at S\$299.7 million comprising 1,728,927,732 issued ordinary shares (excluding treasury shares). As of 31 December 2016, it was S\$299.7 million comprising 1,727,757,343 ordinary shares (excluding treasury shares).

Treasury Shares

For the quarter ended 30 June 2017, the Company transferred 475,195 treasury shares to participants of the Company's share plans, and there was no purchase of shares from the market.

The treasury share balance as of 30 June 2017 totaled S\$8.6 million comprising 2,723,711 ordinary shares or 0.2% of issued share capital excluding treasury shares (30 June 2016: Nil).

Issue of new shares

For 2Q2017, there was no new issue of ordinary shares.

Subsidiary holdings

As of 30 June 2017, none of the Company's subsidiaries held any shares in the Company (30 June 2016: Nil).

Perpetual Capital Securities

In 2Q2017, the Company issued subordinated perpetual capital securities with an aggregate principal amount of S\$200.0 million. The perpetual capital securities may be redeemed at the option of the Company, in whole, but not in part, on 16 June 2022 or on any Distribution Payment Date thereafter and otherwise upon the occurrence of certain redemption events as defined in the offering circular.

Such perpetual capital securities bear distributions at a rate of 3.95% per annum, with the first distribution rate reset falling on 16 June 2027 and subsequent resets occurring every 10 years thereafter. The distribution rate will be subject to a step-up of 1% per annum from 16 June 2027.

The distribution will be payable semi-annually in arrear on a discretionary basis and will be cumulative and compounding in accordance with the terms and conditions of the offering circular.

Outstanding Shares – Share-Based Plans

Performance Share Plans

As of 30 June 2017, the outstanding balance of conditional awards under the Performance Share Plans was 2,356,067 ordinary shares (30 June 2016: 1,761,100 ordinary shares).

Restricted Stock Plans

As of 30 June 2017, the outstanding balance of conditional awards under the Restricted Stock Plans was 5,384,295 ordinary shares (30 June 2016: 5,657,644 ordinary shares).

8. AUDIT

The financial statements have not been audited or reviewed.

9. AUDITORS' REPORT

Not applicable.

10. ACCOUNTING POLICIES

The Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current financial period consistent with those of the audited financial statements for the year ended 31 December 2016.

In the current financial period, the Group and the Company have adopted all the new and revised Singapore Financial Reporting Standards (FRS) and Interpretations of FRSs (INT FRSs) that are relevant to its operations and effective for annual periods beginning on 1 January 2017.

The adoption of these new/revised FRSs and INT FRSs did not result in substantial changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior periods.

Certain new standards and amendments to standards are mandatory for adoption by the Group for annual periods beginning on or after 1 January 2018. The Group does not plan to adopt these standards early. The new standards and amendments to standards which are expected to have an effect on the financial statements of the Group and the Company in the future financial periods include:

1. Convergence with International Financial Reporting Standards (IFRS)
2. FRS 115 Revenue from Contracts with Customers
3. FRS 109 Financial Instruments
4. FRS 116 Leases

11. CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

Not applicable.

12. GROUP EARNINGS PER ORDINARY SHARE

	Quarter ended 30 Jun		Half Year ended 30 Jun	
	2017	2016	2017	2016
Basic				
Earnings per share	5.0 cents	6.3 cents	9.2 cents	11.6 cents
Weighted average number of shares ('000)	1,728,808	1,731,468	1,728,514	1,730,880
Diluted				
Earnings per share	4.9 cents	6.2 cents	9.1 cents	11.6 cents
Weighted average number of shares ('000)	1,736,548	1,738,887	1,736,255	1,738,298

13. NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	30 Jun	31 Dec	30 Jun	31 Dec
	2017	2016	2017	2016
Net asset value per share	22.8 cents	11.3 cents	109.8 cents	100.3 cents

14. ANY VARIANCE BETWEEN PROSPECT STATEMENT PREVIOUSLY DISCLOSED AND THE ACTUAL RESULTS

For 1H2017, the Group's service revenue was lower by 1.5% YoY. This was below our guidance of full year service revenue to be at about 2016's level.

1H2017 EBITDA margin was 31.6% of service revenue. This was above our guidance of full year EBITDA margin to be between 26% to 28% of service revenue.

Total CAPEX payments in 1H2017 amounted to S\$148.2 million. Excluding spectrum payments of S\$69.3 million, CAPEX payments in 1H2017 amounted to S\$78.9 million or 6.7% of total revenue. This was below our guidance for 2017 CAPEX at 13% of total revenue (excluding spectrum payments).

15. GROUP OUTLOOK

In the Mobile business, subscription and mobile data will continue to contribute to revenue growth while voice, roaming and IDD are expected to face downward pressure. We have also introduced new data upsize and roaming plans to meet the increased demand for data for both local and overseas needs.

In our Pay TV business, we face challenges from growing piracy and alternative viewing options. We remain focused on our OTT offering through StarHub Go and also introduced our new d'Lite Packs which do not require basic subscription to encourage take-up.

For our Broadband business, we anticipate prolonged competition. We introduced our 1 Gbps fibre broadband plan to cater to customers who require faster speeds. For loyal cable

customers, we introduced our 200 Mbps cable broadband plan which offers good value and helps to maximise the utilisation of our cable assets and improve overall business margin.

In the Enterprise Fixed segment, we see sustained demand for new connectivity services. Rollout of our own fibre network allows us to fulfil more diversity requirements from enterprises while, improved provisioning of NBN has resulted in higher growth of Broadband services for SMBs. While we add on new digital and cyber security services, weakness from domestic and international voice services, and price erosion of traditional carriage services will offset revenue growth in the near term.

Based on the current outlook, we maintain our guidance on our Group's 2017 service revenue to be at about 2016's level and Group EBITDA margin to be between 26% to 28% of service revenue. In 2017, CAPEX payment, excluding spectrum payment of S\$349.6 million, is expected to be at about 13% of total revenue. We intend to maintain a quarterly cash dividend of 4 cents per ordinary share for FY2017.

Some of the statements in this release constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect our current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from our intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained in this release with caution.

16. DIVIDENDS

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Cash; Tax exempt (1-tier) dividend
Dividend Amount	S\$0.04 per ordinary share
Tax Rate	Exempt (1-tier)

(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
Dividend Type	Cash; Tax exempt (1-tier) dividend
Dividend Amount	S\$0.05 per ordinary share
Tax Rate	Exempt (1-tier)

(c) Date payable

The interim dividend will be paid on 25 August 2017.

(d) Book closure date

Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed on 14 Aug 2017 (“Book Closure Date”) for the purpose of determining members’ entitlement to the interim dividend.

Duly completed registrable transfers received by the Company’s share registrar, M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902 up to the close of the business at 5.00 p.m. on 11 Aug 2017 (“Entitlement Date”) will be registered to determine members’ entitlement to the interim dividend. Subject as aforesaid, persons whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares of the Company as of 5.00 p.m. on the Entitlement Date will be entitled to the interim dividend.

17. IF NO DIVIDEND HAVE BEEN DECLARED/RECOMMENDED, A STATEMENT TO THAT EFFECT

Not applicable.

18. INTERESTED PERSON TRANSACTIONS

	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than S\$100,000) 1 April 2017 to 30 June 2017 S\$m
Transactions for the Sale of Goods & Services	
CapitalLand Limited & its associates	1.5
Singapore Telecommunications Limited & its associates	8.2
TeleChoice International Ltd & its associates	23.6
Temasek Holdings (Private) Limited & its associates (other than those disclosed above)	0.8
	34.1
Transactions for the Purchase of Goods & Services	
Mapletree Commercial Trust & its associates	0.1
SembCorp Industries Ltd & its associates	2.2
Singapore Power Limited & its associates	16.6
Singapore Telecommunications Limited & its associates	14.8
TeleChoice International Ltd & its associates	99.7
Temasek Holdings (Private) Limited & its associates (other than those disclosed above)	9.9
	143.3

19. NEGATIVE ASSURANCE CONFIRMATION

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the above unaudited financial results for the second quarter and half year ended 30 June 2017 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Steven Terrell Clontz
Director

Tan Tong Hai
Director

Singapore
2 August 2017

20. 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 under Rule 720(1) of the Listing Manual of Singapore Exchange Securities Trading Limited.