Offering Circular Dated 24 July 2019

SINGTEL GROUP TREASURY PTE. LTD.

(incorporated with limited liability in the Republic of Singapore on 7 March 2001)
Company Registration Number: 200101508W

S$10,000,000,000

Guaranteed Euro Medium Term Note Programme

guaranteed by

SINGAPORE TELECOMMUNICATIONS LIMITED

(incorporated with limited liability in the Republic of Singapore on 28 March 1992)
Company Registration Number: 199201624D

*On 29 July 2010, Singtel Group Treasury Pte. Ltd. (the "**Issuer**") established a S$10,000,000,000 Guaranteed Euro Medium Term Note Programme (the "**Programme**") and issued an offering circular on that date describing the Programme. This Offering Circular supersedes any previous offering circular and supplements thereto prepared in connection with the Programme. Any Notes (as defined below) issued under the Programme on or after the date of this Offering Circular are subject to the provisions described herein. This does not affect any Notes already in issue.*

Under the Programme, the Issuer, subject to compliance with all relevant laws, regulations and directives, may from time to time issue Guaranteed Euro Medium Term Notes guaranteed by Singapore Telecommunications Limited (the "**Guarantee**" and the "**Guarantor**", respectively) (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed S$10,000,000,000 (or the equivalent in other currencies).

Application has been made for permission to deal in, and for quotation of, any Notes which are agreed at the time of issue to be so listed on the Official List of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Such permission will be granted when the Notes have been admitted to the Official List of the SGX-ST. Unlisted series of Notes may also be issued pursuant to the Programme. The applicable Pricing Supplement (as defined herein) in respect of any issue of Notes will specify whether or not such Notes will be listed on the SGX-ST or any other stock exchange. There can be no assurance that the application to the SGX-ST will be approved. Listing of Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, their respective subsidiaries and associated companies (the Guarantor and its subsidiaries taken as a whole hereafter, the "**Singtel Group**"), the Programme or the Notes. The SGX-ST takes no responsibility for the correctness of any statement made, opinions expressed or reports contained herein.

Each Series (as defined in "Overview of the Programme — Method of Issue") of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a "**temporary Global Note**"), or a permanent global note in bearer form (each a "**permanent Global Note**" and, together with the temporary Global Notes, the "**Global Notes**") and will be sold in an "offshore transaction" within the meaning of Regulation S ("**Regulation S**") under the United States Securities Act of 1933 (the "**Securities Act**"). Interests in a temporary Global Note generally will be exchangeable for interests in a permanent Global Note, or if so stated in the relevant Pricing Supplement, definitive Notes ("**Definitive Notes**"), after the date falling 40 days after the later of the commencement of the offering and the relevant issue date of such Tranche (as defined in "Overview of the Programme — Method of Issue") upon certification as to non-U.S. beneficial ownership. Interests in permanent Global Notes will be exchangeable for Definitive Notes as described under "Summary of Provisions Relating to the Notes while in Global Form".

The Notes of each Series to be issued in registered form ("**Registered Notes**") will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Registered Notes which are sold in an "offshore transaction" within the meaning of Regulation S ("**Unrestricted Notes**"), will initially be represented by a permanent registered global certificate (each an "**Unrestricted Global Certificate**") without interest coupons, which may be deposited on the relevant issue date (a) with, and registered in the name of, CDP (as defined herein), or a common depositary for, and registered in the name of a nominee of, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and (b) in the case of a Series intended to be cleared through a clearing system other than, or in addition to, CDP or Euroclear and/or Clearstream, Luxembourg, or delivered outside a clearing system, as agreed between the relevant Issuer and the relevant Dealer (as defined herein). Registered Notes which are offered or sold in the United States to "qualified institutional buyers" (each, a "**QIB**") within the meaning of Rule 144A ("**Rule 144A**") under the Securities Act ("**Restricted Notes**") will initially be represented by a permanent registered global certificate (each a "**Restricted Global Certificate**" and, together with the Unrestricted Global Certificate, the "**Global Certificates**"), without interest coupons, which may be deposited on the relevant issue date with a custodian (the "**Custodian**") for, and registered in the name of Cede & Co. as nominee for, The Depository Trust Company ("**DTC**"). The provisions governing the exchange of interests in Global Notes for other Global Notes and Definitive Notes are described in "Summary of Provisions Relating to the Notes while in Global Form".

The Programme has been rated "A1" by Moody's Investors Service, Inc. ("**Moody's**") and "A+" by S&P Global Ratings, a division of The S&P Global Inc. ("**S&P**"). Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating agency.

Investing in Notes issued under the Programme involves certain risks. Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Offering Circular.

The Notes and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include bearer notes that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or, in the case of bearer notes, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S).

Arrangers and Dealers

Citigroup **HSBC**

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The Issuer and the Guarantor accept responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Issuer and the Guarantor (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Circular is to be read in conjunction with all documents which are incorporated herein by reference (see "Documents Incorporated by Reference").

No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any of the Dealers, the Arrangers, the Trustee or the Agents (each as defined in "Overview of the Programme"). Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantor since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Guarantor since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation (Regulation (EU) 2017/1129), as amended or supplemented from time to time, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor, the Dealers and the Arrangers to inform themselves about and to observe any such restriction. The Notes and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Notes may include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or (in the case of the Notes in bearer form) delivered within the United States or to, or for the account and benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986 and regulations thereunder). For a description of certain restrictions on offers and sales of Notes and on distribution of this Offering Circular, see "Subscription and Sale".

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S and, in the case of Registered Notes, within the United States to QIBs in reliance on Rule 144A. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of Notes and distribution of this Offering Circular, see "Subscription and Sale" and "Transfer Restrictions".

PRIIPs/ IMPORTANT – EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MiFID II product governance/ target market – The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers or any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

THE NOTES AND THE GUARANTEE HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (the "MAS"). Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Notification under Section 309B of the SFA – Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Neither this Offering Circular nor any Pricing Supplement constitutes an offer of, or an invitation by or on behalf of the Issuer, the Guarantor or the Dealers to subscribe for, or purchase, any Notes.

The Arrangers and the Dealers have not separately verified the information contained in this Offering Circular. To the fullest extent permitted by law, none of the Dealers, the Arrangers, the Trustee or the Agents accepts any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Arrangers, the Dealers, the Trustee or the Agents for or on its behalf in connection with the Issuer, the Guarantor or the issue and offering of the Notes. Each of the Arrangers and each Dealer and the Trustee and each Agent accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement. Neither this Offering Circular nor any financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantor, the Arrangers, the Dealers, the Trustee or the Agents that any recipient of this Offering Circular or any financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such

investigation as it deems necessary. None of the Dealers, the Arrangers, the Trustee or the Agents undertakes to review the financial condition or affairs of the Issuer or the Guarantor during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers, the Arrangers, the Trustee or the Agents.

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Offering Circular includes "**forward-looking statements**" within the meaning of Sections 27A of the Securities Act and 21E of the U.S. Securities Exchange Act of 1934 ("**Exchange Act**"). All statements other than statements of historical facts included in this Offering Circular, including, without limitation, those regarding the Guarantor's or the Singtel Group's financial position, business strategy, plans and objectives of management for future operations relating to the Guarantor's or the Singtel Group's products and business, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements, or industry results of the Guarantor or the Singtel Group, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Guarantor's or the Singtel Group's present and future business strategies and the environment in which the Guarantor or the Singtel Group will operate in the future. Among the important factors that could cause the Guarantor's or the Singtel Group's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the condition of and changes in the local, regional or global economy that adversely affect the telecommunications industry, changes in government regulation and licensing of the business activities of the Guarantor or the Singtel Group, and increased competition in the telecommunications industry. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors". These forward-looking statements speak only as at the date of this Offering Circular. Each of the Issuer and the Guarantor expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Guarantor's or the Singtel Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Given the uncertainties of forward-looking statements, neither the Issuer nor the Guarantor can assure any prospective purchaser that projected results or events will be achieved and the Issuer and the Guarantor caution any prospective purchaser not to place undue reliance on these statements.

ENFORCEABILITY OF JUDGMENTS

The Issuer and the Guarantor are corporations organised under the laws of Singapore. Most of the directors and executive officers of the Issuer and the Guarantor are not residents of the United States, and all or a substantial portion of the assets of the Issuer and the Guarantor and such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer and the Guarantor or such persons or to enforce against any of them in the United States courts judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any State or territory within the United States.

AVAILABLE INFORMATION

The Issuer and the Guarantor will agree that, for so long as any Notes are "**restricted securities**" as defined in Rule 144(a)(3) under the Securities Act, the Issuer and the Guarantor will, during any period that it is neither subject to Sections 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder furnish, upon request, to any holder or beneficial owner of such restricted securities or any prospective purchaser designated by any such holder or beneficial owner upon the request of such holder, beneficial owner or prospective purchaser, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with (i) the most recently published audited consolidated annual financial statements, and any interim financial statements (whether audited or unaudited) published subsequent to such annual financial statements, of the Guarantor from time to time and (ii) any announcements of the Issuer and the Guarantor made via SGXNET, which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents. Such documents shall be incorporated in and form part of this Offering Circular, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular may be obtained without charge from the registered office of the Issuer.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Unless otherwise stated, all financial and other data regarding the Guarantor's business and operations presented herein are on a consolidated basis. The Guarantor has included elsewhere in this Offering Circular its consolidated financial statements for the three years ended 31 March 2017, 2018 and 2019. The Guarantor's consolidated financial statements for the years ended 31 March 2017 and 2018 were prepared in accordance with the Singapore Financial Reporting Standards ("**FRS**") and audited by Deloitte & Touche LLP, Public Accountants and Chartered Accountants, as stated in its report attached thereto. The Guarantor's consolidated financial statements for the year ended 31 March 2019 were prepared in accordance with the Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and audited by KPMG LLP, Public Accountants and Chartered Accountants, as stated in its report attached thereto.

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to "**Singapore**" are references to the Republic of Singapore and all references to the "**U.S.**" and "**United States**" are references to the United States of America. All references to the "**Government**" herein are references to the government of the Republic of Singapore. All references herein to "**Singapore dollars**" and "**S$**" are to the lawful currency of Singapore, all references to "**Australian dollars**" and "**A$**" are to the lawful currency of Australia, all references to "**U.S. dollars**" and "**US$**" are to the lawful currency of the United States of America, all references to "**Sterling**" and "**£**" are to the lawful currency of the United Kingdom, all references to "**€**" and to "**euro**" are to the currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, all references to "**THB**" are to the lawful currency of Thailand, all references to "**INR**" are to the lawful currency of India, all references to "**IDR**" are to the lawful currency of Indonesia and all references to "**PHP**" are to the lawful currency of the Philippines.

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding.

SUPPLEMENTARY OFFERING CIRCULAR

Each of the Issuer and the Guarantor has given an undertaking to each Dealer and each Arranger that during such period from the date on which the Issuer agrees to issue any Notes pursuant to the Dealer Agreement and ending upon the date of issuance of such Notes, each of the Issuer and the Guarantor shall, among other things, prepare an amendment or supplement to this Offering Circular if at any time during such period there is a significant change to the Issuer or the Guarantor, to the extent such change has not been disclosed by way of an announcement on the website of the SGX-ST, affecting any matter contained in this Offering Circular the inclusion of which would reasonably be required by investors and their professional advisers and would reasonably be expected by them to be found in this Offering Circular, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Guarantor, the Singtel Group, the rights attaching to the Notes and the Guarantee.

DEFINITIONS

The following definitions have, where appropriate, been used in this Offering Circular:

"2G"	:	Second generation wireless telephone technology
"3G"	:	Third generation wireless technology
"4G"	:	Fourth generation wireless technology
"5G"	:	Fifth generation wireless technology
"CDP"	:	The Central Depository (Pte) Limited
"English Law Trust Deed"	:	The amended and restated trust deed governed under English law dated 25 July 2016 among the Issuer, the Guarantor and the Trustee, as amended, varied or supplemented from time to time
"Ethernet"	:	Protocol for the transmission of packet based data at various speeds from 10 Mbps to 10 Gbps
"FY"	:	Financial Year ended 31 March
"GHz"	:	Gigahertz
"ICT"	:	Information communications technology
"IP"	:	Internet protocol
"IP VPN"	:	IP virtual private networks
"IPLC"	:	International private leased circuit
"IPTV"	:	Internet protocol television services
"IT"	:	Information technology
"LTE"	:	Long term evolution technology
"Mbps"	:	Megabits per second
"MHz"	:	Megahertz
"MPLS"	:	Multiprotocol Label Switching
"NCS Group"	:	NCS Pte. Ltd. together with its subsidiaries taken as a whole
"Next Gen NBN"	:	Next generation nationwide broadband network

"**Optus**"	:	Singtel Optus Pty Limited together with its subsidiaries taken as a whole
"**Regional Associates and Joint Ventures**"	:	Bharti Airtel Limited, PT Telekomunikasi Selular, Advanced Info Service Public Company Limited, Intouch Holdings Public Company Limited and Globe Telecom, Inc.
"**Retail Service Providers**"	:	Any entity providing retail services to an end-user using the Next Gen NBN or any other networks in Singapore
"**Singapore Law Trust Deed**"	:	The amended and restated trust deed governed under Singapore law dated 25 July 2016 among the Issuer, the Guarantor and the Trustee, as amended, varied or supplemented from time to time
"**Singtel**" or the "**Guarantor**"	:	Singapore Telecommunications Limited
"**Singtel Group**"	:	Singtel together with its subsidiaries taken as a whole
"**Singtel Singapore**"	:	The Singtel Group excluding Optus
"**%**"	:	per cent.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Offering Circular shall be a reference to Singapore time unless otherwise stated. Any reference in this Offering Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, Chapter 50 of Singapore, as amended or modified from time to time (the "**Companies Act**") or the SFA or any statutory modification thereof and used in this Offering Circular shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is qualified in its entirety by the remainder of this Offering Circular. Words and expressions defined in "Terms and Conditions of the Notes governed by English Law", "Terms and Conditions of the Notes governed by Singapore Law" or elsewhere in this Offering Circular have the same meanings in this overview.

Issuer	:	Singtel Group Treasury Pte. Ltd.
Guarantor	:	Singapore Telecommunications Limited.
Description	:	Guaranteed Euro Medium Term Note Programme.
Size	:	Up to S$10,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arrangers	:	Citigroup Global Markets Singapore Pte. Ltd. and The Hongkong and Shanghai Banking Corporation Limited.
Dealers	:	Citigroup Global Markets Singapore Pte. Ltd. and The Hongkong and Shanghai Banking Corporation Limited. The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to "**Permanent Dealers**" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Trustee	:	The Bank of New York Mellon, London Branch.
Issuing and Paying Agent	:	The Bank of New York Mellon, London Branch.
Exchange Agent	:	The Bank of New York Mellon.
Transfer Agents	:	The Bank of New York Mellon SA/NV, Luxembourg Branch (in respect of Notes other than Notes cleared through CDP and DTC), The Bank of New York Mellon, Singapore Branch (in respect of Notes cleared through CDP) and The Bank of New York Mellon (in respect of Notes cleared through DTC).
CDP Paying Agent	:	The Bank of New York Mellon, Singapore Branch (in respect of Notes cleared through CDP).
DTC Paying Agent	:	The Bank of New York Mellon (in respect of Notes cleared through DTC).

Registrars	:	The Bank of New York Mellon SA/NV, Luxembourg Branch (in respect of Notes other than Notes cleared through CDP and DTC), The Bank of New York Mellon, Singapore Branch (in respect of Notes cleared through CDP) and The Bank of New York Mellon (in respect of Notes cleared through DTC).
Method of Issue	:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the pricing supplement (the "**Pricing Supplement**").
Issue Price	:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Form of Notes	:	The Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") only. Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) Definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in "Overview of the Programme – Selling Restrictions" below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes sold in an "offshore transaction" within the meaning of Regulation S will initially be represented by an Unrestricted Global Certificate. Registered Notes sold in the United States to QIBs within the meaning of Rule 144A will initially be represented by a Restricted Global Certificate.
Clearing Systems	:	Clearstream, Luxembourg, Euroclear and CDP for bearer notes, Clearstream, Luxembourg, Euroclear, CDP and DTC for Registered Notes and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer.

Initial Delivery of Notes	:	On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or with CDP. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Guarantor, the relevant Paying Agent, the Trustee and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.
Currencies	:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer, the Guarantor and the relevant Dealer.
Maturities	:	Subject to compliance with all relevant laws, regulations and directives, any maturity as may be agreed between the Issuer, the Guarantor and the relevant Dealer.
Specified Denomination	:	Definitive Notes will be in such denominations as may be specified in the relevant Pricing Supplement save that (i) in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes); (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") will have a minimum denomination of £100,000 (or its equivalent in other currencies); and (iii) in the case of Notes to be sold in the United States to QIBs, the minimum specified denomination shall be US$100,000.
Fixed Rate Notes	:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.
Floating Rate Notes	:	Floating Rate Notes will bear interest determined separately for each Series as follows: (i) (in the case of Notes denominated in Singapore dollars) by reference to SIBOR or SWAP RATE (or such other benchmark as may be specified in the relevant Pricing Supplement), as adjusted for any applicable margin;

(ii) (in the case of Notes denominated in a currency other than in Singapore dollars) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or

(iii) (in the case of Notes denominated in a currency other than in Singapore dollars) by reference to LIBOR or EURIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin.

Interest periods will be specified in the relevant Pricing Supplement.

Zero Coupon Notes : Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

Dual Currency Notes : Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes (as defined in "Terms and Conditions of the Notes governed by English Law" and "Terms and Conditions of the Notes governed by Singapore Law") will be made in such currencies, and based on such rates of exchange as may be specified in the relevant Pricing Supplement.

Index Linked Notes : Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Pricing Supplement.

Interest Periods and Interest Rates : The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.

Redemption : The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

Redemption by Instalments	:	The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Other Notes	:	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, Partly Paid Notes and any other type of Note that the Issuer, the Trustee and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement and the relevant supplementary Offering Circular (if any).
Optional Redemption	:	The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
Status of Notes and the Guarantee	:	The Notes and the Guarantee will constitute unsubordinated and unsecured obligations of the Issuer and the Guarantor, respectively, all as described in "Terms and Conditions of the Notes governed by English Law – Guarantee and Status" and "Terms and Conditions of the Notes governed by Singapore Law – Guarantee and Status".
Negative Pledge	:	See "Terms and Conditions of the Notes governed by English Law – Negative Pledge" and "Terms and Conditions of the Notes governed by Singapore Law – Negative Pledge".
Cross Acceleration	:	See "Terms and Conditions of the Notes governed by English Law – Events of Default" and "Terms and Conditions of the Notes governed by Singapore Law – Events of Default".
Ratings	:	The Programme has been rated "A1" by Moody's and "A+" by S&P. Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating agency.
Early Redemption	:	Except as provided in "Overview of the Programme – Optional Redemption" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See "Terms and Conditions of the Notes governed by English Law – Redemption, Purchase and Options" and "Terms and Conditions of the Notes governed by Singapore Law – Redemption, Purchase and Options".

Withholding Tax	:	All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, the Receipts and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, in relation to Singapore Dollar Notes, the Issuer or, as the case may be, the Guarantor will not be obliged to pay any additional amounts in respect of any such withholding or deduction from payments in respect of such Singapore Dollar Notes for, or on account of, any such taxes or duties, and in relation to Non-Singapore Dollar Notes, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholders, Receiptholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain conditions as set out in the Terms and Conditions of the Notes governed by English Law and the Terms and Conditions of the Notes governed by Singapore Law. See "Terms and Conditions of the Notes governed by English Law – Taxation" and "Terms and Conditions of the Notes governed by Singapore Law – Taxation".
Governing Law	:	English law or Singapore law.
Listing of the Notes	:	Application has been made to the SGX-ST for permission to deal in, and for quotation of, any Notes which are agreed at the time of issue to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There can be no assurance that the application to the SGX-ST will be approved. If the application to the SGX-ST to list a particular series of Notes is approved, such Notes listed on the SGX-ST will be traded on the SGX-ST in a minimum board lot size of S$200,000 or its equivalent in other currencies. Unlisted series of Notes may also be issued pursuant to the Programme. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer, the Guarantor and the relevant Dealer in relation to each series of Notes. The Pricing Supplement relating to each series of Notes will state whether or not the Notes of such series will be listed on any stock exchange(s) and, if so, on which stock exchange(s) the Notes are to be listed.
Selling Restrictions	:	See "United States", "Prohibition of Sales to EEA Retail Investors", "United Kingdom", "Singapore", "Hong Kong" and "Japan" set out in "Subscription and Sale". Each of the Issuer and the Guarantor is Category 2 for the purposes of Regulation S under the Securities Act, as amended.

The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the "**D Rules**") unless (i) the relevant Pricing Supplement states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the "**C Rules**"), or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), with such circumstances being referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.

Transfer Restrictions : There are restrictions on the transfer of Notes sold pursuant to Regulation S under the Securities Act prior to the expiration of the relevant distribution compliance period and on the transfer of Registered Notes sold pursuant to Rule 144A under the Securities Act. See "Transfer Restrictions".

RISK FACTORS

Each of the Issuer and the Guarantor believes that the following factors may affect its ability to fulfil its respective obligations under the Notes issued under the Programme. All of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

Factors which each of the Issuer and the Guarantor believes may be material for the purposes of assessing the market risks associated with Notes issued under the Programme are also described below.

Each of the Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer or the Guarantor may be unable to pay interest, principal or other amounts on or in connection with any Notes for reasons other than those listed below, and the Issuer and the Guarantor do not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

Risks relating to the Singtel Group and its associates and joint ventures

Changes in domestic, regional and global economic conditions may have a material adverse effect on the financial performance and operations of the Singtel Group and its associates and joint ventures.

Changes in domestic, regional and global economic conditions may have a material adverse effect on the demand for telecommunications, IT and related services, and digital services and hence, on the financial performance and operations of the Singtel Group and its associates and joint ventures. As trade tensions and other global headwinds intensify resulting in uncertainty in the macro-economic environment, this could have an adverse effect on the strategy and growth of the Singtel Group. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. These and other related events have had a significant impact on the global credit and financial markets and economic growth as a whole, and consequently, on consumer and business demand for telecommunications, IT and related services, and digital services.

Political instability in certain countries in which the Singtel Group and its associates and joint ventures operate may have a material adverse effect on the ownership, control and condition of their assets in such countries.

Some of the countries in which the Singtel Group and its associates and joint ventures operate have experienced or continue to experience political instability. The continuation or re-emergence of such political instability in the future could have a material adverse effect on the economic or social conditions in those countries. This could lead to outbreaks of civil unrest in the affected areas, which could have an adverse effect on the results of operations of the Singtel Group and its associates and joint ventures, and consequently the financial performance of the Singtel Group. Such political instability could also have a material adverse effect on the ownership, control and condition of the assets of the Singtel Group and its associates and joint ventures in those areas.

The businesses of the Singtel Group and its associates and joint ventures are subject to extensive laws and regulations.

The Singtel Group's operations in Singapore, Australia and its international operations and investments (including its associates and joint ventures) are subject to extensive government regulations which may impact or limit flexibility to respond to market conditions, competition, new technologies or changes in cost structures. Governments may alter their policies relating to the telecommunications, IT, multimedia and related industries and the regulatory environment (including in relation to taxation) in which the Singtel Group and its associates and joint ventures operate. Such changes could have a material adverse effect on the Singtel Group's financial performance and operations. The Singtel Group's overseas investments are subject to the risk of imposition of laws and regulations restricting the level, percentage and manner of foreign ownership and investment, as well as the risk of nationalisation, any of which could materially and adversely affect the Singtel Group's overseas investments. The Singtel Group and its associates and joint ventures are subject to the risk of changes in foreign exchange policies or controls in countries in which they operate, which could restrict, limit or impede the flow of currencies.

The business and results of operations of the Singtel Group and its associates and joint ventures could be materially and adversely affected by changes in law, regulation or government and/or regulatory policies. In particular, decisions or changes in decisions by governments or regulators concerning economic or business interests or goals which are inconsistent with the interests or actions of the Singtel Group and its associates and joint ventures could materially and adversely affect their financial conditions, results of operations and investments. In addition, changes in law, regulation or government and/or regulatory policies (including in relation to taxation) may increase the compliance obligations and business costs faced by the Singtel Group which could materially and adversely affect its financial conditions, results of operations and investments.

In Singapore, the Info-communications Media Development Authority of Singapore ("**IMDA**") has, in its implementation of the Next Gen NBN, designed a structure to level the playing field, allowing the benefits of the Next Gen NBN to be available to all industry players. This Next Gen NBN structure has significantly altered the existing cost model of the industry and increased the level of competition in the broadband market.

Under the Telecommunications Act, Chapter 323 of Singapore (the "**Telecommunications Act**"), the Minister for Communications and Information (the "**Minister**") has certain discretionary powers to direct Singtel (in its capacity as a public telecommunications licensee) to undertake and provide certain services and facilities. See "Description of Singtel and the Singtel Group – Regulatory Environment – Discretionary powers of the Minister under the Telecommunications Act". In the event the Minister exercises such powers and Singtel is required to undertake and provide such services and facilities, Singtel may incur costs that may not be fully recoverable. There may also be interruption to operations and services and a diversion of telecommunications resources for other purposes as directed.

In Australia, the operations of Singtel's Australian subsidiary, Optus, are subject to regulatory decisions on the rates at which it purchases some services from, and provides some services to, other telecommunications companies in the country. Such decisions can significantly affect Optus' revenues and costs as well as its competitive position, and may also not be consistent with the Singtel Group's expectations. The Australian government has implemented a significant reform of the fixed line telecommunications sector, including the rollout of a national broadband network by the government owned entity National Broadband Network Company ("**NBN Co**") operated on a wholesale-only open access basis. It is possible that the Australian government's policy decisions relating to the national broadband network or commercial decisions taken by NBN Co could ultimately lead to a sub-optimal or negative outcome for Optus. Such changes could result in increased access and/or compliance costs and could have a material adverse effect on the Singtel Group's financial performance and results of operations.

The businesses of the Singtel Group and its associates and joint ventures depend upon licences issued by governmental authorities. Failure to meet regulatory requirements could result in fines or other sanctions including, ultimately, revocation of the licences. There is no assurance that the Singtel Group and its associates and joint ventures will be able to renew existing licences on terms that are the same or equivalent to those that currently apply, or at all. In addition, the Singtel Group and its associates and joint ventures may be required to obtain licences where they wish to expand their existing businesses or enter into new areas of business and there can be no assurance that they will be able to obtain these licences.

The operations of the Singtel Group and its associates and joint ventures are also subject to various other laws and regulations such as those relating to customer data privacy and protection, payment services and anti-money laundering, anti-bribery and corruption, workplace safety and health, public order and safety, cybersecurity, online falsehoods and national security. In addition, there have been changes in the regulatory landscape for media and telecommunications industry, particularly in respect of issues of cybersecurity and consumer protection. These changes, together with increasing scrutiny by regulators and inclination of regulators towards stronger enforcement actions, may lead to additional compliance costs for the business. Failure by the Singtel Group and its associates and joint ventures to comply with these regulations could result in various sanctions. Such sanctions may materially and adversely affect business and/or capacity to operate in line with the business objectives of the Singtel Group and its associates and joint ventures.

The Singtel Group and its Regional Associates and Joint Ventures may not be able to access spectrum to support its businesses.

The Singtel Group and its Regional Associates and Joint Ventures may need to access additional spectrum to support both organic growth and the development of new services. Access to spectrum is of critical importance to the Singtel Group and its Regional Associates and Joint Ventures in order to support their businesses of providing mobile voice, data and other connectivity services. The use of spectrum in most countries in which the Singtel Group and its Regional Associates and Joint Ventures operate is regulated by governmental authorities and requires licences. In certain countries in which the Singtel Group and its Regional Associates and Joint Ventures operate, the process for renewing spectrum licences or acquiring new or additional spectrum licences may be subject to change. There can be no assurance that the Singtel Group and/or its Regional Associates and Joint Ventures will be able to acquire licences for new or additional spectrum or access such new or additional spectrum on favourable and/or reasonable commercial terms, or at all. The Singtel Group and its Regional Associates and Joint Ventures will need to renew their existing spectrum licences when they expire. There can be no assurance that the Singtel Group and/or its Regional Associates and Joint Ventures will be able to renew these licences on terms that are favourable and/or on reasonable commercial terms or on equivalent terms to those that apply today, or at all. Failure to acquire access to spectrum on reasonable terms or at all could have a material adverse effect on the businesses, financial performance and growth plans of the Singtel Group and/or its Regional Associates and Joint Ventures.

The Singtel Group and its associates and joint ventures operate in legal and regulatory systems where the interpretation, application and enforcement of laws and regulations may be uncertain.

The Singtel Group and its associates and joint ventures may face difficulties when they operate in legal and regulatory systems where the interpretation, application and enforcement of laws and regulations may be uncertain or unclear and may be subject to considerable discretion. The application of the laws and regulations may depend, to a large extent, upon subjective criteria such as good faith of the parties to the transaction and principles of public policy. Interpretation of, compliance with and enforcement of, judicial or regulatory decisions, rulings, directives or guidelines may be uncertain or unclear, and the consequences thereof may not be manageable or predictable. Judicial decisions may not be systematically or publicly available and may not constitute binding precedent. Enforcement of laws and regulations may not be well established. There may not be public consultation or notice prior to changes in interpretation, application and enforcement of laws and regulations. Where the interpretation, application and enforcement of laws and regulations are subject to uncertainty and considerable discretion, it could in practice lead to a challenging operating environment, increasing the difficulties involved in planning and managing a business. Any negative interpretation, application and enforcement of laws and regulations against the Singtel Group may have a material adverse effect on its business, financial condition, results of operations and prospects.

The Singtel Group faces competitive risks in the various business segments and markets in which it operates.

Group Consumer Business

The telecommunications market in Singapore is highly competitive. As competition further intensifies with the entry of a fourth mobile network operator ("**MNO**") and mobile virtual network operators ("**MVNOs**"), the industry revenue may decrease and Singtel Singapore's market share may decline. Singapore's Next Gen NBN allows the Retail Service Providers equal and open access to NetLink Trust's fibre network and this in turn has increased competitive pressure in fixed broadband and home services. The ongoing migration from asymmetric digital subscriber line ("**ADSL**") services to fibre services may also subject the Singtel Group to the risk of loss of customers to competition.

In the Australian telecommunications market, in addition to the incumbent operator, a number of participants are subsidiaries of international groups and these participants have made large investments in networks which are now sunk costs. With the potential entry of a fourth MNO or in-market consolidation, competition in the mobile market could intensify and Optus faces the risk of customer loss and price erosion. The Singtel Group is exposed to the risk of irrational pricing being introduced by such competitors. The consumer fixed line services continue to be dominated by the incumbent operator which can leverage its scale and market position to restrict the development of competition. With the deployment of the Australian National Broadband Network ("**NBN**"), competition is expected to increase further as new operators enter the market.

The business operations of the Singtel Group's Regional Associates and Joint Ventures are also subject to highly competitive market conditions. The growth of the Singtel Group's Regional Associates and Joint Ventures depends in part on the adoption of mobile data services in the markets in which they operate. These overseas markets have experienced and could continue to experience intensifying price competition for mobile data services, including from new competitors and/or smaller-scale competitors, which could lead to lower profitability in these markets and potential loss of market share for the Singtel Group's Regional Associates and Joint Ventures.

The disintermediation in the telecommunications industry by handset suppliers and non-traditional telecommunications services providers (including social media networks and over-the-top ("**OTT**") players) obtaining access to, and establishing relationships with, customers by providing multimedia and video content, applications and services directly on demand also challenges the business models and profits of vertically-integrated providers like the Singtel Group.

Group Enterprise Business

There is a regional and global market for many of the services that the Singtel Group provides, particularly for business customers who enjoy broad choices for many services including fixed, mobile, cloud, managed services and hosting, IT services and consulting, cybersecurity and digital solutions for smart cities and enterprises. The Singtel Group faces competition in such areas and competitors include multinational IT and telecommunications companies, and technology companies that introduce new communication services as well as other non-traditional players while in Australia, the enterprise market is dominated by the incumbent operator. The quality of, and rates for, these services can affect a potential business customer's decision to subscribe to the Singtel Group's services, locate or expand its offices or communications facilities in Singapore, or use Singapore as a transit hub for its communications. Prices for some of these services have shown significant declines in recent years as a result of capacity additions, technology innovations and general price competition and such declines are expected to continue.

Competition in the Australian enterprise market has also intensified following the consolidation of fixed line service providers. By leveraging new scale and lower cost base structures, such fixed line service providers may seek to obtain a greater market share through aggressive pricing, and by expanding into adjacent ICT markets with complementary managed services and IP based solutions. Further competitive pressures in the Australian telecommunications market could adversely affect Optus' profitability and result in lower revenue and lower market share.

The market for the provision of IT services is fragmented and characterised by numerous participants, ranging from large IT companies that operate globally to IT companies that adopt a low cost model and/or operate on a small scale. The introduction of irrational pricing by any such participant may result in a material adverse impact on the Singtel Group's revenue and profitability.

Group Digital Life Business

The digital products and services that the Singtel Group offers are primarily in the areas of digital marketing, OTT video and data analytics. Competition is intense due to low barriers of entry for competitors and there are many OTT operators offering these services, which could lead to lower profitability and potential loss of market share in such areas.

The Singtel Group's overseas expansion and the expansion of the Singtel Group's Regional Associates and Joint Ventures may not be successful.

A key element of the Singtel Group's business strategy involves the expansion of its operations in Australia and the Asia-Pacific region. Given the limited size of the Singapore market, the future growth of the Singtel Group depends, to a large extent, on its ability to grow its overseas operations in both core communications and new digital services. There are considerable risks associated with overseas expansion, such as risks that the Singtel Group will not be able to maintain relationships with its partners or associates or joint ventures, or risks that the Singtel Group will not be successful in making further acquisitions, each as further described below.

The success of the Singtel Group's strategic investments depends, to a large extent, on its relationship with, and the strength of, its partners or associates and joint ventures. The Singtel Group has undertaken, and will continue to undertake, international operations by entering into joint ventures and other arrangements with other parties. Such joint ventures and arrangements may involve risks that the joint venture or investment partner may:

- have economic or business interests or goals that are inconsistent with the Singtel Group's interests;
- take actions contrary to the Singtel Group's interests;
- be unable or unwilling to fulfil its obligations under the joint venture agreement or arrangement; or
- experience financial or other difficulties such as operating in countries undergoing political, economic and/or social turmoil.

The value of the Singtel Group's investments may be adversely affected if the anticipated benefits resulting from such investments do not materialise, and this could result in impairment of such investments. Any impairment of investments could have a material adverse effect on the Singtel Group's financial position, performance and results of operations.

There is no assurance that the Singtel Group will be successful in making further acquisitions due to various factors including the limited availability of opportunities, competition for available opportunities from other potential investors, foreign ownership restrictions, government and regulatory policies, political considerations and the specific preferences of sellers. In particular, other major telecommunications companies are following similar strategies or attempting to penetrate these same markets, resulting in limited opportunities and potentially higher prices. Furthermore, some of the markets which the Singtel Group has entered into are dominated by large incumbent telecommunications providers.

There can be no assurance that the Singtel Group can fully generate synergies from these businesses to achieve its aims of enhancing the Singtel Group's competitiveness, building a competitive regional footprint and combining its complementary data networks to increase the reach and capacity of the Singtel Group's services. Any delay or failure to achieve these and other objectives may result in the acquisitions becoming a drain on the Singtel Group's management and capital resources and adversely affect the financial condition and results of operations of the Singtel Group.

In addition, the business strategy of some of the Singtel Group's Regional Associates and Joint Ventures involves the expansion of operations outside their home countries. These Regional Associates and Joint Ventures may enter into joint ventures and other arrangements with other parties. Such joint ventures and other arrangements involve risks, including, but not limited to, the possibility that the joint venture or investment partner may have economic or business interests or goals that are inconsistent with those of the interests of the Regional Associates and Joint Ventures. There can be no assurance that the Singtel Group's Regional Associates and Joint Ventures can fully generate synergies and successfully build a competitive regional footprint. Any delay or failure to achieve these and other objectives may adversely affect the financial condition and results of operations of the Regional Associates and Joint Ventures, which could, in turn, adversely affect the financial condition and results of operations of the Singtel Group.

The Singtel Group is subject to risks inherent in investing in associates and joint ventures which it does not control.

A significant portion of the Singtel Group's earnings is generated by its associates and joint ventures which are not subsidiaries, and in which the Singtel Group has a significant stake but not majority control. The performance of the Singtel Group's associates and joint ventures and the Singtel Group's share of their results are subject to the same or similar risks that affect the Singtel Group as described herein, including risks that affect the Singtel Group's general business and operations and risks relating to the countries in which the Singtel Group operates.

The Singtel Group may seek to influence the management, operation and performance of its associates and joint ventures, but ultimately does not have the majority control in such entities. Differences may occur among the Singtel Group, its associates and joint ventures and/or other investors, regarding the business, strategy and operations of the Singtel Group's associates and joint ventures which may not be resolved amicably, or may take time to resolve, or may result in a negative outcome for the Singtel Group. The associates and joint ventures and/or other investors may have economic or business interests that may not be consistent with the interests of the Singtel Group, or may take actions contrary to the Singtel Group's instructions or requests, policies or objectives, or may have financial difficulties. These factors could adversely affect the Singtel Group's ability to deal with its investments in a manner which achieves its objectives and in turn could have a material adverse impact on the Singtel Group's business, financial condition, results of operations and prospects.

The Singtel Group's ventures into new revenue streams or new businesses in non-traditional products and services may not be successful.

Traditional voice revenue has declined in recent years and the trend will continue. The Singtel Group is evolving from its traditional carriage business in Singapore and Australia to venture into new growth engines to create new revenue streams, including mobile applications and services, regional premium OTT video, gaming and content, cybersecurity, cloud services, digital marketing, data analytics, ICT and managed services. Such new services may require reliance on smaller vendors and on terms that may be less favourable to those enjoyed in the carriage business. The Singtel Group may also enter into some of these new businesses or services through the acquisition of operating companies or technologies. There is no assurance that the Singtel Group will be successful in these new ventures, gain market share and generate revenue and margins to offset the decline in traditional carriage business. In addition, these businesses may require substantial capital, new expertise, considerable process or systems changes, on-going compliance monitoring with respect to complex legal and regulatory requirements and organisational, cultural and mindset changes. These businesses may also expose the Singtel Group to regulatory and IT security risks along with the risks associated with the media and online industries, such as media regulation, brand safety, disputes and/or litigation over content rights, intellectual property infringement, online falsehood and data protection regulations and legislation in the various countries that the Singtel Group operates in. Materialisation of any or all of the above mentioned risks could have a material adverse effect on the Singtel Group's business, financial condition, results of operations and prospects.

Expected long-term benefits from the Singtel Group's digital and new businesses may not be realised.

The Singtel Group, in April 2015, sharpened its digital business strategy to focus on digital marketing, regional premium OTT video and advanced analytics. However, the expected long-term benefits from these digital businesses may not be realised. There can be no assurance that the Singtel Group will achieve the original goals and objectives that it had set out to achieve in relation to these digital businesses. The Singtel Group may face the risk of unforeseen complications which could have a material adverse effect on the Singtel Group's business, financial condition, results of operations and prospects.

The Singtel Group faces project management risks in both its internal projects as well as external enterprise projects.

The Singtel Group incurs substantial capital expenditure in constructing and maintaining its network and systems infrastructure. The Singtel Group's network and systems infrastructure projects are subject to risks associated with the construction, supply, installation and operation of equipment and systems. The projects undertaken by the Singtel Group as contractors to maintain and support infrastructure are subject to the risks of increased project costs, disputes and unexpected implementation delays, any or all of which could result in an inability to meet projected completion dates or service levels. For the Singtel Group's satellite business, the launch of any satellite is subject to the risks of launch delays, cost overruns, and the occurrence of other unforeseeable events, including but not limited to, satellite launch failure and satellite failure to enter into designated orbital locations, or any other event which is beyond the control of the Singtel Group. The Singtel Group's network and systems infrastructure projects are also subject to risks associated with the sale of capacity on the completed project infrastructure, including risks of default, disputes, litigation and arbitration involving contractors, suppliers, customers and other third parties involved in the construction or operation of network infrastructure projects. Materialisation of any or all of these risks could have a material adverse effect on the Singtel Group's business, financial condition, results of operations and prospects.

The Singtel Group is a major IT service provider to governments and large enterprises in the region. There could be project execution risks when projects are not accurately scoped or the quality of service performance is not up to customers' specifications, resulting in over-commitments to customers and inadequate resource allocation and scheduling. These could lead to cost overruns, project delays and losses. If not properly managed, these can lead to potential significant compensation to customers, which may materially and adversely affect the Singtel Group's business, financial condition, results of operations and prospects.

The Singtel Group faces network disruption risks related to loss of, or damage to, network infrastructure.

The Singtel Group's telecommunications and other value-added services, including media, entertainment and OTT services, are currently carried through its networks and the networks of other operators, international submarine cable lines, its own transmission, content and switching systems, other fixed international long distance application and content operators and the network systems of international long distance operators, satellites, content and pay-TV platforms and other network-related infrastructure. The provision of the Singtel Group's services depends on the quality, stability, resilience and robustness of its networks and systems. The Singtel Group faces the risks of malfunction of, loss of, or damage to, network infrastructure from catastrophic events, whether of natural or man-made causes, which are outside the control of the Singtel Group. Losses and damage caused by risks of this nature may significantly disrupt the Singtel Group's operations and may materially and adversely affect its ability to deliver services to customers. Sustained or significant disruption to its services can also significantly impact the Singtel Group's reputation with its customers. Disaster recovery plans put in place and/or insurance policies taken out by the Singtel Group with respect to some or all of these risks may not be sufficient to mitigate these losses and damages which could in turn materially and adversely affect the Singtel Group's business, financial condition, results of operations and prospects.

For the Singtel Group's satellite business, satellites that are successfully launched may not operate or may not continue to operate successfully throughout their expected operational lives. The operation of any satellite is subject to the risks of technical malfunction, collision and the occurrence of other unforeseeable events, any of which could result in a partial or total loss of a successfully launched satellite, which could in turn have a material adverse effect on the Singtel Group's business, financial condition, results of operations and prospects.

The Singtel Group is dependent on its customers to generate revenue, and is exposed to the credit risk of its customers.

The Singtel Group generates its revenues from, among others, sales of services to its customers. Certain customers have major or significant contracts with the Singtel Group. For example, the Singtel Group has entered into major contracts for the provision of telecommunications and IT services with multinational enterprises, telecommunications operators as well as channel providers. There can be no assurance that customers of the Singtel Group will not reduce their demand or transfer their business to competitors of the Singtel Group. The loss of customers or reduction in demand of services from customers could have a material adverse impact on the Singtel Group's revenue and performance.

The Singtel Group's customers or users may view their service experience as less than satisfactory from time to time and may communicate their negative sentiments widely through various media outlets, including social media or other forms of internet network, which may in turn adversely affect the brand and reputation of the Singtel Group. Such adverse publicity, if not managed swiftly or adequately, could deter existing or potential customers and users from using the Singtel Group's services and erode the Singtel Group's market share.

The Singtel Group is exposed to the credit risk of its customers, which could result in financial loss to the Singtel Group. Credit risk arising from sales of services to customers may be mitigated through a stringent credit evaluation process and the regular monitoring of parties' creditworthiness. However, adverse changes in the credit quality of the Singtel Group's customers, or adverse changes arising from a general deterioration in local, regional or global economic conditions, could reduce recoverability from customers. There is no assurance that customers will not default on the amounts owing to the Singtel Group, and any or all such default may have a material adverse effect on the Singtel Group's business, financial condition, results of operations and prospects.

The Singtel Group relies on suppliers. The telecommunications industry is dominated by a few key suppliers.

The Singtel Group relies on third party suppliers with respect to many aspects of its business. The Singtel Group has relied on, and will continue to rely on, third party suppliers for various purposes, including, but not limited to, the construction, operations and maintenance of the Singtel Group's network, the supply of handsets, devices and equipment, systems and applications development and services, content provision and customer acquisition. Accordingly, the Singtel Group's operations and reputation could be affected by such third party suppliers or their supply chain failing to perform their obligations, or failing to operate in line with increased expectations of key stakeholders such as the regulators and/or customers on a broadening set of environmental, social and governance (ESG) issues. In addition, the industry is dominated by a few key suppliers for such services, handsets, devices, equipment or content, and any failure or refusal of any key supplier to provide such services, handsets, devices, equipment or content, or any consolidation of the industry or cost escalation by any key supplier, or any regulatory scrutiny or government sanctions and/or bans on the use of a key supplier's services or equipment due to security concerns may significantly affect the Singtel Group's business and operations.

The Singtel Group and its Regional Associates and Joint Ventures face technology risks.

Rapid and significant technological changes are typical in the telecommunications and ICT industry and these changes may materially affect the Singtel Group's capital expenditure and operating costs, the demand for the Singtel Group's products and services, and the Singtel Group's returns on the technology investments. For example, rapid advancements in new technologies such as 5G, Artificial Intelligence (AI), Digital Application Programming Interfaces (APIs), cloud and blockchain are driving development of entirely new ecosystems and business models.

The Singtel Group has invested substantial capital and other resources in the development and modernisation of its networks and systems. Technological changes continue to reduce the costs, and expand the capacities and functions, of new infrastructure capable of delivering competing products and services, resulting in lower prices and more competitive and innovative products and services. Moreover, the Singtel Group's Regional Associates and Joint Ventures operate predominantly in emerging markets where the regulatory practices including spectrum availability may not synchronise with the technology progression path and the market demand for new technologies. With the rapid advancement in technology, the Singtel Group and its Regional Associates and Joint Ventures may also be left with investments that are technologically obsolete before the end of the expected useful life of these investments and the value of these investments may be impaired. These changes may require the Singtel Group to replace and upgrade its network and systems and as a result, the Singtel Group may be required to incur significant additional capital expenditure in order to maintain the latest technological standards and remain competitive against these newer products and services.

The Singtel Group faces a continuing risk of market entry by new operators and service providers (including non-telecommunications players and OTT players) who, by using newer or lower cost technologies, may succeed in rapidly attracting customers away from established market participants. New technologies may also enable players from adjacent industries to enter the telecommunications and IT services markets, thus increasing competition and depressing prices. This may result in a loss of market share and could have an adverse effect on the Singtel Group's financial condition and results of operations.

Expected benefits from investment in new networks and technologies may not be realised.

The Singtel Group may pursue new growth opportunities in the communications industry in the future, including introducing services and products employing new technologies, such as next generation mobile technologies, virtualisation, software-defined networking, cloud-based technologies, new video and content delivery platforms and digital marketing. The implementation of these new technologies depends on a number of factors, including developing the Singtel Group's network and the launch of new and commercially viable products and services involving these technologies. The Singtel Group may have to incur substantial expenditure to develop its network, services and products and to gain access to related or enabling technologies in order to successfully implement these new technologies. The Singtel Group may not be successful in modifying its network infrastructure in a timely and cost-effective manner to facilitate such implementation, which could adversely affect its quality of service, financial condition and results of operations.

Further, the Singtel Group may face the risk of unforeseen complications in the deployment of new technologies. Any newly adopted technology may not perform as expected, and the Singtel Group may not be able to develop the new technology successfully or in a timely manner so as to effectively and economically deliver services based on such technology.

The telecommunications industry is capital intensive in nature. Technological changes continue to expand the capacities and functions of new infrastructure capable of delivering competing products and services. As a result, the Singtel Group may be required to incur significant additional capital expenditure in order to maintain the latest technological standards and remain competitive against these newer products and services. These changes may require the Singtel Group to replace and upgrade its network infrastructure.

The Singtel Group may be unable to obtain future financing on favourable terms, or at all, to fund its business.

The Singtel Group may be required to raise additional funds for its future capital needs or to refinance its current indebtedness. There can be no assurance that funding, if needed, will be available on terms that the Singtel Group considers favourable, or at all. Furthermore, any debt financing, if available, may involve restrictive covenants being imposed on the Singtel Group. In addition, any disruptions experienced in the international capital markets may lead to reduced liquidity and increased credit risk premiums for certain market participants, as well as increase the risk involved in procuring financing. If the Singtel Group is unable to borrow the amounts required on favourable terms, it may be unable to pursue its planned strategies. There can be no assurance that future conditions in the financial markets, particularly if it and other telecommunications companies seek increasingly large amounts of capital financing, will not adversely affect its ability to finance its operations.

The Singtel Group is exposed to currency risk and foreign exchange risk.

The currency risk of the Singtel Group arises from its capital expenditure and operational purchases denominated in currencies other than the functional currency. Although the Singtel Group enters into foreign exchange forward contracts, cross currency swaps and other hedging instruments to hedge against currency risk in accordance with the Singtel Group's hedging policy, the impact of future exchange rate fluctuations cannot be accurately predicted. Exchange rate fluctuations may have a material adverse impact on the Singtel Group's cost structure.

The foreign exchange risks of the Singtel Group arise from its subsidiaries and its associates and joint ventures operating in foreign countries such as Australia, India, Indonesia, the Philippines, Thailand and the United States of America. Additionally, the Singtel Group's joint venture company in India, Bharti Airtel Limited, has significant foreign currency borrowings and is exposed to foreign exchange risks from its operations in Sri Lanka and across Africa. The Singtel Group's consolidation/equity accounting of the financial results of these overseas subsidiaries and associates and joint ventures respectively could be materially affected by significant foreign exchange movements in such foreign currencies against the Singtel Group's functional currency. Additionally, while the functional and reporting currencies of the associates and joint ventures are based on their respective local currencies, a significant portion of their purchases and therefore liabilities are denominated in foreign currencies such as U.S. dollars, thereby giving rise to foreign exchange differences and/or fair value gains or losses when marked to market and changes to the cost structure of these associates and joint ventures.

The Singtel Group may face difficulties in converting and remitting foreign currencies.

The Singtel Group may operate in countries where it might face difficulties in converting and remitting foreign currencies. There could be insufficient liquidity or foreign exchange controls imposed in countries that limit conversion and remittance of currencies, which may in turn adversely affect the Singtel Group's ability to receive payments from, or make payments to, these countries.

The Singtel Group is exposed to interest rate risk.

The Singtel Group has cash balances placed with reputable banks and financial institutions. The Singtel Group manages its interest rate risk by placing such balances on varying maturities and interest rate terms. The Singtel Group has incurred indebtedness to finance its operations. Where appropriate, the Singtel Group seeks to minimise its cash flow interest rate risk exposure by entering into interest rate swap contracts to swap floating interest rates for fixed interest rates over the duration of its borrowings. However, its hedging policy may not adequately cover the Singtel Group's exposure to interest rate fluctuations and this may result in a large interest expense which may have an adverse effect on the Singtel Group's financial condition and results of operations.

The Singtel Group is exposed to counter-party risk.

The Singtel Group may enter into various transactions which will expose it to risks relating to the credit of its counter-parties and their ability to satisfy the terms of such contracts. For example, the Singtel Group may enter into swap arrangements, including multi-years swap arrangements, which expose it to the risk that the counter-party may default on its obligations to perform under the relevant contract. The Singtel Group's surplus funds may also be invested in interest-bearing deposits with financial institutions. In the event that a counter-party, including a financial institution, is declared bankrupt or becomes insolvent, this may result in delays in obtaining funds or the Singtel Group having to liquidate its position, potentially leading to losses.

Credit ratings and ratings outlook assigned to Singtel may be subject to change.

Singtel has been assigned an overall corporate credit rating of "A1" with a rating outlook of "negative" by Moody's and "A+" with a rating outlook of "stable" by S&P. A credit rating is not a recommendation to buy, sell or hold the Notes. Each series of Notes issued under the Programme may be rated or unrated. Credit ratings or ratings outlook are subject to (where applicable) revision, suspension or withdrawal at any time by the assigning rating agency. Rating agencies may also revise or replace entirely the methodology applied to assign credit ratings. Singtel has been assigned an overall corporate credit rating, and may additionally be issued a stand-alone credit rating. No assurance can be given that if Singtel were issued such a stand-alone credit rating, it would be the same as or would not be lower than its overall corporate credit rating. Moreover, no assurances can be given that a credit rating or rating outlook will remain for any given period of time or that a credit rating or rating outlook will not (where applicable) be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant or if a different methodology is applied to assign such credit ratings. Neither the Issuer nor Singtel has any obligation to inform Noteholders of any such (where applicable) revision, downgrade or withdrawal of credit ratings or ratings outlook. A suspension, reduction or withdrawal at any time of the credit rating or rating outlook, where applicable, assigned to Singtel, the Programme or the Notes may adversely affect the market price of the Notes, which may in turn have a material adverse effect on the Singtel Group's financial condition and results of operations. Moreover, Singtel's credit ratings or ratings outlook do not reflect the potential impact related to market or other considerations relating to the Notes.

The Singtel Group and its associates and joint ventures are exposed to various regulatory and litigation risks.

The Singtel Group operates internationally and provides services with facilities in many countries, which means that the Singtel Group is confronted with complex legal and regulatory requirements and judiciary systems in many jurisdictions. These include the risk of regulatory and litigation action by regulators and private parties. In particular, as discussed in "Risk Factors – The Singtel Group and its associates and joint ventures operate in legal and regulatory systems where the interpretation, application and enforcement of laws and regulations may be uncertain", the risks faced by the Singtel Group and its associates and joint ventures are compounded by the uncertainty or lack of clarity relating to the jurisdictions as described in that risk factor. Risks of regulatory or litigation action could materialise into losses or liabilities for the Singtel Group, such as through (without limitation) payment of significant damages, taxes, fines or other amounts, seizure, nationalisation, loss or disposal of material assets, curtailment or prohibition of material business operations or activities or cancellation, termination or loss of material licences or concessions. Regulatory and litigation actions or matters involving the Singtel Group or restrictions on the Singtel Group in any jurisdiction may have a material adverse effect on the Singtel Group's financial condition and results of operations. Examples of regulatory and litigation actions which the Singtel Group is exposed to are disclosed in the financial statements attached hereto, in particular, the sections on "Contingent Liabilities" therein.

Labour activism and unrest may materially and adversely affect the Singtel Group's business.

Laws permitting the formation of labour unions, combined with weak economic conditions, have resulted, and may continue to result, in labour activism and unrest in certain countries in which the Singtel Group operates. Labour activism and unrest in certain countries in which the Singtel Group operates could materially and adversely affect the Singtel Group's business, financial condition, results of operations and prospects.

The Singtel Group may be adversely affected by the imposition and enforcement of more stringent environmental regulations.

The Singtel Group is subject to environmental laws, regulations and ordinances in the countries in which the Singtel Group operates. There can be no assurance that environmental laws, regulations and ordinances will not change in the future in a manner that could materially and adversely affect the Singtel Group. Environmental laws, regulations and ordinances may impose upon the Singtel Group obligations to investigate and remedy or pay for the investigation and remediation of environmental conditions, and to compensate public and private parties for related damages. Any such liability in connection with facilities currently owned or operated by the Singtel Group could materially and adversely affect the Singtel Group. It is also possible that existing environmental laws, regulations and ordinances could become more stringent in the future. Non-compliance with or changes in these environmental laws, regulations and ordinances could adversely affect the Singtel Group and may have a material adverse effect on the Singtel Group's results or operations.

The Singtel Group and its Regional Associates and Joint Ventures face the occurrence of natural catastrophes, severe weather conditions, other acts of God, or other uncontrollable events such as acts of terrorism.

The provision of the Singtel Group's services depends on the quality, stability, resilience and robustness of its networks and systems. The Singtel Group faces the risks of the malfunction of, loss of, or damage to, network infrastructure from natural or man-made causes or other events beyond the control of the Singtel Group and/or its Regional Associates and Joint Ventures. Some of the countries in which the Singtel Group and its Regional Associates and Joint Ventures operate have experienced a number of major natural catastrophes over the years, including typhoons, droughts, earthquakes, floods and bushfires, which have increased in intensity and frequency due to climate change factors.

The Singtel Group and/or its Regional Associates and Joint Ventures could be required to comply with stricter regulatory requirements aimed to address climate change, such as reducing its carbon emissions, enforcing stricter emissions standards, paying carbon taxes, increasing energy prices or replacing and/or upgrading its network and system infrastructure to comply with such regulatory requirements on emissions, any of which could increase costs of operations for the Singtel Group and could have an adverse effect on the Singtel Group's financial condition and results of operations.

In addition, other events that are outside the control of the Singtel Group and/or its Regional Associates and Joint Ventures, such as fire, deliberate acts of sabotage, vendor failure/negligence, industrial accidents, blackouts, terrorist attacks, criminal acts or large scale cyber attacks on its network and systems, could damage, cause operational interruptions to, or otherwise adversely affect, any of their facilities and activities, as well as potentially cause injury or death to their personnel. There is no assurance that the occurrence of such natural catastrophes, severe weather conditions, other acts of God or other uncontrollable events will not materially disrupt the business of the Singtel Group and/or its Regional Associates and Joint Ventures.

The Singtel Group may not be able to obtain appropriate insurance coverage on reasonable commercial terms or at all.

The Singtel Group takes out insurance policies to insure its properties, assets and projects in accordance with industry practices. Satellite insurance is procured to cover the launch and the first 12 months of the in-orbit operations of its satellites. Certain assets and some types of losses, such as losses resulting from wars, acts of terrorism or natural disasters, generally are not insured because they are either uninsurable or it is not economically practical to obtain insurance.

There can be no assurance that the Singtel Group will be able to obtain appropriate insurance on commercially reasonable terms, or at all. Failure to obtain insurance could reduce the Singtel Group's ability to access funding from banks and other financing for future construction projects and other commercial activities and may cause the Singtel Group to potentially incur significant financial loss upon the occurrence of a major uninsurable event. The inability of the Singtel Group to obtain or renew insurance coverage at a reasonable cost, or at all, may cause the Singtel Group's operating costs to increase significantly and may have an adverse effect on the financial condition and results of operations of the Singtel Group.

The Singtel Group depends on key management for the growth and successful implementation of its strategy.

The Singtel Group believes that the growth it has achieved to date, as well as its position as one of Asia's leading telecommunications groups, are to a large extent attributable to a strong and experienced management team. The Singtel Group believes that its continued growth and the successful implementation of its business strategy depends upon the retention of its key management executives and its ability to attract and retain other highly capable individuals. The loss of some or all of the Singtel Group's senior executives, or the inability of the Singtel Group to attract or retain other key talent, could materially and adversely affect the Singtel Group's business.

Singtel is majority owned by a single shareholder.

As at 10 July 2019, Temasek Holdings (Private) Limited ("**Temasek**") had an aggregate (direct and deemed) interest of 52.63 per cent. of Singtel's shares. Temasek is wholly-owned by the Singapore Government. At that level of share ownership, Temasek is able to exercise control over most matters requiring shareholders' approval, including the election of directors, approval of significant corporate transactions and approval of final dividend payments by Singtel. No assurance can be given that Temasek's objectives will not conflict with Singtel's business goals and objectives or that any such conflict will not have an adverse effect on the financial condition and results of operations of the Singtel Group. Temasek also holds interests in certain companies which hold licences to operate telecommunications services in Singapore and which compete with the Singtel Group, including StarHub Ltd. and M1 Limited. There can be no assurance that Temasek will remain the majority shareholder of Singtel or that there will not be a change of ownership of the Singtel Group or the entry of another major shareholder with the ability to exert significant influence on the direction or operations of the Singtel Group, or that the Singtel Group's business, financial condition and results of operations would not be adversely affected by such a change in ownership or influence.

The Singtel Group is exposed to perceived risks associated with electromagnetic energy.

Concerns have been expressed relating to possible adverse health consequences associated with the operation of mobile communications devices or mobile transmission equipment due to exposure to electromagnetic energy.

While the Singtel Group is not aware of any substantiated evidence of public health risks from exposure to the levels of electromagnetic energy typically emitted from mobile communications devices or exposures from mobile base station equipment, there is a risk that an actual or perceived health risk could result in:

- litigation against the Singtel Group;

- reduced demand for mobile communications services; and

- restrictions on the ability of the Singtel Group, or higher compliance costs, to deploy its mobile communications networks as a result of government environmental controls which exist or may be introduced to address these perceived risks,

which in turn could have a material adverse effect on the Singtel Group's financial performance and results of operations.

The Singtel Group is exposed to information technology and cybersecurity risks.

As the Singtel Group's businesses and operations rely heavily on information technology, the Singtel Group is exposed to risks of cybersecurity threats, data privacy breaches as well as other network security risks. The scale and level of sophistication of cybersecurity threats have increased especially in recent times. The Singtel Group is exposed to the risks of cyber-attacks that can cause disruptions to the network and services provided to customers, and cyber thefts of sensitive and/or confidential information, which may result in litigation actions from customers, an adverse impact on the reputation of the Singtel Group and/or regulatory fines and penalties. The Singtel Group's exposure to these risks increases with the growing dependency on uninterrupted connectivity and smart devices by customers.

While the Singtel Group has established appropriate policies and frameworks, developed in-house capabilities and established partnerships with top-tier technology partners to ensure information system security and network security, there can be no assurance that these initiatives are sufficient or that the Singtel Group's business, financial condition and results of operations would not be adversely affected by such cybersecurity threats, data privacy breaches as well as other network security risks.

In addition, Group Enterprise is growing its cybersecurity business globally (see the section "Description of Singtel and the Singtel Group – Group Enterprise" for further information). The failure to keep up with and counteract increasing cybersecurity threats may materially and adversely affect the reputation, cybersecurity business and growth strategy of Group Enterprise and the Singtel Group.

The Singtel Group is exposed to potential risks relating to security of customer data and privacy breaches.

Concerns around data privacy have been escalating, with the governments in many countries that the Singtel Group operates in (both in its core telecommunications services to enterprise customers and consumers and new digital services), enacting laws and regulations relating to data privacy. In Singapore, the Personal Data Protection Act 2012 imposes certain obligations on Singtel where Singtel collects, uses or discloses personal data. See "Description of Singtel and the Singtel Group – Regulatory Environment – The Personal Data Protection Act 2012 (No. 26 of 2012) of Singapore". In Australia, Optus is subject to compliance regulations covering privacy matters, including a requirement to take reasonable steps to secure the personal information it holds and to notify customers in the event of unauthorised disclosure of their personal information.

The Singtel Group seeks to protect the data privacy of its customers in its networks and systems infrastructure. Significant failure of security measures may undermine customer confidence and result in litigation actions from customers and/or regulatory fines and penalties. Failure of security mechanisms may also result in the imposition of additional regulatory measures relating to the security and privacy of customer data, which may have a material adverse effect on the Singtel Group's business, financial condition and results of operations.

Risks relating to Notes issued under the Programme

The Notes may not be a suitable investment for all investors.

Each potential investor in the Notes must determine the suitability of that investment in the light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable amendment or supplement;

- has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact an investment in the Notes will have on its overall investment portfolio;

- has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and

- is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes.

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" (including LIBOR and EURIBOR), are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, and in a subsequent speech by its Chief Executive on 12 July 2018, the UK Financial Conduct Authority ("**FCA**") confirmed that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcements**"). The FCA Announcements indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") over the next four years across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

Separate workstreams are also underway in Europe to reform EURIBOR using a hybrid methodology and to provide a fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate ("**ESTR**") as the new risk free rate. ESTR is expected to be published by the ECB by October 2019. In addition, on 21 January 2019, the euro risk free-rate working group published a set of guiding principles for fallback provisions in new euro denominated cash products (including bonds). The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts may increase the risk to the euro area financial system.

It is not possible to predict with certainty whether, and to what extent, LIBOR and EURIBOR will continue to be supported going forward. This may cause LIBOR and EURIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should be aware that, if LIBOR or EURIBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference LIBOR or EURIBOR will be determined for the relevant period by the fall-back provisions applicable to such Notes. Depending on the manner in which the LIBOR or EURIBOR is to be determined under the Terms and Conditions, this may (i) if ISDA Determination applies, be reliant upon the provision by reference banks of offered quotations for the LIBOR or EURIBOR which, depending on market circumstances, may not be available at the relevant time or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR or EURIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference LIBOR or EURIBOR.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes containing such a feature. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or to other factors (each, a "**Relevant Factor**"). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;

- they may receive no interest;

- payment of principal or interest may occur at a different time or in a different currency than expected;

- they may lose all or a substantial portion of their principal;

- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and

- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index or other Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Notes linked to a Relevant Factor and the suitability of such Notes in light of its particular circumstances.

Partly Paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment on a Partly Paid Note could result in such investor losing all of his investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally.

Set out below is a description of material market risks relating to the Notes generally:

Modification and waiver

The terms and conditions of the Notes governed by English Law and the terms and conditions of the Notes governed by Singapore Law both contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Change of law

The conditions of the Notes are based on English or Singapore law, as the case may be, in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English or Singapore law, as the case may be, or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Notes affected by it.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The Guarantee provided by the Guarantor will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability

The Guarantee given by the Guarantor provides holders of Notes with a direct claim against the Guarantor in respect of the Issuer's obligations under the Notes. Enforcement of the Guarantee would be subject to certain generally available defences. Local laws and defences may vary, and may include those that relate to corporate benefit (ultra vires), fraudulent conveyance or transfer (actio pauliana), voidable preference, financial assistance, corporate purpose, liability in tort, subordination and capital maintenance or similar laws and concepts. They may also include regulations or defences which affect the rights of creditors generally.

If a court were to find the Guarantee given by the Guarantor, or a portion thereof, void or unenforceable as a result of such local laws or defences, or to the extent that agreed limitations on guarantees apply, holders would cease to have any claim in respect of the Guarantor and would be creditors solely of the Issuer and, if payment had already been made under the Guarantee, the court could require that the recipient return the payment to the Guarantor.

Performance of contractual obligations

The ability of the Issuer or the Guarantor to make payments in respect of the Notes may depend upon the due performance by the other parties to the transaction documents of the obligations thereunder including the performance by the Issuing and Paying Agent, the DTC Paying Agent, the CDP Paying Agent, the Transfer Agents, the Registrars, the Exchange Agent and/or the Calculation Agent of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer nor the Guarantor of their obligations to make payments in respect of the Notes, the Issuer and/or the Guarantor may not, in such circumstances, be able to fulfil its/their obligations to the Noteholders and the Couponholders.

Noteholders are exposed to financial risk

Interest payments, where applicable, and principal repayments for debts occur at specified periods regardless of the performance of the Issuer and the Guarantor. The Issuer and the Guarantor may be unable to make interest payments, where applicable, or principal repayments, under a series of Notes should they suffer a serious decline in net operating cash flows.

Risk of structural subordination of the Notes

The Notes and the Guarantee are structurally subordinated to the indebtedness of Singtel's subsidiaries (other than the Issuer). Generally, claims of creditors, including trade creditors, and other claims of preferred shareholders, if any, of such subsidiaries will have priority with respect to the assets and earnings of such subsidiaries over the claims of Singtel and its creditors, including the Noteholders seeking to enforce the Guarantee.

Where the Global Notes or Global Certificates are held by or on behalf of Euroclear, Clearstream, Luxembourg and/or CDP, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates. Such Global Notes or Global Certificates will be deposited with (i) a common depositary for Euroclear and Clearstream, Luxembourg and/or (ii) CDP. Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive definitive Notes or Certificates. Euroclear, Clearstream, Luxembourg or CDP (as the case may be) will maintain records of the beneficial interests in the Global Notes or Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through Euroclear, Clearstream, Luxembourg or CDP (as the case may be).

While the Notes are represented by one or more Global Notes or Global Certificates, the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of (i) the common depositary for Euroclear and Clearstream, Luxembourg and/or (ii) CDP (as the case may be) for distribution to their account holders. A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of Euroclear, Clearstream, Luxembourg or CDP (as the case may be) to receive payments under the relevant Notes. The Issuer and the Guarantor have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates.

Holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear, Clearstream, Luxembourg or CDP (as the case may be) to appoint appropriate proxies.

Similarly, holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right under the respective Global Notes or Global Certificates to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the English Law Trust Deed or the Singapore Law Trust Deed, as the case may be.

Singapore taxation risk

The Notes to be issued from time to time under the Programme during the period from the date of this Offering Circular to 31 December 2023 are, pursuant to the Income Tax Act, Chapter 134 of Singapore ("**ITA**"), intended to be qualifying debt securities for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section "Taxation – Singapore Taxation".

However, there is no assurance that any Notes issued under the Programme will continue to enjoy the tax concessions should the relevant tax laws or MAS circulars be amended or revoked at any time.

If payments of interest and other income (if any) with respect to the Singapore Dollar Notes are not exempt from Singapore withholding tax under the above qualifying debt securities scheme for whatever reason, such payments to non-residents of Singapore would generally be subject to withholding of tax by the Issuer, and the Issuer is not obliged to pay any additional amounts with respect to such payments in respect of the Singapore Dollar Notes in connection with such withholding tax.

Risks related to the market generally.

There is no active trading market for the Notes

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have an adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer or the Guarantor to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risk

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Inflation risk

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

The market value of the Notes may fluctuate

Trading prices of the Notes are influenced by numerous factors, including the operating results, business and/or financial condition of the Issuer, the Guarantor and the Singtel Group, political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, the Guarantor and the Singtel Group generally. Adverse economic developments, acts of war and health hazards in countries in which the Singtel Group operates could have a material adverse effect on the Singtel Group's operations, operating results, business, financial position, and performance.

Global financial turmoil has led to volatility in international capital markets which may adversely affect the market price of any Series of Notes

Global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may adversely affect the market price of any Series of Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should seek independent legal advice to determine whether and to what extent (1) Notes are legal investments for the potential investor, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

TERMS AND CONDITIONS OF THE NOTES GOVERNED BY SINGAPORE LAW

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are constituted by an Amended and Restated Singapore Law Trust Deed (as amended or supplemented as at the date of issue of the Notes (the "**Issue Date**"), the "**Trust Deed**") dated 25 July 2016 between the Issuer, the Guarantor and The Bank of New York Mellon, London Branch (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Amended and Restated Agency Agreement (as amended or supplemented as at the Issue Date, the "**Agency Agreement**") dated 29 July 2013 has been entered into in relation to the Notes between the Issuer, the Guarantor, the Trustee, The Bank of New York Mellon, London Branch as initial issuing and paying agent, paying agent in relation to each Series of Notes other than Series of Notes to be held through CDP and DTC and initial calculation agent, The Bank of New York Mellon as initial DTC paying agent, exchange agent, transfer agent and registrar in relation to each Series of Notes to be held through DTC, The Bank of New York Mellon, Singapore Branch as initial CDP paying agent, transfer agent and registrar in relation to each Series of Notes to be held through CDP, The Bank of New York Mellon SA/NV, Luxembourg Branch as initial transfer agent and registrar in relation to each Series of Registered Notes (as defined below) other than Series of Notes to be held through CDP and DTC. The issuing and paying agent, the DTC paying agent, the CDP paying agent, the other paying agents, the registrars, the exchange agent, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**DTC Paying Agent**", the "**CDP Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent, the DTC Paying Agent and the CDP Paying Agent), the "**Registrars**", the "**Exchange Agent**", the "**Transfer Agents**" (which expression shall include the Registrars) and the "**Calculation Agent(s)**". For the purposes of these Conditions, all references (other than in relation to the determination of interest and other amounts payable in respect of the Notes) to the Issuing and Paying Agent shall (i) with respect to a Series of Notes to be held through DTC, be deemed to be a reference to the DTC Paying Agent and (ii) with respect to a Series of Notes to be held through CDP, be deemed to be a reference to the CDP Paying Agent and all such references shall be construed accordingly. Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at One Canada Square, 40th Floor, London E14 5AL, United Kingdom) and at the specified offices of the Paying Agents and the Transfer Agents.

Notes may be denominated in Singapore dollars ("**Singapore Dollar Notes**") or in other currencies ("**Non-Singapore Dollar Notes**"). The Noteholders, the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects.

1 Form, Denomination and Title

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown hereon provided that in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a Prospectus under the Prospectus Directive, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

*All Registered Notes shall have the same Specified Denomination. Unless otherwise permitted by the then current laws and regulations, Notes which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") will have a minimum denomination of £100,000 (or its equivalent in other currencies). Notes sold in reliance on Rule 144A will be in minimum denominations of US$100,000 (or its equivalent in another currency) and higher integral multiples of US$1,000 (or its equivalent in another currency) in excess thereof, subject to compliance with all legal and/or regulatory requirements applicable to the relevant currency. Notes which are listed on SGX-ST will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies) or such other amount as may be allowed or required from time to time.*

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 No Exchange of Notes and Transfers of Registered Notes

(a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) **Transfer of Registered Notes:** Subject to paragraph (f) (*Closed Periods*), one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within five business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for transfer, exercise or redemption. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any due date for the payment of interest.

3 Guarantee and Status

(a) **Guarantee:** The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes, the Receipts and the Coupons. Its obligations in that respect (the "**Guarantee**") are contained in the Trust Deed.

(b) **Status of Notes and Guarantee:** The Notes and the Receipts and Coupons relating to them constitute (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and Coupons relating to them and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable law and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and the Guarantor respectively, present and future.

4 Negative Pledge

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor will create, or permit to subsist, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness of the Issuer or the Guarantor, or any guarantee or indemnity by the Issuer or the Guarantor in respect of any Relevant Indebtedness of the Issuer or the Guarantor or any of the Subsidiaries (as defined in the Trust Deed) of the Guarantor, without at the same time or prior thereto according to the

Notes and the Coupons the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity, or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Noteholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

In this Condition, "**Relevant Indebtedness**" means any indebtedness which is in the form of, or represented by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange or over-the-counter or other securities market having an original maturity of more than 365 days from their date of issue.

5 Interest and other Calculations

(a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(i).

(b) **Interest on Floating Rate Notes and Index Linked Interest Notes (for Non-Singapore Dollar Notes only):**

(i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(i). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified hereon;

(y) the Designated Maturity is a period specified hereon; and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

(y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(iv) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(c) **Interest on Floating Rate Notes and Index Linked Interest Notes (for Singapore Dollar Notes only):**

(i) *Interest Payment Dates:* Each Floating Rate Note or Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period specified hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes:* Each Floating Rate Note bears interest at a floating rate determined by reference to the Reference Rate as stated hereon, including (in the case of Singapore Dollar Notes) Swap Rate (in which case such Note will be a Swap Rate Note). A "**Swap Rate Note**" means a Note which bears interest calculated in the manner set out in paragraph (B) below.

(iv) *Determination of Rate of Interest:* The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Calculation Agent on the basis of the following provisions:

(A) In the case of Floating Rate Notes which are not Swap Rate Notes, the Calculation Agent will determine the Rate of Interest in respect of any Interest Accrual Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period as follows:

(1) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest in respect of each Interest Accrual Period will, subject as provided below, be:

(aa) the Reference Rate (where such Reference Rate on the Relevant Screen Page is a composite quotation or is customarily supplied by one entity); or (bb) the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the Reference Rates of the persons whose Reference Rates appear on the Relevant Screen Page, in each case appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date;

(2) if the Relevant Screen Page is not available or if paragraph (A)(1)(aa) above applies and no Reference Rate appears on the Relevant Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (A)(1)(bb) above applies and fewer than two Reference Rates appear on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the Reference Rates that each of the Reference Banks is quoting to leading banks in Singapore at the Relevant Time on the Interest Determination Date; and

(3) if paragraph (A)(2) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(B) In the case of Floating Rate Notes which are Swap Rate Notes:

(1) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Accrual Period, determine the Rate of Interest for such Interest Accrual Period as being the rate which appears on the Reuters Screen ABSFIX1 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Accrual Period;

(2) if on any Interest Determination Date no such rate is quoted on Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest for such Interest Accrual Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest 5 decimal places)) for a period equal to the duration of such Interest Accrual Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Calculation Agent may select;

(3) if on any Interest Determination Date the Calculation Agent is otherwise unable to determine the Rate of Interest under paragraphs (1) and (2) above, the Rate of Interest shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest

Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Accrual Period by whatever means they determine to be most appropriate, or if on such Interest Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Accrual Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the prime lending rates for Singapore Dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date; and

(4) if paragraph (3) above applies and the Calculation Agent determines that fewer than two Reference Banks are quoting the rate as being their cost of funding or quoting the prime lending rates for Singapore Dollars on such Interest Determination Date, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(C) On the last day of each Interest Accrual Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Accrual Period relates at the Rate of Interest for such Interest Accrual Period.

(v) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(d) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(e) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

(f) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(g) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date.

(h) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding:**

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with this Condition 5 by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(i) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(j) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(k) **Determination or Calculation by Trustee:** If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, and no replacement Calculation Agent has been appointed by the Issuer within 2 Business Days of the relevant Determination Date or Interest Determination Date, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(l) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

(i) in the case of Notes denominated in a currency other than Singapore Dollars or euros, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or

(ii) in the case of Notes denominated in euros, a day on which the TARGET system is operating (a "**TARGET Business Day**") and/or

(iii) in the case of Singapore Dollar Notes, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments to Singapore and/or

(iv) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual – ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)

(ii) if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365

(iii) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360

(iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30

(v) if "**30E/360**" or "**Eurobond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30

(vi) if "**30E/360 (ISDA)**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30

(vii) if "**Actual/Actual-ICMA**" is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"**Determination Date**" means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified hereon.

"**Interest Determination Date**" means (x) in the case of Non-Singapore Dollar Notes, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro; or (y) in the case of Singapore Dollar Notes, in respect of any Interest Accrual Period, that number of Business Days in Singapore prior to the first day of the Interest Accrual Period as specified hereon.

"**Interest Period**" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified hereon.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

"**Reference Banks**" means (i) in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market; (ii) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market; and (iii) in the case of a determination of the relevant Reference Rate, SIBOR or Swap Rate, the principal Singapore office of three major banks in the Singapore inter-bank market in each case selected by the Calculation Agent or as specified hereon.

"**Reference Rate**" means the rate specified as such hereon.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified hereon or such other page, section, caption, column or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

"**Relevant Time**" means 11.00 a.m. (Singapore time).

"**Specified Currency**" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(m) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation

Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee or an Extraordinary Resolution of holders of the Notes) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6 Redemption, Purchase and Options

(a) **Redemption by Instalments and Final Redemption:**

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) **Early Redemption:**

(i) *Zero Coupon Notes:*

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Note) or at any time (if this Note is neither a Floating Rate Note nor an Index Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as described under Condition 8 as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or, in each case, any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, or the Notes do not qualify as "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer (or the Guarantor, as the case may be) has or will become obliged to pay such additional amounts as a result of such change or amendment.

(d) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(e) **Redemption at the Option of Noteholders:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.

(g) **Purchases:** The Issuer, the Guarantor and any of their respective Subsidiaries as defined in the Trust Deed may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(h) **Cancellation:** All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

7 Payments and Talons

(a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) **Registered Notes:**

(i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

(c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer and the Guarantor shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) **Payments subject to Fiscal Laws:** Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto ("**FATCA**").

(e) **Appointment of Agents:** The Issuing and Paying Agent, the DTC Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrars, the Exchange Agent, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Issuing and Paying Agent, the DTC Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrars, the Exchange Agent, the Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, the DTC Paying Agent, the CDP Paying Agent, any other Paying Agent, the Registrars, the Exchange Agent, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) an Exchange Agent in relation to Restricted Global Certificates (as defined in the Trust Deed), (iv) a Transfer Agent in relation to Registered Notes, (v) a DTC Paying Agent in relation to Notes cleared through DTC, (vi) a CDP Paying Agent in relation to Notes cleared through CDP, (vii) one or more Calculation Agent(s) where the Conditions so require, (viii) a Paying Agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Notes are exchanged for Definitive Notes, for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, and (ix) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) **Unmatured Coupons and Receipts and unexchanged Talons:**

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes), such Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 3 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a Business Day, the holder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment.

8 Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, the Receipts and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, in relation to Singapore Dollar Notes, the Issuer or, as the case may be, the Guarantor will not be obliged to pay any additional amounts in respect of any such withholding or deduction from payments in respect of such Singapore Dollar Notes for, or on account of, any such taxes or duties, and in relation to Non-Singapore Dollar Notes, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts ("**Additional Amounts**") as shall result in receipt by the Noteholders, Receiptholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) **Other connection:** to, or to a third party on behalf of, a holder who is (i) treated as a resident of Singapore or as having a permanent establishment in Singapore for tax purposes or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Singapore other than the mere holding of the Note, Receipt or Coupon; or

(b) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day; or

(c) **Failure to comply with requirements:** which would not be payable or due but for the failure of the holder or beneficial owner of such Note, Receipt or Coupon to comply with any certification, identification or other reporting requirements of Singapore concerning the nationality, residence, identity or other attributes of such holder or beneficial owner required in connection with a claim, of eligibility for avoidance or reduction of withholding or deduction of tax under the laws of Singapore, if requested in writing addressed to such holder or beneficial owner by the Issuer to comply with such requirements.

Foreign Account Tax Compliance Act: Payments will be subject in all cases to any withholding or deduction required pursuant to FATCA, as provided in Condition 7. No Additional Amounts shall be payable by the Issuer or, as the case may be, the Guarantor, where such deduction or withholding is imposed or required to be withheld pursuant to FATCA.

9 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 3 years from the appropriate Relevant Date in respect of them, unless otherwise provided in the relevant Pricing Supplement.

10 Events of Default

If any of the following events ("**Events of Default**") occurs and is continuing, the Trustee at its discretion may, and if so requested by holders of at least 25 per cent. in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured to its satisfaction), give written notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest:

(a) default is made (in the case of principal, for more than 7 days and in the case of interest, for more than 14 days) in the payment on the due date of interest or principal in respect of any of the Notes; or

(b) the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Notes or the Trust Deed which default is not remedied within 60 days after notice of such default shall have been given to the Issuer by the Trustee; or

(c) (A) any other indebtedness of the Issuer or the Guarantor in respect of borrowed money becomes due and payable prior to its stated maturity by reason of any default, event of default or any analogous event (however described), or (B) any such indebtedness of the Issuer or the Guarantor in respect of borrowed money is not paid when due or, as the case may be, within any applicable grace period, or (C) the Issuer or the Guarantor fails to pay when due or, as the case may be, within any applicable grace period, any amount payable by it under any guarantee for, or indemnity in respect of, any moneys borrowed or raised; provided that no Event of Default will occur under this Condition 10(c) unless and until the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(c) have occurred exceeds US$100,000,000 or its equivalent in other currencies; or

(d) an order is made or an effective resolution is passed for the winding-up or dissolution of the Issuer or the Guarantor; or

(e) the Issuer or the Guarantor shall apply or petition for a winding-up or judicial management order in respect of itself or through an official action or a resolution of its board of directors ceases or threatens to cease to carry on all or a material part of its business or operations (except for any cessation or proposed cessation pursuant to either (i) a reconstruction, amalgamation, reorganisation, merger or consolidation, in each case, not involving insolvency or (ii) a disposal which is neither likely to have a material adverse effect on the ability of the Issuer to perform or comply with its payment obligations under the Notes nor likely to have a material adverse effect on the ability of the Guarantor to perform or comply with its payment obligations under the Guarantee); or

(f) (i) proceedings are initiated against the Issuer or the Guarantor under any applicable liquidation, insolvency, composition or other similar laws, or an application is made (or documents filed with a court) for the appointment of a receiver, receiver and manager, judicial manager or other similar official, or a receiver, receiver and manager, judicial manager or other similar official is appointed, in relation to the Issuer or the Guarantor or, as the case may be, in relation to the whole or a substantial part of the assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the assets of any of them, and (ii) in any case (other than the appointment of a judicial manager) is not discharged or stayed within 60 days; or

(g) the Issuer or the Guarantor initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition or other similar laws (including the obtaining of a moratorium) in respect of or affecting all or a material part of the debts of the Issuer or the Guarantor or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) in respect of or affecting all or a material part of the debts of the Issuer or the Guarantor; or

(h) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Notes and the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) in the case of Notes governed under the laws of England, to make the Notes and the Trust Deed admissible in evidence in the courts of England or in the case of Notes governed under the laws of Singapore, to make such Notes admissible in the courts of Singapore, is not taken, fulfilled or done; or

(i) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect; or

(j) it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its payment or other material obligations under any of the Notes or the Trust Deed; or

(k) any event occurs that under the laws of any relevant jurisdiction has an analogous or equivalent effect to any of the events referred to in paragraphs (d), (e), (f) or (g),

provided that in the case of paragraphs (b) and (c), the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Noteholders.

11 Meetings of Noteholders, Modification, Waiver and Substitution

(a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, or (viii) to modify or cancel the Guarantee, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

(b) **Modification and Waiver of the Trust Deed:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of applicable law or as required by Euroclear and/or Clearstream, Luxembourg and/or CDP, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

(c) **Substitution:** The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of the Issuer's successor in business or any Subsidiary (as defined in the Trust Deed) of the Issuer or its successor in business or the substitution of the Guarantor's successor in business or any Subsidiary of the Guarantor or its successor in business in place of the Issuer or the Guarantor, as the case may be, or of any previous substituted company, as principal debtor or guarantor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Receipts, the Coupons, the Talons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(d) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer or the Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

12 Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed, the Notes, the Receipts and the Coupons, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least 25 per cent. in nominal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured to its satisfaction. No Noteholder, Receiptholder or Couponholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

13 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity related to the Issuer or the Guarantor without accounting for any profit.

The Trustee may rely without liability to Noteholders or Couponholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Guarantor, the Trustee, the Noteholders and the Couponholders.

14 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer or the Guarantor may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

16 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Singapore (which is expected to be *The Business Times*). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Singapore. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

17 Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or the Guarantor or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer or the Guarantor shall only constitute a discharge to the Issuer or the Guarantor, as the case may be, to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer, failing whom the Guarantor, shall indemnify it against any loss sustained by it as a result. In any event, the Issuer, failing whom the Guarantor, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantor's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

18 Rights of Third Parties

No person shall have the right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

19 Governing Law and Jurisdiction

Governing Law: The Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, Singapore law.

Jurisdiction: The Courts of Singapore are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons, Talons or the Guarantee ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Guarantor has in the Trust Deed irrevocably submitted to the jurisdiction of the courts of Singapore and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

TERMS AND CONDITIONS OF THE NOTES GOVERNED BY ENGLISH LAW

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are constituted by an Amended and Restated English Law Trust Deed (as amended or supplemented as at the date of issue of the Notes (the "**Issue Date**"), the "**Trust Deed**") dated 25 July 2016 between the Issuer, the Guarantor and The Bank of New York Mellon, London Branch (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Amended and Restated Agency Agreement (as amended or supplemented as at the Issue Date, the "**Agency Agreement**") dated 29 July 2013 has been entered into in relation to the Notes between the Issuer, the Guarantor, the Trustee, The Bank of New York Mellon, London Branch as initial issuing and paying agent, paying agent in relation to each Series of Notes other than Series of Notes to be held through CDP and DTC and initial calculation agent, The Bank of New York Mellon as initial DTC paying agent, exchange agent, transfer agent and registrar in relation to each Series of Notes to be held through DTC, The Bank of New York Mellon, Singapore Branch as initial CDP paying agent, transfer agent and registrar in relation to each Series of Notes to be held through CDP, The Bank of New York Mellon SA/NV, Luxembourg Branch as initial transfer agent and registrar in relation to each Series of Registered Notes (as defined below) other than Series of Notes to be held through CDP and DTC. The issuing and paying agent, the DTC paying agent, the CDP paying agent, the other paying agents, the registrars, the exchange agent, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**DTC Paying Agent**", the "**CDP Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent, the DTC Paying Agent, the CDP Paying Agent), the "**Registrars**", the "**Exchange Agent**", the "**Transfer Agents**" (which expression shall include the Registrars) and the "**Calculation Agent(s)**". For the purposes of these Conditions, all references (other than in relation to the determination of interest and other amounts payable in respect of the Notes) to the Issuing and Paying Agent shall (i) with respect to a Series of Notes to be held through DTC, be deemed to be a reference to the DTC Paying Agent and (ii) with respect to a Series of Notes to be held through CDP, be deemed to be a reference to the CDP Paying Agent and all such references shall be construed accordingly. Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at One Canada Square, 40th Floor, London E14 5AL, United Kingdom) and at the specified offices of the Paying Agents and the Transfer Agents.

Notes may be denominated in Singapore dollars ("**Singapore Dollar Notes**") or in other currencies ("**Non-Singapore Dollar Notes**"). The Noteholders, the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects.

1 Form, Denomination and Title

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown hereon provided that in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a Prospectus under the Prospectus Directive, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

*All Registered Notes shall have the same Specified Denomination. Unless otherwise permitted by the then current laws and regulations, Notes which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") will have a minimum denomination of £100,000 (or its equivalent in other currencies). Notes sold in reliance on Rule 144A will be in minimum denominations of US$100,000 (or its equivalent in another currency) and higher integral multiples of US$1,000 (or its equivalent in another currency) in excess thereof, subject to compliance with all legal and/or regulatory requirements applicable to the relevant currency. Notes which are listed on SGX-ST will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies) or such other amount as may be allowed or required from time to time.*

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 No Exchange of Notes and Transfers of Registered Notes

(a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) **Transfer of Registered Notes:** Subject to paragraph (f) (*Closed Periods*), one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within five business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for transfer, exercise or redemption. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any due date for the payment of interest.

3 Guarantee and Status

(a) **Guarantee:** The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes, the Receipts and the Coupons. Its obligations in that respect (the "**Guarantee**") are contained in the Trust Deed.

(b) **Status of Notes and Guarantee:** The Notes and the Receipts and Coupons relating to them constitute (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and Coupons relating to them and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable law and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and the Guarantor respectively, present and future.

4 Negative Pledge

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor will create, or permit to subsist, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness of the Issuer or the Guarantor, or any guarantee or indemnity by the Issuer or the Guarantor in respect of any Relevant Indebtedness of the Issuer or the Guarantor or any of the Subsidiaries (as defined in the Trust Deed) of the Guarantor, without at the same time or prior thereto according to the

Notes and the Coupons the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity, or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Noteholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

In this Condition, "**Relevant Indebtedness**" means any indebtedness which is in the form of, or represented by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange or over-the-counter or other securities market having an original maturity of more than 365 days from their date of issue.

5 Interest and other Calculations

(a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(i).

(b) **Interest on Floating Rate Notes and Index Linked Interest Notes (for Non-Singapore Dollar Notes only):**

(i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(i). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified hereon;

(y) the Designated Maturity is a period specified hereon; and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

(y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(iv) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(c) **Interest on Floating Rate Notes and Index Linked Interest Notes (for Singapore Dollar Notes only):**

(i) *Interest Payment Dates:* Each Floating Rate Note or Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period specified hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes:* Each Floating Rate Note bears interest at a floating rate determined by reference to the Reference Rate as stated hereon, including (in the case of Singapore Dollar Notes) Swap Rate (in which case such Note will be a Swap Rate Note). A "**Swap Rate Note**" means a Note which bears interest calculated in the manner set out in paragraph (B) below.

(iv) *Determination of Rate of Interest:* The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Calculation Agent on the basis of the following provisions:

(A) In the case of Floating Rate Notes which are not Swap Rate Notes, the Calculation Agent will determine the Rate of Interest in respect of any Interest Accrual Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period as follows:

(1) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest in respect of each Interest Accrual Period will, subject as provided below, be:

(aa) the Reference Rate (where such Reference Rate on the Relevant Screen Page is a composite quotation or is customarily supplied by one entity); or (bb) the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the Reference Rates of the persons whose Reference Rates appear on the Relevant Screen Page, in each case appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date;

(2) if the Relevant Screen Page is not available or if paragraph (A)(1)(aa) above applies and no Reference Rate appears on the Relevant Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (A)(1)(bb) above applies and fewer than two Reference Rates appear on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the Reference Rates that each of the Reference Banks is quoting to leading banks in Singapore at the Relevant Time on the Interest Determination Date; and

(3) if paragraph (A)(2) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(B) In the case of Floating Rate Notes which are Swap Rate Notes:

(1) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Accrual Period, determine the Rate of Interest for such Interest Accrual Period as being the rate which appears on the Reuters Screen ABSFIX1 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Accrual Period;

(2) if on any Interest Determination Date no such rate is quoted on Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest for such Interest Accrual Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest 5 decimal places)) for a period equal to the duration of such Interest Accrual Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Calculation Agent may select;

(3) if on any Interest Determination Date the Calculation Agent is otherwise unable to determine the Rate of Interest under paragraphs (1) and (2) above, the Rate of Interest shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest

Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Accrual Period by whatever means they determine to be most appropriate, or if on such Interest Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Accrual Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 5 decimal places) of the prime lending rates for Singapore Dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date; and

(4) if paragraph (3) above applies and the Calculation Agent determines that fewer than two Reference Banks are quoting the rate as being their cost of funding or quoting the prime lending rates for Singapore Dollars on such Interest Determination Date, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(C) On the last day of each Interest Accrual Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Accrual Period relates at the Rate of Interest for such Interest Accrual Period.

(v) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(d) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(e) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

(f) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(g) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date.

(h) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding:**

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with this Condition 5 by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(i) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(j) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(k) **Determination or Calculation by Trustee:** If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, and no replacement Calculation Agent has been appointed by the Issuer within 2 Business Days of the relevant Determination Date or Interest Determination Date, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(l) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

(i) in the case of Notes denominated in a currency other than Singapore Dollars or euros, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or

(ii) in the case of Notes denominated in euros, a day on which the TARGET system is operating (a "**TARGET Business Day**") and/or

(iii) in the case of Singapore Dollar Notes, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments to Singapore and/or

(iv) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual – ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)

(ii) if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365

(iii) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360

(iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \text{ x } (Y_2 - Y_1)] + [30 \text{ x } (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30

(v) if "**30E/360**" or "**Eurobond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \text{ x } (Y_2 - Y_1)] + [30 \text{ x } (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30

(vi) if "**30E/360 (ISDA)**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30

(vii) if "**Actual/Actual-ICMA**" is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"**Determination Date**" means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s)

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified hereon.

"**Interest Determination Date**" means (x) in the case of Non-Singapore Dollar Notes, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro; or (y) in the case of Singapore Dollar Notes, in respect of any Interest Accrual Period, that number of Business Days in Singapore prior to the first day of the Interest Accrual Period as specified hereon.

"**Interest Period**" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified hereon.

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

"**Reference Banks**" means (i) in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market; (ii) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market; and (iii) in the case of a determination of the relevant Reference Rate, SIBOR or Swap Rate, the principal Singapore office of three major banks in the Singapore inter-bank market in each case selected by the Calculation Agent or as specified hereon.

"**Reference Rate**" means the rate specified as such hereon.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified hereon or such other page, section, caption, column or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

"**Relevant Time**" means 11.00 a.m. (Singapore time).

"**Specified Currency**" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(m) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation

Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee or an Extraordinary Resolution of holders of the Notes) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6 Redemption, Purchase and Options

(a) **Redemption by Instalments and Final Redemption:**

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) **Early Redemption:**

(i) *Zero Coupon Notes:*

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Note) or at any time (if this Note is neither a Floating Rate Note nor an Index Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as described under Condition 8 as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or, in each case, any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, or the Notes do not qualify as "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer (or the Guarantor, as the case may be) has or will become obliged to pay such additional amounts as a result of such change or amendment.

(d) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(e) **Redemption at the Option of Noteholders:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.

(g) **Purchases:** The Issuer, the Guarantor and any of their respective Subsidiaries as defined in the Trust Deed may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(h) **Cancellation:** All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

7 Payments and Talons

(a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) **Registered Notes:**

(i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

(c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer and the Guarantor shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) **Payments subject to Fiscal Laws:** Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto ("**FATCA**").

(e) **Appointment of Agents:** The Issuing and Paying Agent, the DTC Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrars, the Exchange Agent, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Issuing and Paying Agent, the DTC Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrars, the Exchange Agent, the Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, the DTC Paying Agent, the CDP Paying Agent, any other Paying Agent, the Registrars, the Exchange Agent, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) an Exchange Agent in relation to Restricted Global Certificates (as defined in the Trust Deed), (iv) a Transfer Agent in relation to Registered Notes, (v) a DTC Paying Agent in relation to Notes cleared through DTC, (vi) a CDP Paying Agent in relation to Notes cleared through CDP, (vii) one or more Calculation Agent(s) where the Conditions so require, (viii) a Paying Agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Notes are exchanged for Definitive Notes, for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require and (ix) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) **Unmatured Coupons and Receipts and unexchanged Talons:**

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes), such Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 3 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a Business Day, the holder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment.

8 Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, the Receipts and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, in relation to Singapore Dollar Notes, the Issuer or, as the case may be, the Guarantor will not be obliged to pay any additional amounts in respect of any such withholding or deduction from payments in respect of such Singapore Dollar Notes for, or on account of, any such taxes or duties, and in relation to Non-Singapore Dollar Notes, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts ("**Additional Amounts**") as shall result in receipt by the Noteholders, Receiptholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) **Other connection:** to, or to a third party on behalf of, a holder who is (i) treated as a resident of Singapore or as having a permanent establishment in Singapore for tax purposes or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Singapore other than the mere holding of the Note, Receipt or Coupon; or

(b) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day; or

(c) **Failure to comply with requirements:** which would not be payable or due but for the failure of the holder or beneficial owner of such Note, Receipt or Coupon to comply with any certification, identification or other reporting requirements of Singapore concerning the nationality, residence, identity or other attributes of such holder or beneficial owner required in connection with a claim, of eligibility for avoidance or reduction of withholding or deduction of tax under the laws of Singapore, if requested in writing addressed to such holder or beneficial owner by the Issuer to comply with such requirements.

Foreign Account Tax Compliance Act: Payments will be subject in all cases to any withholding or deduction required pursuant to FATCA, as provided in Condition 7. No Additional Amounts shall be payable by the Issuer or, as the case may be, the Guarantor, where such deduction or withholding is imposed or required to be withheld pursuant to FATCA.

9 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 3 years from the appropriate Relevant Date in respect of them, unless otherwise provided in the relevant Pricing Supplement.

10 Events of Default

If any of the following events ("**Events of Default**") occurs and is continuing, the Trustee at its discretion may, and if so requested by holders of at least 25 per cent. in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured to its satisfaction), give written notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest:

(a) default is made (in the case of principal, for more than 7 days and in the case of interest, for more than 14 days) in the payment on the due date of interest or principal in respect of any of the Notes; or

(b) the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Notes or the Trust Deed which default is not remedied within 60 days after notice of such default shall have been given to the Issuer by the Trustee; or

(c) (A) any other indebtedness of the Issuer or the Guarantor in respect of borrowed money becomes due and payable prior to its stated maturity by reason of any default, event of default or any analogous event (however described), or (B) any such indebtedness of the Issuer or the Guarantor in respect of borrowed money is not paid when due or, as the case may be, within any applicable grace period, or (C) the Issuer or the Guarantor fails to pay when due or, as the case may be, within any applicable grace period, any amount payable by it under any guarantee for, or indemnity in respect of, any moneys borrowed or raised; provided that no Event of Default will occur under this Condition 10(c) unless and until the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(c) have occurred exceeds US$100,000,000 or its equivalent in other currencies; or

(d) an order is made or an effective resolution is passed for the winding-up or dissolution of the Issuer or the Guarantor; or

(e) the Issuer or the Guarantor shall apply or petition for a winding-up or judicial management order in respect of itself or through an official action or a resolution of its board of directors ceases or threatens to cease to carry on all or a material part of its business or operations (except for any cessation or proposed cessation pursuant to either (i) a reconstruction, amalgamation, reorganisation, merger or consolidation, in each case, not involving insolvency or (ii) a disposal which is neither likely to have a material adverse effect on the ability of the Issuer to perform or comply with its payment obligations under the Notes nor likely to have a material adverse effect on the ability of the Guarantor to perform or comply with its payment obligations under the Guarantee); or

(f) (i) proceedings are initiated against the Issuer or the Guarantor under any applicable liquidation, insolvency, composition or other similar laws, or an application is made (or documents filed with a court) for the appointment of a receiver, receiver and manager, judicial manager or other similar official, or a receiver, receiver and manager, judicial manager or other similar official is appointed, in relation to the Issuer or the Guarantor or, as the case may be, in relation to the whole or a substantial part of the assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the assets of any of them, and (ii) in any case (other than the appointment of a judicial manager) is not discharged or stayed within 60 days; or

(g) the Issuer or the Guarantor initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition or other similar laws (including the obtaining of a moratorium) in respect of or affecting all or a material part of the debts of the Issuer or the Guarantor or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) in respect of or affecting all or a material part of the debts of the Issuer or the Guarantor; or

(h) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Notes and the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) in the case of Notes governed under the laws of England, to make the Notes and the Trust Deed admissible in evidence in the courts of England or in the case of Notes governed under the laws of Singapore, to make such Notes admissible in the courts of Singapore, is not taken, fulfilled or done; or

(i) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect; or

(j) it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its payment or other material obligations under any of the Notes or the Trust Deed; or

(k) any event occurs that under the laws of any relevant jurisdiction has an analogous or equivalent effect to any of the events referred to in paragraphs (d), (e), (f) or (g),

provided that in the case of paragraphs (b) and (c), the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Noteholders.

11 Meetings of Noteholders, Modification, Waiver and Substitution

(a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, or (viii) to modify or cancel the Guarantee, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

(b) **Modification and Waiver of the Trust Deed:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of applicable law or as required by Euroclear and/or Clearstream, Luxembourg and/or CDP, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

(c) **Substitution:** The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of the Issuer's successor in business or any Subsidiary (as defined in the Trust Deed) of the Issuer or its successor in business or the substitution of the Guarantor's successor in business or any Subsidiary of the Guarantor or its successor in business in place of the Issuer or the Guarantor, as the case may be, or of any previous substituted company, as principal debtor or guarantor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Receipts, the Coupons, the Talons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(d) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer or the Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

12 Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed, the Notes, the Receipts and the Coupons, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least 25 per cent. in nominal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured to its satisfaction. No Noteholder, Receiptholder or Couponholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

13 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity related to the Issuer or the Guarantor without accounting for any profit.

The Trustee may rely without liability to Noteholders or Couponholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Guarantor, the Trustee, the Noteholders and the Couponholders.

14 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer or the Guarantor may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

16 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Singapore (which is expected to be The *Business Times*). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Singapore. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

17 Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or the Guarantor or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer or the Guarantor shall only constitute a discharge to the Issuer or the Guarantor, as the case may be, to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer, failing whom the Guarantor, shall indemnify it against any loss sustained by it as a result. In any event, the Issuer, failing whom the Guarantor, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantor's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

18 Rights of Third Parties

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

19 Governing Law and Jurisdiction

(a) **Governing Law:** The Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) **Jurisdiction:** The Courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons, Talons or the Guarantee ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Guarantor has in the Trust Deed irrevocably submitted to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

(c) **Service of Process:** Each of the Issuer and the Guarantor has in the Trust Deed irrevocably appointed Singtel (Europe) Limited of Birchin Court, 20 Birchin Lane, London EC3V 9DU, United Kingdom as their agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not, it is forwarded to and received by the Issuer or the Guarantor). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, each of the Issuer and the Guarantor irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 16. Nothing shall affect the right to serve process in any manner permitted by law.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1 INITIAL ISSUE OF NOTES

Global Notes and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depositary or CDP.

Upon the initial deposit of a Global Note with CDP or a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**") or registration of Registered Notes in the name of CDP or any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to CDP or the Common Depositary, CDP, Euroclear or Clearstream, Luxembourg, as the case may be, will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Upon the initial deposit of a Global Certificate in respect of, and registration of, Registered Notes in the name of a nominee for DTC and delivery of the relevant Global Certificate to the Custodian for DTC, DTC will credit each participant with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with CDP or the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear, Clearstream, Luxembourg and/or CDP held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg, CDP and/or other clearing systems.

2 RELATIONSHIP OF ACCOUNTHOLDERS WITH CLEARING SYSTEMS

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, DTC, CDP or any other clearing system ("**Alternative Clearing System**") as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg, DTC, CDP or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, DTC, CDP or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3 EXCHANGE

3.1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "Overview of the Programme – Selling Restrictions"), in whole, but not in part, for the Definitive Notes defined and described below; and

(ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

3.2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes (i) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, or (ii) if the permanent Global Note is held by or on behalf of CDP and (a) an Event of Default (as defined in the Terms and Conditions of the Notes) entitling the Trustee to declare all the Notes to be due and payable as provided in the Terms and Conditions of the Notes has occurred and is continuing, (b) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), (c) CDP has announced an intention to permanently cease business and no alternative clearing system is available or (d) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in its terms and conditions for the provision of depository services and no alternative clearing system is available.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holdings and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 Permanent Global Certificates

(a) Unrestricted Global Certificates

If the Pricing Supplement states that the Notes are to be represented by an Unrestricted Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear, Clearstream, Luxembourg, CDP or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by an Unrestricted Global Certificate pursuant to Condition 2(b) may only be made:

(i) in whole but not in part, if the Notes represented by the Unrestricted Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(ii) if the Notes represented by the Unrestricted Global Certificate are held by or on behalf of CDP and (a) an Event of Default (as defined in the Terms and Conditions of the Notes) entitling the Trustee to declare all the Notes to be due and payable as provided in the Terms and Conditions of the Notes has occurred and is continuing, (b) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), (c) CDP has announced an intention to permanently cease business and no alternative clearing system is available or (d) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in its terms and conditions for the provision of depository services and no alternative clearing system is available; or

(iii) in whole or in part, with the consent of the Issuer,

provided that, in the case a transfer pursuant to 3.3(a)(i) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

(b) Restricted Global Certificates

If the Pricing Supplement states that the Restricted Notes are to be represented by a Restricted Global Certificate on issue, the following will apply in respect of transfers of Notes held in DTC. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of DTC, but will limit the circumstances in which the Notes may be withdrawn from DTC. Transfers of the holding of Notes represented by that Restricted Global Certificate pursuant to Condition 2(b) may only be made:

(i) in whole but not in part, if such Notes are held on behalf of a Custodian for DTC and if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to that Restricted Global Certificate or DTC ceases to be a "clearing agency" registered under the Exchange Act or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC; or

(ii) in whole or in part, with the Issuer's consent,

provided that, in the case of any transfer pursuant to 3.3(b)(i) above, the relevant Noteholder has given the relevant Registrar not less than 30 days' notice at its specified office of the Noteholder's intention to effect such transfer. Individual Certificates issued in exchange for a beneficial interest in a Restricted Global Certificate shall bear the legend applicable to such Notes as set out in "Transfer Restrictions".

3.4 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of Euroclear, Clearstream, Luxembourg or an Alternative Clearing System and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

3.5 Delivery of Notes

On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. Global Notes and Definitive Notes will be delivered outside the United States and its possessions. In this Offering Circular, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the English Law Trust Deed or the Singapore Law Trust Deed, as the case may be. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.6 Exchange Date

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given or, where applicable, after the 14th day on which a clearing system is closed for business, and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

4 AMENDMENT TO CONDITIONS

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes governed by English Law and the terms and conditions of the Notes governed by Singapore Law set out in this Offering Circular. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 7(e)(vii) and Condition 8(d) will apply to the Definitive Notes only.

All payments in respect of Notes cleared through a clearing system other than CDP represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which is the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

4.2 Prescription

Claims against the Issuer and/or the Guarantor in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 3 years (in the case of principal) and 3 years (in the case of interest) from the appropriate Relevant Date (as defined in the Conditions).

4.3 Meetings

The holder of a permanent Global Note or of Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

4.4 Cancellation

Cancellation of any Note represented by a permanent Global Note or Global Certificate that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note or its presentation to or to the order of the Issuing and Paying Agent for endorsement in the relevant schedule of such permanent Global Note or in the case of a Global Certificate, by reduction in the aggregate principal amount of the Certificates in the register of the certificateholders, whereupon the principal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

4.5 Purchase

Notes represented by a permanent Global Note or Global Certificate may only be purchased by the Issuer, the Guarantor or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

4.6 Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note or Global Certificate shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg, DTC, CDP or any other clearing system (as the case may be).

4.7 Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note or Global Certificate may be exercised by the holder of the permanent Global Note or Global Certificate giving notice to the Issuing and Paying Agent (or, in the case of Notes cleared through DTC, the DTC Paying Agent and, in the case of Notes cleared through CDP, the CDP Paying Agent) within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the permanent Global Note or Global Certificate to the Issuing and Paying Agent, or, in the case of Notes cleared through DTC, the DTC Paying Agent or, in the case of Notes cleared through CDP, the CDP Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation.

4.8 Trustee's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

4.9 Events of Default

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Issuing and Paying Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note cleared through CDP or Registered Notes represented by a Global Certificate cleared through CDP may elect for direct enforcement rights against the Issuer and the Guarantor under the terms of a Deed of Covenant executed as a deed by the Issuer and the Guarantor on 29 July 2010 to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

4.10 Notices

So long as any Notes are represented by a Global Note or Global Certificate and such Global Note or Global Certificate is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate.

5 PARTLY PAID NOTES

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes or Global Certificates. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or Global Certificate or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Notes will be applied by the Issuer to fund its ordinary course of business. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

DESCRIPTION OF THE ISSUER

The Issuer, a wholly-owned subsidiary of Singtel, is a private company limited by shares incorporated under the laws of Singapore on 7 March 2001. The principal activities of the Issuer are the provision of finance and treasury services to Singtel and its related companies. The Issuer will utilise the net proceeds of the Issue, after deducting issue expenses, to fund its ordinary course of business. The Issuer's registered office is located at 31 Exeter Road, Comcentre, Singapore 239732. The issued share capital of the Issuer is S$50,000,000.00 comprising fifty million ordinary shares issued and held by Singtel.

No financial statements for the Issuer are included in this Offering Circular, and the Issuer will not publish financial statements on an interim basis or otherwise (except for such statements, if any, which the Issuer is required by Singapore law to publish). The Issuer intends to furnish to the Trustee within 180 days after the end of each financial year a copy of its audited accounts as at the end of and for that financial year. Any such information or report, if published, will be made available for inspection during normal business hours at the specified office of the Paying Agent.

The following table sets forth the name and position of each member of the Board of Directors of the Issuer:

Name	Position
Ms. Chua Sock Koong	Director
Ms. Lim Cheng Cheng	Director

The establishment and update of the Programme was approved by the Board of Directors of the Issuer on 22 July 2010.

DESCRIPTION OF SINGTEL AND THE SINGTEL GROUP

History and Background

Singtel traces its heritage, through its predecessors, to 1879 and has played an integral part in the development of Singapore as a major communications hub in the region.

Telecommunications services in Singapore first started in the late 19th century. Telecommunications services in Singapore were provided by the Telecommunication Authority of Singapore, a Singapore Government statutory board, from 1972 until its privatisation in 1992.

Singtel was incorporated in 1992 and was listed on the SGX-ST on 1 November 1993. Based on its closing price of S$3.50 on 10 July 2019, Singtel had a market capitalisation of S$57.2 billion and is one of the largest listed companies on the SGX-ST by market capitalisation. The Singtel Group provides a wide spectrum of multimedia and ICT solutions, including voice, data and video services over fixed and wireless platforms.

The Singtel Group's main operations are in Singapore and Australia. Headquartered in Singapore, the Singtel Group has played an integral role in the development of the country as a major communications hub in the region. In Australia, Optus is the second largest provider of telecommunications services in terms of revenue. It remains Australia's primary fully integrated fixed and mobile telecommunications competitor to the incumbent operator, Telstra Corporation Limited ("**Telstra**"). The Singtel Group is a major communications player in Asia and Africa through its strategic investments in Bharti Airtel Limited (India), PT Telekomunikasi Selular (Indonesia), Advanced Info Service Public Company Limited and Intouch Holdings Public Company Limited (both in Thailand) and Globe Telecom, Inc. (the Philippines) (collectively, "**Regional Associates and Joint Ventures**"). Bharti Airtel Limited also has a significant presence in Sri Lanka and Africa.

As a long term strategic investor, the Singtel Group, with its associates and joint ventures, continues to leverage its scale in networks, customer reach and operational experience to grow its business. As at 31 March 2019, the Singtel Group and its Regional Associates and Joint Ventures had a combined regional customer base of over 690 million mobile customers.

To serve the needs of multinational corporations, the Singtel Group has a vast network of offices in countries and territories across the globe.

The Singtel Group is organised into three business segments, Group Consumer, Group Enterprise and Group Digital Life, to better serve the evolving needs of its customers and to capture growth opportunities globally.

Group Consumer comprises the Singtel Group's consumer-related businesses, including its investments in the emerging markets, giving it the potential to fully leverage the scale of its mobile customer base to maximise collaborative outcomes in areas such as network, IT, marketing, product development and procurement. A key goal is to increase sales of higher value services through next generation communication, multimedia entertainment and technology services, to meet increasingly connected digital lifestyles of retail consumers and small businesses across Asia-Pacific.

Group Enterprise provides innovative and comprehensive telecommunication and ICT solutions to the Singtel Group's enterprise customers across geographical boundaries, including voice, satellite services, international and local leased circuits, international data and managed services, cybersecurity services, smart city solutions, cloud computing and enterprise mobility services. Integrated end-to-end telecommunications and ICT solutions are provided with complementary IT integration capabilities from its subsidiaries, the NCS Group in Singapore and Alphawest Pty Ltd and Ensyst Pty Ltd in Australia, and managed security services through its cybersecurity group, Trustwave.

Group Digital Life drives the Singtel Group's efforts to capture opportunities in the digital world. It focuses on opportunities in digital marketing, regional premium video and advanced analytics and intelligence capabilities. Leveraging on the Singtel Group's assets such as the scale of its regional customer base, payments mechanisms, data analytics engine and extensive customer touch points, it aims to create services that enable customers to enhance their digital experiences.

For the financial year ended 31 March 2019, the Singtel Group's operating revenue was S$17.37 billion and net profit was S$3.10 billion.

Competitive Strengths of the Singtel Group

The Singtel Group believes that it possesses a number of competitive strengths that position it to execute its business plan and strategies.

Growing mobile penetration in emerging markets and strong competitive position in key markets

The Singtel Group and its Regional Associates and Joint Ventures presently operate across seven markets in Asia-Pacific, namely, Australia, India, Indonesia, the Philippines, Singapore, Sri Lanka and Thailand, as well as across Africa. The operations in the emerging markets, particularly India and Indonesia, have grown significantly as demand for mobile telecommunications services increases due to a combination of rising affluence, general economic progress, falling network and handset costs, population growth and low availability of traditional fixed-line telecommunications infrastructure. The Singtel Group expects to take advantage of continued growth in mobile penetration and data usage in these markets.

The Singtel Group and its Regional Associates and Joint Ventures compete from a strong position in many of the markets in which they operate, for example, it is the number one or number two mobile operator in the markets of Singapore, Australia, India, Indonesia, the Philippines and Thailand.

Operating leverage through group scale and group-wide initiatives

The telecommunications industry is undergoing significant transformation. Previously well-defined competitive boundaries are becoming less distinct. Traditional telecommunications companies ("**telcos**"), internet companies, content providers and device manufacturers are expanding beyond their core areas of expertise and are competing with each other for a bigger share of the customer's wallet. This presents both opportunities and challenges to telcos.

Scale and reach are important factors in being able to compete in this new environment. Collectively, the Singtel Group and its Regional Associates and Joint Ventures served over 690 million mobile customers across the region as at 31 March 2019. This scale compares favourably to both traditional and non-traditional competitors.

The Singtel Group, together with its Regional Associates and Joint Ventures, will continue to leverage their combined scale and experience to collaborate in areas such as networks, IT, marketing, product development and procurement to optimise operational efficiency and lower costs, while jointly pursuing initiatives to capture growth opportunities afforded by changes in the market.

Together with its Regional Associates and Joint Ventures, the Singtel Group has implemented joint procurement programmes that have helped lower infrastructure and equipment costs. Such initiatives have given the Singtel Group and its Regional Associates and Joint Ventures earlier access and exclusivity over popular handsets and mobile devices.

The Singtel Group has also collaborated on innovative products and services with its Regional Associates and Joint Ventures across the region. These products and services are designed to leverage on the combined group scale to create offerings that are differentiated and difficult to replicate. In addition, having billing and transaction capabilities creates options to earn revenue from customers through new services. This is important in markets where the adoption of banking and credit card services is low, such as in India, Indonesia and the Philippines. To meet consumers' demand for efficient and low-cost payment methods, the Singtel Group's Regional Associates and Joint Ventures have launched mobile payments solutions. The Singtel Group will also leverage its unique regional footprint to provide regional digital services to consumers, including digital payments and e-sports.

In the area of technology planning, the Singtel Group and its Regional Associates and Joint Ventures have collaborated to define a group strategy for 4G LTE. Singapore and Australia have deployed 4G LTE network rollout and the Singtel Group's Regional Associates and Joint Ventures have also deployed 4G LTE rollout in Indonesia, the Philippines, Thailand, India and 11 countries in Africa. The 4G LTE network(s) will allow the Singtel Group and its Regional Associates and Joint Ventures to deploy new services across the region quickly, giving customers faster access to the widest selection of mobile service offerings in these markets.

Singtel is piloting Singapore's first 5G network in designated areas in Singapore. Optus launched 5G home broadband services within selected metropolitan areas in Australia in early 2019 and plans to roll out 1,200 5G sites across Australia by March 2020.

Integrated service offerings enhance customer loyalty and differentiate the Singtel Group from competitors

The Singtel Group's operations in Singapore and Australia provide a comprehensive range of communications services and solutions, including fixed, mobile, data, internet, ICT, satellite and pay-TV. Increasingly, customers have diverse needs for different services and across different locations. The Singtel Group believes that the ability to meet customers' total communications needs differentiates it from pure mobile or internet service providers. Its integrated service offerings aim to enhance customer loyalty and provide the Singtel Group with some level of resilience against price competition.

The Singtel Group provides corporate customers with a single service point for a full range of services, solutions and products in multiple destinations, particularly in the Asia-Pacific region. These services are delivered through a global network of submarine cables and points-of-presence ("**PoPs**") and satellites. Singtel (including Optus) led the market in the Asia-Pacific region (excluding Japan)[1] with the largest market share for international MPLS IP VPN services. Singtel Singapore, together with the NCS Group, is the largest IT solutions provider in Singapore.

For consumer customers, the Singtel Group offers bundled services for their individual and home needs, comprising fixed line voice, internet, mobile and pay-TV services. To meet the growing demand of consumers who increasingly rely on telecommunications for their work or social activities, the Singtel Group tailors service offerings targeted at different consumer segments. The Singtel Group believes that its understanding of consumer preferences and behaviours allows it to cater effectively to the demands of its customers.

Extensive connectivity and business presence in the region

The Singtel Group has extensive infrastructure and connectivity in the region through its investments in international submarine cables, data centre facilities in the region, global network coverage, IT delivery centres and satellites. To serve the needs of multinational corporations, the Singtel Group has a vast network of offices in countries and territories across the globe.

1 Source: For first half of 2018 — IDC Telecom Services Database Asia-Pacific 1H2018.

The Singtel Group believes that its extensive network coverage and business presence in the region have enabled it to compete successfully in the ICT services markets, making it a desired solutions partner for corporate customers across Asia-Pacific.

Strong cash flow and balance sheet with a disciplined approach to investing in growth opportunities

The Singtel Group generates significant cash flows across its businesses. With a strong balance sheet, the Singtel Group also has financial flexibility to make further investments.

The Singtel Group has a disciplined approach to investments and acquisitions. It seeks to invest in new growth platforms (such as digital marketing, OTT video, and cybersecurity) to drive revenue growth. The Singtel Group anticipates that some of these services may also help its Regional Associates and Joint Ventures increase their competitiveness as their markets transition from voice to data. The Singtel Group also continues to review investment opportunities in the communications sector, including opportunities to increase its stakes in its Regional Associates and Joint Ventures and invest in large under-penetrated telecommunications markets. The Singtel Group remains financially disciplined in its evaluation of investment opportunities. In its investments, the Singtel Group seeks to be a strategic investor with control or significant influence to drive synergies with the rest of the Singtel Group and lift operating performance. The Singtel Group typically seeks Board representation and appropriate rights over the business plan, key management appointments and dividend policy in its investments. At the appropriate time, the Singtel Group will selectively unlock and monetise the value of its digital investments.

Experienced management team and regional talent development

The Singtel Group has an experienced management team. Many of its executives have been involved with the telecommunications industry for many years and possess international experience. The Singtel Group believes it has the management strength and access to talent to grow its existing operations, expand internationally, and diversify into new revenue streams.

In addition, the Singtel Group has put in place regional talent management programmes to deploy high-performing executives and groom future leaders. The Singtel Group's diverse operations provide valuable opportunities to expose emerging leaders to varying regulatory, economic and operational challenges. The cross-deployments also help to promote best practices from individual operators to the rest of the Singtel Group.

Strategy

The Singtel Group's vision is to be Asia-Pacific's best communications technology company. To achieve this objective, the Singtel Group will be executing strategies to transform its business for sustained competitiveness, innovation and growth into the future.

The Singtel Group's key focus is to:

1. raise business performance of the consumer and enterprise operations, by driving profitable revenue growth, operational efficiencies and creating a competitive cost structure;

2. strengthen customer experience with simplified and compelling value propositions, supported by extensive and reliable networks;

3. leverage the Singtel Group's assets to drive scale benefits; and

4. create innovative and differentiated digital services to enhance the core business and deliver new revenue streams.

Group Consumer Strategy

Group Consumer comprises the Singtel Group's consumer-related businesses, including Consumer Singapore, Consumer Australia, and the Regional Associates and Joint Ventures, with a total customer base of over 690 million mobile customers as at 31 March 2019.

The vision for Group Consumer is to be the leading provider of next generation communication, multimedia entertainment and technology services for individual customers, homes and small businesses across Asia-Pacific and, through Bharti Airtel Limited, in Africa.

The purpose of this unit is to re-invent the core operations and create new and sustainable business models that meet the needs of customers' increasingly connected digital lifestyles. In order to do this, Group Consumer will focus on:

1. delivering its best-in-class customer experience, value-added services and associated brand leadership;

2. driving new revenues in emerging markets, particularly in mobile data and digital services;

3. achieving continued operational excellence across all markets; and

4. leveraging on the Singtel Group's scale and capabilities to generate new revenue streams and cost synergies, including building digital ecosystems in payments, gaming and esports.

Group Enterprise Strategy

Group Enterprise brings together all enterprise-related business units of the Singtel Group and is focused on providing ICT services and solutions to serve the Singtel Group's enterprise customers across multiple geographies.

The vision for Group Enterprise is to be the leading ICT services provider for businesses in the Asia-Pacific region. The key focus areas of this unit are:

1. continued growth in enterprise data network services, enterprise mobility, data centre services, business applications solutions and managed services;

2. establishing capabilities as a global cybersecurity services provider; and

3. developing capabilities in emerging technologies such as cloud based services, Internet of Things ("**IoT**"), machine-to-machine ("**M2M**"), big data analytics and smart city solutions.

Group Digital Life Strategy

Group Digital Life drives the Singtel Group's efforts to capture opportunities in the digital world, enhancing the Singtel Group's focus on creating new growth platforms that leverage the Singtel Group's core businesses.

The focus for this unit is on three key businesses, comprising digital marketing, regional premium OTT video and advanced analytics and intelligence capabilities, in addition to strengthening its role as the Singtel Group's digital innovation engine.

Principal Business Groups and Activities

Group Consumer

(a) Business Structure

Group Consumer comprises three main units, namely, Consumer Singapore, operating under the Singtel brand, Consumer Australia, operating under the Optus brand, and the International Group which manages the Singtel Group's Regional Associates and Joint Ventures.

- ***Consumer Singapore – Singtel***

  Consumer Singapore serves the Singapore retail consumer and residential segment with telecommunications, content and digital services. It aims to be the most valued digital services provider by delivering a comprehensive range of products and services including mobile voice and data, fixed voice, fixed broadband, pay-TV, and content and application services.

- ***Consumer Australia – Optus***

  Consumer Australia delivers a comprehensive range of services and products to the Australian retail telecommunications market and small and medium-sized businesses through Optus. These services and products include mobile voice and data, fixed voice, fixed broadband, and content and application services.

  Optus Wholesale also enables third parties to offer mobile and fixed services using Optus infrastructure. In addition, the Optus satellite fleet provides a full range of services including broadcast services, IP-based satellite data broadcast solutions, handheld or vehicle-mounted mobile services and a range of specialised services.

- ***International Group***

  The Singtel Group has significant investments in the Asia-Pacific region, through its strategic stakes in its Regional Associates and Joint Ventures. Its Regional Associates and Joint Ventures operate predominantly in emerging markets with large populations and comparatively lower penetration.

(b) Principal products and services

- ***Mobile services and sale of equipment***

  Group Consumer provides a full suite of mobile communication services across Singapore and Australia and through the Regional Associates and Joint Ventures. This includes mobile voice, messaging, international roaming, mobile data services and a wide range of value-added entertainment and information services. The Singtel Group and its Regional Associates and Joint Ventures served a total of over 690 million mobile customers as at 31 March 2019. More details on the Regional Associates and Joint Ventures are discussed in the sub-section "International Group".

  In Singapore and Australia, mobile service revenues are supported by sales of mobile handsets and devices. Group Consumer has extensive physical retail outlet networks in both countries and also retails via telesales, online and through distribution partners. Mobile handsets and devices may be purchased with or without subsidy, depending on the price plan that the customer chooses.

Mobile services are provided on either a postpaid basis with customers receiving a monthly bill or on a prepaid basis with customers electing to prepay for their services.

The usage patterns of consumers are changing and the Singtel Group has seen an increasing demand for mobile data services across the various markets. In Singapore, Consumer Singapore has launched attractive mobile plans and services, such as SIM-only plans and enhanced music streaming services, to meet customers' needs. In Australia, Consumer Australia has launched attractive mobile plans and other related services, such as music and video entertainment services, to tailor to customers' requirements.

Singtel Singapore's total mobile subscriber base was approximately 4.2 million[2] as at 31 March 2019. Approximately 61 per cent. of Singtel Singapore's total mobile subscriber base were postpaid customers. Data, including short messages service ("**SMS**"), constituted 65 per cent. of average revenue per mobile customer for the year ended 31 March 2019.

Optus' mobile subscriber base was approximately 10.3 million as at 31 March 2019. As at 31 March 2019, approximately 62 per cent. of Optus' total mobile handset subscriber base were postpaid customers. Data, including SMS, constituted 78 per cent. of the average revenue per mobile customer for the year ended 31 March 2019.

In emerging markets, mobile broadband represents a significant opportunity as the mobile equipment is the primary device for accessing the internet. The Singtel Group and its Regional Associates and Joint Ventures have been sharing best practices on growing the mobile broadband business. The Singtel Group has launched 4G LTE networks in Singapore and Australia. Globe Telecom, Inc., PT Telekomunikasi Selular, Advanced Info Service Public Company Limited and Bharti Airtel Limited (including Airtel Africa plc) have launched 4G LTE networks in the Philippines, Indonesia, Thailand, India and 11 countries in Africa respectively.

The Singtel Group initiated and pioneered the Bridge Alliance, Asia-Pacific's leading mobile alliance that spans 34 countries. The Bridge Alliance, which includes the Singtel Group and some of its associates and joint ventures in India, Indonesia, the Philippines and Thailand, provides customers of its alliance members a suite of value-added services including voice and data roaming in the region.

- ***Fixed services***

Group Consumer offers a full array of fixed services in both Singapore and Australia. The fixed services offered in Singapore include broadband, pay-TV, smart home applications and fixed voice telephony. The fixed services offered in Australia include fixed voice, broadband and TV services.

In Singapore, Singtel Singapore is a major provider of internet services with a wide range of competitively priced plans that allow residential customers to access the internet (via fibre and second generation asymmetric digital subscriber line ("**ADSL2+**")). Residential fibre broadband is provided through NetLink Trust's wholesale access network under Singapore's Next Gen NBN. As at 31 March 2019, Singtel

2 Includes consumer and enterprise subscribers.

Singapore had approximately 628,500[3] fibre broadband customers (with 45 per cent. of the fibre broadband market share) and approximately 1,500[4] customers on ADSL2+. The remaining ADSL customers are expected to switch over to fibre services by 2019 after the closure of the ADSL network. Singtel Singapore also offers pay-TV services (under its brand "Singtel TV") in its suite of consumer home products. Singtel Singapore has approximately 381,000 Singtel TV customers as at 31 March 2019.

Singtel Singapore is the leading player in the country's fixed-line telephony sector with approximately 68.5 per cent. market share as at 31 March 2019. Singtel Singapore's international telephone services have connections to over 240 destinations. Other than its international direct dialling services, Singtel Singapore also offers a full suite of other voice services, like WorldConference, voice over IP ("**VoIP**") and international toll-free services to serve both local and regional customers.

In Australia, Optus is a major provider of fixed services in both broadband and voice. The broadband customer base stands at approximately 1.2 million subscribers as at 31 March 2019. Optus has also partnered with Fetch TV to provide IPTV services to complement its fixed offerings. To further strengthen and differentiate its IPTV services, Optus has secured certain exclusive media entertainment content, notably rights to broadcast the English Premier League for three years from the 2016/17 season and such rights were renewed for a further three years from the 2019/20 season. Optus has also secured exclusive rights to broadcast European football until 2022 which includes rights to Euro 2020 and qualifiers, UEFA Nations League 2018-2021 and UEFA 2022 World Cup qualifiers. In March 2019, Optus and National Geographic launched a revamped National Geographic mobile App.

Optus operates in the fixed market in four ways: (i) in the residential and small business sector using its Hybrid Fibre Coaxial ("**HFC**") network and Unbundled Local Loop ("**ULL**") Digital Subscriber Line ("**DSL**") network, (ii) in the residential and small business sectors through resale of services including from Telstra and the NBN, (iii) in the residential and small business sectors using its 4G LTE network to deliver a Home Wireless Broadband service, and (iv) in the enterprise, corporate and government sectors using its Customer Access Network ("**CAN**").

The addressable market for ULL DSL is related to the number of Telstra exchanges where Optus' ULL DSL equipment has been deployed, and the allocation of available capacity within the various Telstra exchanges.

Delivery of fixed services on the Optus' HFC and ULL DSL networks generally attracts a higher gross margin as compared to off-net fixed line services. Those networks also allow more direct control over the customer experience.

The HFC and ULL DSL networks have allowed Optus to deliver subscription-based bundled fixed voice and broadband services. These subscription plans allow an amount of included value for fixed telephony services and a nominated data allowance for broadband usage to be used within an agreed timeframe, which is normally one month.

As part of the Australian government's reform of the fixed line telecommunications sector in Australia, Optus is progressively migrating customers from its HFC and ULL

3 Includes consumer and small-medium enterprise customers.

4 Includes consumer and small-medium enterprise customers.

DSL networks to the NBN network[5] as it rolls out in each area in Australia. Optus anticipates that migration will take place over multiple years based on the current NBN roll out plan.

- ***Wholesale services to other carriers and service providers***

  Optus Wholesale is a supplier of fixed, mobile voice and data telecommunications services to Australian carriers and service providers, including internet service providers, utilising the Optus' network infrastructure. Wholesale products and services include:

  – fixed voice services that allow service providers to provide local, national, fixed to mobile, international calls and Total Access Services ("**TAS**") such as the Optus 1300/1800 services that provide primary access for customers to make contact with an organisation;

  – fixed data and IP products which allow service providers to provide internet access, IP VPN, transportation of voice signals using the IP protocol and dedicated or multipoint data transmission services;

  – mobile services providing service providers with the ability to on-sell voice and data services including wireless broadband services on Optus' mobile network; and

  – interconnection services that allow other carriers to terminate carrier services into Optus' network.

International Group

The Singtel Group's investments in the emerging markets continue to be the growth driver for the Singtel Group. The Singtel Group is a significant strategic investor in Bharti Airtel Limited in India, PT Telekomunikasi Selular in Indonesia, Advanced Info Service Public Company Limited and Intouch Holdings Public Company Limited in Thailand and Globe Telecom, Inc. in the Philippines.

(i) Bharti Airtel Limited ("Airtel")

Airtel is one of the world's leading providers of telecommunications services with a presence in 18 countries, including India, Sri Lanka and 14 countries in Africa. It is listed in India on the National Stock Exchange and the Bombay Stock Exchange. As at 31 March 2019, Airtel had approximately 384 million mobile customers.

In India, Airtel is one of the largest wireless operators both in terms of number of customers and revenue. Besides wireless services, Airtel also provides national and international long distance connectivity, fixed line services, digital TV, mobile commerce and an integrated suite of telecommunication solutions to enterprise customers.

In addition to 2G services, Airtel currently provides 3G and 4G services across India, offering high speed internet access and a host of innovative services such as Mobile TV, video calls, live-streaming videos and gaming.

In Sri Lanka, Airtel operates across 25 administrative districts, with a distribution network of over 46,000 retailers across the country.

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5 For an overview of the NBN as it relates to Optus, see the section "Australia Regulatory Environment – National Broadband Network and Reform of the Regulatory Framework".

In Africa, Airtel offers wireless services, mobile commerce and corporate solutions. Airtel currently provides 2G, 3G and mobile commerce services across 14 countries in Africa. Airtel also offers 4G services in 11 countries in Africa.

Bharti Infratel Limited ("**Bharti Infratel**"), a subsidiary of Airtel, deploys, owns and manages passive telecom infrastructure. Bharti Infratel also owns 42 per cent. of Indus Towers Limited ("**Indus Towers**"). As at 31 March 2019, Bharti Infratel's consolidated portfolio consisted of 92,277 telecom towers, 40,388 of its own towers and the balance from its 42 per cent. equity interest in Indus Towers. Bharti Infratel is listed in India on the National Stock Exchange and the Bombay Stock Exchange. Airtel's effective equity shareholding in Bharti Infratel is 53.51 per cent.

On 12 October 2017, Airtel entered into a non-binding agreement with Tata Teleservices Limited ("**TTSL**") and Tata Teleservices Maharashtra Limited (together with TTSL, "**Tata**"), to acquire Tata's Consumer Mobile Business ("**CMB**"). Pursuant to the agreement, Airtel will acquire all the customers and assets of Tata's CMB, including spectrum in the 850 MHz, 1800 MHz and 2100 MHz band. The acquisition will bolster Airtel's spectrum holding and further strengthen its market position. The acquisition will not involve any cash consideration, but Airtel will assume certain liabilities of Tata, which consist primarily of the unpaid deferred spectrum liability of Tata's towards the Department of Telecommunications. The transaction was completed on 1 July 2019.

On 12 December 2017, Airtel announced the divestment of a 15 per cent. stake in Bharti Telemedia Limited, the Direct-To-Home arm of Airtel, to an affiliate of Warburg Pincus for a consideration of approximately US$260 million. Upon closing of the divestment on 5 September 2018, Airtel's effective equity shareholding in Bharti Telemedia Limited was 80 per cent.

On 2 November 2018, Airtel completed the sale of primary shares in Airtel Africa plc ("**Airtel Africa**"), a subsidiary of Airtel, to six global investors which include Warburg Pincus, Temasek, Singtel and SoftBank Group International. Total sale proceeds amounted to US$1.25 billion and will be used to reduce existing debt and grow its African operations. In January 2019, Airtel completed another sale of primary shares in Airtel Africa to Qatar Investment Authority ("**QIA**"), the sovereign wealth fund of the State of Qatar. The sale proceeds from QIA's participation amounted to US$200 million, which will be used to reduce Airtel Africa's existing net debt.

On 8 February 2019, Airtel Africa signed an agreement with Telkom Kenya Limited to merge their operations in Kenya. The merged entity, Airtel-Telkom, will become the second largest telecommunications operator in Kenya. The transaction is subject to the grant of approvals by the relevant authorities.

On 3 May 2019, Airtel launched a rights issue of approximately 1.1 billion fully paid up equity shares at a price of INR 220 per share to raise an aggregate amount of approximately INR 249 billion. Following the completion of the rights issue on 29 May 2019 (which included Singtel's subscription of shares pursuant to its entitlement under the rights issue), Singtel's overall effective shareholding interest in Airtel decreased from approximately 39.5 per cent. to 35.2 per cent., comprising (i) a direct shareholding interest of 15.0 per cent. in Airtel, and (ii) a shareholding interest of 48.9 per cent. stake in Bharti Telecom Limited, which holds a direct shareholding interest of 41.2 per cent. in Airtel.

On 7 May 2019, Airtel announced an agreement with Hughes Communications India Ltd. to combine their very small aperture terminals ("**VSAT**") operations in India. The transaction is subject to the grant of approvals by the relevant authorities.

Airtel Africa successfully conducted an initial public offering for the admission and listing of its shares on the London Stock Exchange (Premium Segment) and the Nigerian Stock Exchange at the offer price of £0.80 per share. Based on the offer price, the total offer size was approximately £595 million (US$750 million), including the over-allotment option. Unconditional trading of the shares on the London Stock Exchange and Nigerian Stock Exchange commenced on 3 July 2019 and on 9 July 2019 respectively. Immediately following the completion of the initial public offering (and assuming the over-allotment option is not exercised), Airtel's stake in Airtel Africa was approximately 56.0 per cent.

(ii) PT Telekomunikasi Selular ("Telkomsel")

Telkomsel is the leading operator of cellular telecommunications services in Indonesia by customer market share and revenue market share. It is 65 per cent. held by PT Telekomunikasi Indonesia Tbk ("**Telkom**"), the largest full-service telecommunications operator in Indonesia. Telkom is listed on the Indonesia Stock Exchange and the New York Stock Exchange. As at 31 March 2019, Telkomsel had approximately 169 million mobile customers, representing an estimated mobile market share of 51.1 per cent.

As at 31 March 2019, Telkomsel had the largest network coverage among the cellular operators in Indonesia, covering close to 100 per cent. of the Indonesian population. Telkomsel offers three prepaid brands – simPATI, Kartu As and Loop, and the postpaid kartuHALO service, as well as a variety of value-added services and programmes.

In December 2014, Telkomsel became the first mobile operator to launch 4G LTE services in Jakarta and Bali. Telkomsel continues to invest in network infrastructure to provide the best and the widest network coverage, including the 4G LTE network. As at 31 March 2019, Telkomsel had approximately 197,500 base transceiver stations of which 75 per cent. are 3G/4G base transceiver stations. With increasing smartphone penetration in Indonesia, Telkomsel is currently experiencing significant growth in data and digital services. It had approximately 111 million data customers as at 31 March 2019.

(iii) Advanced Info Service Public Company Limited ("AIS")

AIS is the leading mobile operator with the largest network coverage, market revenue and subscriber base in Thailand. It is listed on The Stock Exchange of Thailand and has a range of telecommunications businesses, including domestic mobile services, international direct dialling, data communications services, call centre services and sales and distribution of handsets. As at 31 March 2019, AIS had approximately 41 million mobile customers, representing a mobile market share of about 45.2 per cent. AIS' fixed broadband covered 57 cities as at 31 March 2019, with 795,000 subscribers.

Thailand's telecommunication industry is regulated by the National Broadcasting and Telecommunications Commission ("**NBTC**"). As of 31 March 2019, AIS has 2 x 45 MHz of spectrum granted by NBTC, which were obtained following successful bids of the following licences:

- **2100 MHz spectrum licence**: Advanced Wireless Network Co. Ltd. ("**AWN**"), a 99.99 per cent.-owned subsidiary of AIS, won a spectrum license of 2100 MHz (2 x 15 MHz bandwidth) through an auction for a consideration of THB 14.6 billion in December 2012. The licence is valid until 2027 and the spectrum has been used to deploy 3G and 4G technology.

- **1800 MHz spectrum licence**: AWN won a spectrum licence of 1800 MHz (2 x 15 MHz bandwidth) from the auction held by the NBTC in November 2015 for a consideration of THB 41.0 billion and another licence with 2 x 5 MHz bandwidth in August 2018 for a consideration of THB 12.5 billion. Both licences are valid until 2033. The 1800 MHz spectrum is currently deployed for 4G LTE services.

- **900 MHz spectrum licence**: AWN acquired a spectrum license of 900 MHz (2 x 10 MHz bandwidth) from the re-auction in May 2016, where it was the only bidder, at the reserve price of THB 75.7 billion. The licence is valid until 2031. The 900 MHz spectrum is currently used to deploy 2G, 3G and 4G technology.

(iv) Intouch Holdings Public Company Limited ("Intouch")

On 17 November 2016, Singtel acquired 21 per cent. of Intouch from Aspen Holdings Limited, an indirect wholly-owned subsidiary of Temasek.

Intouch is an investment holding company listed on The Stock Exchange of Thailand.

Intouch's principal business units are divided into three main businesses, namely, the wireless telecommunication business, the satellite and international business and the media and other related business. Its primary investments are in AIS and Thaicom Public Company Limited ("**Thaicom**").

Thaicom operates the satellite and related services business and the internet and media services business. Intouch holds approximately 40.45 per cent. of the share capital of AIS, and approximately 41.13 per cent. of the share capital of Thaicom as at 31 March 2019.

(v) Globe Telecom, Inc. ("Globe")

Globe is the leading mobile operator in the Philippines in terms of subscriber and revenue market share and is listed on the Philippine Stock Exchange. It offers mobile services, home broadband services, fixed line services, domestic and international long distance connectivity, and an integrated suite of telecommunication solutions. As at 31 March 2019, Globe had approximately 83 million mobile customers.

In the mobile market, Globe is promoting brand loyalty and stimulating greater usage to grow its share of mobile spend in key customer segments. In the past year, Globe has gained traction in the broadband market with stronger subscriber take-up and higher revenue. Globe had approximately 1.7 million home broadband subscribers as at 31 March 2019.

Globe continues to increase its network coverage, and expand its broadband footprint and capacity delivered via DSL, fibre, 3G and 4G LTE networks to meet the growth momentum in broadband and data services.

On 30 May 2016, Globe and Philippine Long Distance Telephone Company ("**PLDT**") announced the signing of agreements to jointly acquire the telecommunication business of San Miguel Corporation ("**SMC**"). The transaction entailed the acquisition of three entities of SMC and their telecommunication assets. The total enterprise valuation of the acquired entities was estimated at PHP 70.0 billion.

In June 2016, the Philippine Competition Commission ("**PCC**") claimed that the Joint Notice of Acquisition ("**Notice of Acquisition**") filed by Globe, PLDT and SMC on the acquisition of SMC's telecommunications business was deficient in form and substance and thus the acquisition could not be claimed to be deemed approved. Globe responded that the Notice of Acquisition was filed in accordance with the Memorandum Circular No. 16-002 (MC No. 16-002) issued by the PCC. In July 2016, Globe filed a petition with the Court of Appeals of the Philippines ("**CA**") to stop the PCC from reviewing the acquisition, and in August 2016, the PCC requested the CA to declare the acquisition void.

PLDT filed a similar petition to the CA and secured a temporary restraining order against the PCC from reviewing the acquisition ("**TRO**") in August 2016. Thereafter, Globe's petition was consolidated with PLDT's petition and the consolidation effectively extended the benefit of PLDT's TRO to Globe.

In April 2017, the PCC filed a petition before the Supreme Court of the Philippines to lift the CA's TRO that prevented the PCC from reviewing the acquisition. Globe then filed a motion to dismiss the petition filed by the PCC.

On 30 May 2017, Globe and PLDT completed the acquisition with the final payment to SMC according to the terms of the agreement.

On 18 October 2017, the CA granted Globe's and PLDT's petition to permanently enjoin and prohibit PCC from reviewing the acquisition and compelling the PCC to recognise the same as deemed approved. The PCC filed an appeal to the Supreme Court on 11 December 2017.

The table below sets out the highlights of the Regional Associates and Joint Ventures as at 31 March 2019:

Regional Associates and Joint Ventures	Airtel	Telkomsel	AIS	Intouch	Globe
Market position(2)(3)	#2(1)	#1	#1	NM	#1
Mobile customers(3)	384 million	169 million	41 million	NM	83 million
Market share(3)	28.0%(1)	51.1%	45.2%	NM	56.6%
Contribution to Singtel Group's share of post-tax profit for the year ended 31 March 2019					
Profit/(loss) S$ million	(171)(4)	843	286	79	251
As% of Singtel Group's underlying net profit	NM	30%	10%	3%	9%

Notes:

(1) Market position and market share pertain to India market only.

(2) Based on number of mobile customers in the relevant entity's domestic market.

(3) Based on actual or estimated data available as at 31 March 2019.

(4) Includes Singtel Group's share of results of Bharti Telecom Limited.

Group Enterprise

(a) Business Structure

Group Enterprise comprises various enterprise-related business units – Global Enterprise Business, Business Group, the NCS Group, Carrier Services, Global Products, Enterprise Data and Managed Services, Optus Business and Trustwave.

- ***Global Enterprise Business***

  Global Enterprise Business (which includes the Singtel Global Offices) serves both local and foreign multinational corporations. This unit provides one-stop ICT services including voice, data, managed services, enterprise mobility, cybersecurity, cloud services and professional services to its customers in major business cities around the world with a focus on the Asia-Pacific region.

- ***Business Group***

  The Business Group serves large corporations, government enterprises as well as small and medium enterprises based in Singapore. The Business Group provides its customers with one-stop ICT services including voice, data, internet, enterprise mobility, managed services, cybersecurity, cloud services and professional services.

- ***NCS Group***

  The NCS Group is a digital ICT and communications engineering group of companies, with a presence in the Asia-Pacific region. The NCS Group serves government bodies and agencies, multinational corporations and large domestic enterprises in key markets such as Singapore, Hong Kong, China and Australia. Its comprehensive ICT service offerings include IT infrastructure and outsourcing services (including IT facility management, end-device management, business continuity planning and recovery, call centre, data centre management, network integration and IT security), communications engineering, IT consulting, applications development and maintenance, and system integration. In addition, the NCS Group provides digital ICT services to large enterprises and government agencies by enabling their applications with digital technologies including, without limitation, cybersecurity services, data science and analytics involving the use of social media, mobility, video and customer data, powered cloud technologies, IoT, artificial intelligence and robotics.

- ***Carrier Services***

  The Carrier Services Group provides a range of wholesale communication services and solutions to local and international telecommunications carriers and other service providers with a suite of voice, data, internet, satellite, cable and managed services. The unit also provides for the planning and operations support for the Singtel Group's international submarine cable networks, and manages international partnership or alliances for the provision of telecommunication services for the Singtel Group's corporate customers. In addition, this unit oversees the Singapore satellite business which provides satellite-related services to support customers' businesses in Singapore and overseas.

- ***Global Products***

  The Global Products Group is responsible for developing and managing products and services for the enterprise segment. These include fixed data & IP, voice, internet, data centres and managed services, as well as emerging technologies such as software-defined and network functions virtualisation capabilities to enable new ways of networking.

- ***Enterprise Data and Managed Services***

  The Enterprise Data and Managed Services unit is the integrated service and delivery arm for telecommunications and IT infrastructure management in Group Enterprise. Its scope includes solutions and services, delivery, third-party products and related services. This unit will enable Group Enterprise to build economies of scale, leverage broader competencies and manage a standardised global delivery process for its customers.

- ***Optus Business***

  Optus Business provides advanced communications solutions to corporate and government customers in Australia. It offers a comprehensive solution suite across voice, data, internet, data application management and content and application services. It has a comprehensive managed services capability as well as the ability to deliver on the growing demand for ICT based solutions such as cybersecurity and cloud based services.

- ***Trustwave***

  Trustwave[6], Singtel's global cybersecurity group, integrates cybersecurity teams across Singtel, Trustwave Holdings, Inc, Optus and NCS into a single global cybersecurity business unit that helps businesses fight cybercrime, protect data and reduce security risk. With cloud and managed security services, integrated technologies, an ecosystem of third party security partners and a team of security experts, ethical hackers and researchers, Trustwave enables businesses to transform the way they manage their information security and programs. Trustwave provides global security expertise through SpiderLabs Consulting Services and a comprehensive portfolio of managed security services, which include threat detection and response, security testing, security advisory, proactive threat hunting, and threat and vulnerability management. These services are provided through its nine Next Generation Security Operations Centres and SpiderLabs Fusion Centre as at 31 March 2019. In 2019, Trustwave Holdings, Inc was named a leader for the second year in a row in the Gartner Magic Quadrant for Managed Security Services, Worldwide[7]. Trustwave, which has offices across the Americas, Europe and the Asia-Pacific, has customers in 96 countries.

(b) Principal products and services

- ***Business mobile***

  Group Enterprise offers a range of mobile solutions for businesses in both Singapore and Australia. This includes voice, messaging, email, applications, roaming, device management, mobile broadband and mobile security.

- ***Fixed voice and international calling***

  Group Enterprise offers a range of fixed voice solutions in Singapore and Australia. This includes local calling, international calling, VoIP, inbound call solutions, WorldConference, Managed Telephony and converged offerings. These services may also be bundled with data.

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6 Trustwave completed the acquisition of 100 per cent. shares of Hivint Pty Limited on 28 December 2018 to reinforce the position as one of the leading cybersecurity players in the Australian market.

7 Source: Gartner, "Magic Quadrant for Managed Security Services, Worldwide" by Toby Bussa, Kelly M. Kavanagh, Pete Shoard, Sid Deshpande 2 May 2019. Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

- ***Fixed data and internet services for business customers***

  In Singapore, Singtel Singapore provides a wide range of enhanced international and domestic data, IP and internet solutions to its business customers. Key business products and services offered to its corporate, government and small and medium enterprise customers include:

  – ConnectPlus IP VPN which provides secure global IP connectivity and one of the most extensive IP VPN coverage in Asia and connections to key business cities around the world;

  – ConnectPlus E-VPN and E-Line layer 2 international data communication services globally;

  – ConnectPlus IPLC which provides dedicated point-to-point leased line connectivity to over 40 PoPs in 23 cities;

  – ConnectPlus Software-Defined-Wide Area Network which provides traffic and application management over multiple types of networks through a cloud-based portal;

  – Singtel Software-Defined Branch which consolidates and virtualises multiple, separate network appliances into one box;

  – Singtel Cloud Access which provides private connectivity to major cloud service providers in more than 30 cities globally;

  – Singtel Global Internet which offers dedicated internet access and business broadband to more than 200 countries globally;

  – Singtel Internet Exchange or STIX which provides internet transit services over a highly meshed international internet backbone that spans across Asia, the U.S. and Europe;

  – Meg@POP IP VPN which provides domestic private IP connectivity;

  – MetroE which provides domestic dedicated Ethernet connectivity; and

  – SingNet Corporate service which provides business internet access services to businesses in Singapore.

  In Australia, Optus provides a wide range of enhanced data and IP solutions and services for its business customers. Key business products and services offered to corporate and government customers include:

  – internet access allowing organisations to connect to the internet via the Optus IP network;

  – secure private IP-based Wide Area Network ("**WAN**") services, allowing customers to combine voice, video and data applications onto a single network;

  – Ethernet services which provide customers with Layer 2 data network connectivity thus allowing customers to connect to multiple sites across towns or throughout Australia using the simple, cost effective and flexible nature of an Ethernet; and

– a secure and reliable global WAN connectivity, which offers the flexibility of secure remote access for users on the move or at remote sites through the use of MPLS and IP security.

- ***ICT services and managed services***

  Singtel Singapore provides a wide range of fully managed end-to-end ICT solutions, products and services to corporate and government customers enabling customers to outsource their ICT and communications requirements. The managed services include:

  – Managed Converged Communications Services;

  – Managed Application Performance Services;

  – Managed Network Services;

  – Managed End Point[8] Services;

  – Managed Server Services;

  – Contact Centre/Service Desk Services;

  – Managed Hosting Services;

  – Infrastructure-As-A-Service;

  – Software-As-A-Service;

  – Platform-As-A-Service;

  – Facility Management; and

  – Enterprise Wide Outsourcing Services.

  These services are managed through the Global Service Desks and Enterprise Operations Centres.

  In Australia, Optus also provides a range of ICT solutions, products and services to corporate and government customers, including:

  – a range of products designed specifically for organisations to manage their contact centre requirements, call monitoring and routing services and network based intelligent services;

  – a fully managed end-to-end service on multi-carriers/vendors including third party voice, data and mobile products and services;

  – a scalable range of cost effective hosting solutions which include co-location, managed storage and web-hosting on a fully managed server;

  – professional and managed services to assist them to identify, plan, deploy, secure, manage and optimise their technology and communications requirements;

8 Refers to desktops and mobile devices.

- provision of cloud based services by enabling their applications on the cloud, aggregating the applications and connecting them to various cloud environments; and

- provision of managed cybersecurity services which include security testing, forensic investigation and incident response for customers globally.

• ***Managed Security services***

As a leading managed security services provider in North America, Europe and the Asia-Pacific, Trustwave has a diversified portfolio of services across three main areas – threat management, vulnerability management and compliance management. Delivered through both cloud-based and on-premise platforms, Trustwave's services aim to help customers from a wide range of industries protect their IT infrastructure, applications and networks and respond to cyber threats.

Trustwave aims to deliver automated, sustainable, and cost-effective data protection, risk management, and threat intelligence offerings. It also provides cloud-based and on-premise solutions to organisations. Its products and services include data loss prevention, incident response, intrusion detection system, penetration testing, security assessment, security information and event management, security research, tokenisation, vulnerability scanning, web content monitoring and managed security services among a diverse pool of managed and cybersecurity services.

• ***IT and Engineering services***

The NCS Group, with its industry domain knowledge, technical expertise and deployment experience amassed in serving government and large enterprises since 1981, is a leading ICT and communications engineering vendor in Singapore. It seeks to build and enhance its digital ICT solutions and services for its customers. The NCS Group's key lines of services are:

- Enterprise Data and Managed Services, which provide an end-to-end suite of services such as telco-related, cloud and data centre-related services, business continuity and disaster recovery, facilities management, customer call centre service, IT infrastructure service management and cybersecurity services;

- Business Applications Services, which include digital and business process consulting services; data science and analytics involving the use of social media, mobility, video and customer data; applications development and maintenance services including portal solutions; and outsourcing services such as business process outsourcing and applications off-shoring. The NCS Group has global delivery centres in China, India and the Philippines, and a business process outsourcing centre in Malaysia; and

- Communications Engineering Services, which provide solutions and services such as facilities management, distribution services, telecommunications infrastructure services, infrastructure managed services, airport systems, traffic and transport engineering solutions, multimedia and intelligent building solutions.

• ***Satellite services***

With its vast experience in fixed satellite and mobile satellite services, Singtel Singapore is a significant provider in Asia of customised satellite solutions for corporate customers in various industries, such as maritime, logistics and transportation, oil and gas, media and broadcast, banking and finance, government agencies and non-governmental organisations.

Singtel Singapore's Fixed Satellite Services C-band beam covers the Asia-Pacific region including the Persian Gulf, the Indian sub-continent, South-East Asia, North Asia and the African continent excluding Western Africa. Its Ku-band provides coverage over India, Middle East, Pakistan, Bangladesh, Malaysia, the Philippines, Taiwan, Thailand, Singapore, Brunei and Indonesia.

Through strategic partnerships with Inmarsat Global Limited, KVH Industries, Inc., Iridium Satellite LLC and its own suite of Maritime VSAT services, Singtel Singapore's satellite business also offers mobile satellite services on a global basis.

Optus[9] is the leading provider of satellite services in Australia and New Zealand with a fleet of five geostationary satellites operating in Ku-band across a number of geostationary orbital locations, namely 152°E, 156°E, 160°E, 164°E, as at 31 March 2019. The 156°E and 160°E orbital locations are the pre-eminent locations, respectively, for the Australian and New Zealand Direct-To-Home broadcast platforms providing both subscription and free-to-air services to over two million locations in Australia and New Zealand.

Optus offers the following satellite services:

– a full suite of broadcast services which delivers broadcast television and backhaul services across Australia and New Zealand for both the free-to-air and subscription television markets;

– IP-based satellite data broadcast solutions that deliver one-way or two-way high-speed data services for internet or distribution of data, audio or video in Australia and internationally;

– handheld or vehicle mounted mobile satellite services across a coverage footprint from Africa to Australia and its surrounding waters; and

– a range of specialist services, including satellite control, system design, provision and management of telemetry, tracking and command earth stations, provision of transfer orbit services and satellite operations.

Group Digital Life

Business Structure

Group Digital Life is focused on developing new growth avenues that leverage the core businesses of the Singtel Group. Within the unit, the focus is on three main areas – digital marketing, regional premium OTT video and advanced analytics and intelligence capabilities, under the respective brands of Amobee, HOOQ and DataSpark. In addition, Group Digital Life also serves its role as the Singtel Group's digital innovation engine through its corporate venture capital fund Singtel Innov8 Pte. Ltd. ("**Singtel Innov8**").

- ***Amobee, Inc. ("Amobee")***

  Amobee, a wholly-owned digital marketing and technology subsidiary of Singtel, operates globally across North America, Europe, Middle East, Asia and Australia. Amobee's patented

9 Optus satellite services are provided by the Consumer Australia unit.

"Brand Intelligence" technology measures digital engagement to provide a deeper understanding of audience interests and their mindset, thereby enabling marketers to plan and carry out media campaigns. Amobee provides brands, agencies and broadcasters with advertising solutions and its Software as a Service (SaaS) platform provides end-to-end campaign planning, management and optimisation across television, digital and social media. Amobee utilises prescriptive artificial intelligence, proprietary data and advanced analytics to enable marketers to seamlessly orchestrate the consumer's journey across converged media and various devices, thereby eliminating media overlap.

- ***HOOQ Digital Pte. Ltd. ("HOOQ")***

  HOOQ is a joint-venture start-up between Singtel[10], Sony Pictures Entertainment Inc.[11] and Warner Bros. Entertainment Inc. It delivers content, such as movies and television series through an OTT video service, allowing customers to stream and download shows on their device or platform of choice. As at 31 March 2019, HOOQ provides services in Singapore, Indonesia, Thailand, the Philippines and India.

- ***DataSpark Pte. Ltd. ("DataSpark")***

  DataSpark, a wholly-owned subsidiary of Singtel, provides government agencies, telcos and other businesses with data science services and intelligence about people and places. It is developing a software platform and suite of applications which ingest and analyse telecommunications network data and other data sources, in compliance with the Singtel Group's data governance framework and the data privacy laws of the markets it operates in, such as Singapore's Personal Data Protection Act 2012.

- ***Singtel Innov8***

  Singtel Innov8, the venture capital arm of the Singtel Group, invests in, and partners with, innovative tech start-ups worldwide. It has a fund size of US$250 million and has independent decision making, approval and processes for the fund's investments. Beyond funding, Singtel Innov8 is a gateway for start-ups to tap into the resources and expertise of the Singtel Group, while enabling the Singtel Group to gain access to emerging technologies. Singtel Innov8 focuses its investments on technologies and solutions that lead to quantum changes in network capabilities, next generation devices, digital content services and enablers to enhance customer experience. Singtel Innov8 has its headquarters in Singapore and has offices in San Francisco and Tel Aviv.

Network & Infrastructure

The Singtel Group's network infrastructure includes mobile networks, fixed networks, submarine cables, satellites and data centres.

Singtel Singapore

Summary

Singtel Singapore operates a full-service nationwide telecommunications network. As at 31 March 2019, its extensive infrastructure and facilities backbone includes:

- over 1.34 million public switched telephone network ("**PSTN**") fixed telephony lines;

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10 Via its subsidiary HOOQ Digital Holdings Pte. Ltd.

11 Via its wholly-owned subsidiary AXN Investment, Inc.

- access fibre network of 3,100,698 fibre-km;
- junction fibre network of 932,009 fibre-km;
- over 5,800 3G and 4G mobile base stations in Singapore;
- over 1,980 digital subscriber line access multiplexer ("**DSLAM**") racks installed across Singapore;
- major facilities within Singapore consisting of 22 exchanges, three teleports and state-of-the art data centres in six locations;
- nationwide 42 Mbps[12] 3G High-Speed Downlink Packet Access coverage;
- nationwide 500 Mbps[13] 4G LTE-Advanced (tri-band carrier aggregation) with 256 Quadrature Amplitude Modulation ("**QAM**") coverage;
- ownership in and/or access to more than 18 international submarine cables;
- global network coverage to more than 100 countries worldwide including major business markets such as Asia-Pacific, U.S., Europe and Middle East; and
- two secured data centre facilities located in Hong Kong.

- ***Mobile Network***

Singtel Singapore's mobile customers enjoy superior indoor and outdoor coverage supported by over 5,800 3G and 4G mobile base stations in Singapore. With more than 500 roaming networks in more than 245 destinations worldwide, Singtel Singapore offers its mobile customers with international roaming coverage.

Singtel Singapore delivers high definition mobile voice and data capability through its 4G LTE Advanced network. Singtel Singapore's mobile customers enjoy wireless access to the internet via Wi-Fi in more than 2,000 locations in Singapore. With the addition of nationwide 4G LTE900 coverage, Singtel Singapore continues to enhance its 4G LTE-Advanced network (with tri-band carrier aggregation) to offer faster download speeds and better indoor coverage, thereby improving overall customer experience. In 2018, Singtel Singapore completed successful trials to achieve theoretical peak data speeds on its network of 1.0 Gbps (using 4 x 4 MIMO technology) and 1.5 Gbps (using five-carrier aggregation). These technologies will continue to be rolled out across Singapore as more spectrum bands are allocated for the network.

In relation to 5G technology, Singtel Singapore successfully completed Singapore's first 5G data call at the One-North 5G trial site in November 2018. Together with Singapore Polytechnic ("**SP**"), Singtel Singapore opened Singapore's first live 5G facility at SP's Dover Road campus in January 2019. This facility, named "**5G Garage**", will serve as a training centre, test bed and ideation lab to develop Singapore's 5G ecosystem and drive the adoption of 5G by enterprises in their digital transformations. Following the launch of 5G Garage, Singtel and Optus demonstrated the first end-to-end 5G video call with augmented reality (AR) between Singapore and Australia in February 2019.

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12 Refers to theoretical download speeds.

13 Refers to theoretical download speeds.

- ***Fixed Networks***

Singtel Singapore is the leading provider of national telephone services in Singapore, with a fixed line market share of approximately 68.5 per cent. as at 31 March 2019.

Singtel Singapore has an extensive national fixed line network that serves residential and business premises in Singapore and provides broadband services via its fibre network, ADSL network, and NetLink Trust's[14] wholesale access fibre network.

Singtel Singapore offers business customers, internet service providers, application service providers and content providers a full suite of networking solutions and access technologies that range from Gigabit connectivity, Point-to-Point Carrier Ethernet services, IP VPN services, to high-speed internet access on Meg@POP, an IP-based service platform. In addition, Singtel Singapore provides a choice of service delivery media, including wireless, Gigabit Passive Optical Network fibre and dedicated fibre for different business needs.

- ***Data Centres***

Singtel Singapore has a network of data centres, with extensive regional points of presence in the Asia-Pacific. As at 31 March 2019, it has eight robust and secured data centre facilities located in the Asia-Pacific, including six within Singapore and two in Hong Kong.

Singtel Singapore currently offers approximately 490,000 square feet of data centre space. Its latest data centre in Singapore, Data Centre West, located in the western region of Singapore, is the largest in Singapore with power capacity of more than 30 megawatts and can offer up to 170,000 square feet of data centre space when fully fitted out. Data Centre West is designed to comply with the Telecommunications Industry Association's Tier-3 Plus specifications. Data Centre West achieved the BCA-IMDA Green Mark Platinum Award for its energy efficiency in December 2016.

- ***Submarine Cable Networks***

Singtel Singapore's international submarine cable network provides connections from Singapore to more than 100 countries. It is a major investor in many of the world's submarine cable systems, such as South-East Asia – Middle East – Western Europe 3 Cable Network, South-East Asia – Middle East – Western Europe 4 Cable Network, South-East Asia – Middle East-Western Europe 5 ("**SEA-ME-WE 5**") Cable Network, Asia-Pacific Cable Network 2, Japan-US Cable Network, Southern Cross Cable Network, Unity Cable Network, South-East Asia Japan Cable Network ("**SJC**") and Faster Cable Network.

In April 2017, Singtel announced that it had entered into a consortium agreement to co-build a new international submarine cable system named INDIGO ("**INDIGO**") spanning approximately 9,200 kilometres and connecting Singapore, Perth and Sydney. On 30 May 2019, Singtel and the rest of the consortium members jointly announced that INDIGO was completed on schedule and is ready to be deployed by consortium members.

In March 2018, Singtel announced that it had signed a consortium agreement to build and operate the new South-East Asia Japan Cable Network 2 ("**SJC2**") connecting Singapore, Thailand, Cambodia, Vietnam, Hong Kong, Taiwan, China, Korea and Japan. The SJC2 will span approximately 10,500 kilometres, linking 11 cable landing stations in the region. The construction of the SJC2 is expected to be completed by the fourth quarter of 2020.

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14 See detailed write-up on Netlink Trust under the section "Singapore Regulatory Environment" of this Offering Circular.

- ***Satellite***

  Singtel Singapore's satellite business provides end-to-end satellite services through its operation of three teleports in Singapore, nine overseas teleports via alliances and a fleet of geostationary satellites.

  Singtel Singapore successfully launched ST-2 satellite on 21 May 2011 to replace the ST-1 satellite. The ST-2 satellite is a joint venture between Singtel Singapore and Chunghwa Telecom. Singtel Singapore has approximately 62 per cent. share in the joint venture, while Chunghwa Telecom owns the remaining 38 per cent. The ST-2 satellite offers significantly greater capacity as well as wider coverage than the ST-1 satellite, covering emerging markets such as the Middle East. The ST-2 satellite caters to the demand for fixed and mobile satellite services and IP-based solutions, such as Singtel Singapore's innovative Crew Welfare Services suite of maritime applications. In addition to the ST-2 satellite, Singtel Singapore also owns capacity on ABS-2 satellite and leases capacity on APSTAR V satellite and other satellites, enabling a strong coverage from the Asia-Pacific to Africa and further south to New Zealand and the Pacific Islands.

Optus Australia

Summary

Optus operates a full-service national telecommunications network. As at 31 March 2019, its extensive technology, infrastructure and facilities backbone includes:

- over 10,000 km of intercity fibre cable providing connections from Perth through to Cairns;
- over 17,000 km of intra-city fibre cable, providing connections between major facilities and connections to mobile base stations and corporate premises through a mixture of aerial and in ground fibre;
- over 26,000 km of aerial coaxial cable with a footprint that covers approximately 1.4 million households;
- approximately 1,885 DSLAM racks installed in 418 Telstra exchanges;
- major facilities within Australia consisting of 16 exchanges (including one with hosting centre capabilities and one with data centre capabilities), three satellite earth stations and one dedicated hosting site and one dedicated data centre;
- 124 points of interconnect with voice service carriers around the country, in the central business districts ("**CBD**"), metro and major regional centres; and
- ownership in three international cables.

These networks provide Optus with an advanced technology platform capable of delivering leading products and services.

- ***Mobile Network***

  Optus delivers mobile voice and data capability through its national mobile network to approximately 98.5 per cent. of the Australian population as at 31 March 2019. The network supports Optus' current customer base of approximately 10.3 million subscribers as at 31 March 2019.

Optus is continuing to roll out its expanded 4G LTE network which supports new services capabilities, including the streaming of online video content and TV services. The network operates from approximately 7,687 mobile sites, of which approximately 7,368 sites provide 4G LTE capability. As at 31 March 2019, the 4G LTE network reached 97.3 per cent. of Australia's national population and 99.8 per cent. of the metro population.

In November 2004, pursuant to a joint venture agreement, Optus Mobile Pty Limited and Vodafone Network Pty Limited agreed to share 3G mobile network infrastructure across approximately 58 per cent. of the Australian population in metropolitan regions. The joint venture utilises co-located mobile sites where each operator retains ownership of its own assets. Approximately 2,500 mobile sites are under the joint venture arrangement.

Optus announced on 3 May 2012 that a memorandum of understanding had been signed to expand the joint venture agreement. This provided Optus with access to nearly 1,000 additional mobile sites for Optus' 3G and 4G LTE services across Australia.

- ***Fixed Network***

Optus delivers local and long-distance telephony, high-speed broadband and digital pay-TV services over the HFC network which has a footprint that covers approximately 1.4 million households. The HFC network extends to Sydney, Melbourne and Brisbane and, in general, services standalone dwellings only.

Optus' ULL DSL network, which is deployed in 418 Telstra exchanges, delivers fixed voice and ADSL2+ broadband services to both residential and business customers as well as symmetric high-speed digital subscriber line (SHDSL) services to business customers only. Optus' ULL DSL network has a footprint that covers approximately 2.9 million premises. Residential fixed voice and ADSL2+ broadband services are provided via a single high density line card, making service bundling simple. Over 70 per cent. of the 418 exchanges are within the metro areas and provide both residential and business grade services.

Optus delivers fixed telephony, content and high speed broadband services to consumer and business customers using the Australian NBN network. Optus interconnects to the nationwide Australian NBN network at 121 permanent NBN points of interconnect.

Optus is progressively migrating customers from the HFC and ULL DSL networks to the NBN network as it rolls out in each area in Australia.

Optus directly connects enterprise, corporate and government customers to its fixed transmission network via its CAN. Optus has constructed a CAN in major Australian capital cities. These comprise mainly fibre optic loops in the CBD and metropolitan areas and are supplemented by alternative access methods such as leased transmission and microwave radio when required. Customers are able to connect to the Optus CAN through customer premises based equipment and gain access to the products and services offered by Optus Business and Optus Wholesale.

- ***IP Network***

Optus' networks have been developed for the transport of IP data. These networks make use of Optus' physical network infrastructure, providing IP connectivity in support of a range of IP based products offered by Optus. These products include IP based voice services plus internet and intranet access for business and consumer customers as well as virtual IP networks for business customers.

- ***Satellite Network***

  Optus operates a satellite network of five satellites covering Australia, New Zealand and Antarctica. This satellite network delivers pay-TV to over two million households, free-to-air TV to over 300,000 households, video transmission to 600 re-transmission sites for free-to-air broadcasters and approximately 650 free-to-air self-help transmission sites. The satellite network also supports satellite small cell sites in Australia which provide 3G and 4G services for the Australian government's Mobile Black Spot Program and data services for the Australian government departments and enterprises in the mining, oil and gas sectors. Optus operates, on behalf of NBN Co, Sky Muster satellites designed specifically to provide broadband services to Australia's remote areas.

Employees

As at 31 March 2019, the Singtel Group employed approximately 23,000 employees. The Singtel Group also employs temporary employees from time to time.

Singtel Singapore has collective agreements and a memorandum of understanding[15] with the Union of Telecoms Employees of Singapore ("**UTES**"). The collective agreements and the memorandum of understanding cover approximately 42 per cent. of the employees at Singtel Singapore. Optus has entered into collective agreements with its employees under the Employment Partnership Agreement and the Retail Enterprise Agreement. Approximately 58 per cent. of employees at Optus are covered by these collective agreements.

Intellectual Property

The Singtel Group relies on a combination of patent, trademark, service mark and domain name registrations, copyright protection and contractual restrictions to protect its technologies, brand name and logos, marketing designs and Internet domain names.

Singtel owns various trademarks including "**SINGTEL**" and "**Hello!**", as well as the Singtel logo. The Singtel Group has registered various Internet domain names including "**singtel.com**" and "**singnet.com.sg**". Optus owns various registered trademarks including "**Optus**", "**yes**" and the Optus logo. Optus is the registered owner of various Internet domain names including "**optus.com.au**", "**optusbusiness.com.au**" and "**optusnet.com.au**".

Litigation

Save as disclosed in this Offering Circular (and in particular the sections on "Contingent Liabilities" in the Financial Statements annexed to this Offering Circular) or otherwise announced, the Issuer, Singtel and Singtel's subsidiaries are not and have not been involved in any legal or arbitration proceedings that may have, or have had during the 12 months preceding the date of this Offering Circular, a significant effect on their financial position and are not aware that any such proceedings are pending or threatened which are material in the context of the issue and offering of the Notes.

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15 The memorandum of understanding with UTES was signed in January 2015 to extend union representation to the entry level professional and executive employees.

SELECTED FINANCIAL INFORMATION OF THE SINGTEL GROUP

The following tables present selected consolidated financial information of the Singtel Group as at, and for the financial years ended, 31 March 2017, 2018 and 2019. The selected consolidated financial information should be read in conjunction with the Singtel Group's audited consolidated financial statements and the notes thereto as at, and for the financial years ended, 31 March 2017, 2018 and 2019 which are included elsewhere in this Offering Circular.

Singtel Group

S$ million	**FY2017 (audited)**	**FY2017 (restated)[1]**	**FY2018 (audited)**	**FY2018 (restated)[2]**	**FY2019 (audited)[2]**
Income Statement Data:					
Operating revenue	16,711	16,711	17,532	17,268	17,372
EBITDA[3]	4,998	4,998	5,089	5,051	4,692
EBITDA margin	29.9%	29.9%	29.0%	29.2%	27.0%
Share of pre-tax profits of associates[4]	2,942	2,886	2,461	2,461	1,536
EBITDA and share of pre-tax profits of associates	7,939	7,884	7,550	7,511	6,228
Exceptional items (post-tax)	(63)	(18)	1,908	1,880	270
Net profit	3,853	3,853	5,451	5,473	3,095
Basic earnings per share (Singapore cents)	24.0	24.0	33.4	33.5	19.0
Underlying net profit[5]	3,915	3,871	3,544	3,593	2,825
Underlying earnings per share (Singapore cents)	24.4	24.1	21.7	22.0	17.3

Notes:

(1) Share of AIS' 3G/4G handset subsidy costs reclassified from exceptional items of the Group to share of associates' profits.

(2) Based on Singapore Financial Reporting Standards (International) ("**SFRS(I)**").

(3) EBITDA refers to earnings before interest, tax, depreciation and amortisation, namely the aggregate of operating revenue and other income less operating expenses and excludes share of results of associates.

(4) Refers to associates or joint ventures as defined under SFRS(I).

(5) Refers to net profit before exceptional items.

	As at 31 March		
	2017	**2018**	**2019**
S$ million	**(audited)**	**(restated)[1]**	**(audited)[1]**
Balance Sheet Data:			
Cash and cash equivalents	534	525	513
Other current assets	5,383	6,234	6,565
Non-current assets	42,377	41,737	41,837
Total assets	**48,294**	**48,496**	**48,915**
Short-term borrowings (unsecured)	3,047	1,801	1,846
Short-term borrowings (secured)	86	23	34
Long-term borrowings (unsecured)	7,853	8,586	8,734
Long-term borrowings (secured)	200	81	50
Other liabilities	8,895	8,293	8,441
Total liabilities	**20,081**	**18,784**	**19,105**
Net assets	**28,214**	**29,712**	**29,810**
Shareholders' equity	28,214	29,737	29,838
Minority interests and other reserve	*	(25)	(28)
Total Equity	**28,214**	**29,712**	**29,810**

* denotes less than S$0.5 million

Note:

(1) Based on SFRS(I).

Review of the Singtel Group's operating performance for the year ended 31 March 2019 ("FY2019") (audited) compared with the year ended 31 March 2018 ("FY2018") (restated)

The Singtel Group's operating revenue was stable at S$17.37 billion with growth in ICT, digital services and equipment sales offset by lower carriage services. EBITDA declined 7.1 per cent. to S$4.69 billion due to lower legacy carriage services especially voice, price erosion and a weaker Australian Dollar which depreciated 6 per cent. from a year ago.

Australia Consumer's operating revenue grew 7.4 per cent. driven by higher equipment sales and handset leasing, and strong postpaid mobile customer growth. EBITDA was stable but would have grown 2.6 per cent., excluding NBN migration revenues and dispute settlement recorded in FY2018.

Singapore Consumer's operating revenue was stable in a highly competitive market. The increase in equipment sales and TV revenues offset the decline in mobile service revenue due to lower voice usage. With the steep decline in voice revenues, EBITDA declined by 2.3 per cent.

Group Enterprise's operating revenue decreased 2.3 per cent. impacted by price competition and a longer sales cycle in a cautious trading environment, particularly in Australia, with growth in ICT offset by lower carriage services. EBITDA fell 9.0 per cent. from price erosions on renewals of major public sector ICT contracts, lower voice revenues, and investments in digitalisation initiatives.

Group Digital Life's operating revenue grew 13 per cent., driven by Amobee and HOOQ with increased scale. Amobee's revenue rose from its programmatic advertising business, contributions from Videology assets (the platform for advanced TV and video advertising acquired in August 2018), and first time recognition of technology licence fees from ITV plc, which mitigated the decline in its managed media business. Negative EBITDA increased due to Amobee's lower revenue from its higher-margin media business and inclusion of Videology's losses.

The associates' pre-tax underlying profit contributions declined by 38 per cent., mainly driven by Airtel and Telkomsel. Airtel recorded operating losses on sustained pricing pressures in the Indian mobile market, partly mitigated by strong growth in revenue and EBITDA in Africa. Telkomsel's earnings fell on lower revenues amid fierce competition in Indonesia during the mandatory SIM card registration exercise. AIS recorded lower earnings on higher depreciation and spectrum amortisation charges. Globe registered double-digit earnings growth driven by higher mobile and broadband revenues.

Depreciation and amortisation charges decreased with higher investments in mobile network, spectrum and project related capital spending mitigated by the impact of a weaker Australian Dollar. Consequently, the Singtel Group's EBIT[16] declined 24 per cent. to S$4.01 billion.

Net finance expense increased 2.9 per cent. on lower dividend income from the Southern Cross consortium and higher interest expense on increased borrowings.

With lower contributions from the associates, the Singtel Group's underlying net profit declined by 21 per cent. to S$2.83 billion in FY2019.

The net exceptional gain of S$270 million in FY2019 mainly comprised a gain on disposal of a property in Singapore and share of Airtel's one-off gains, partially offset by staff restructuring costs. The net exceptional gain in FY2018 was boosted by a gain of S$2.03 billion from the disposal of units in NetLink Trust.

With lower exceptional gain, net profit declined by 44 per cent. to S$3.10 billion.

16 Refers to earnings before interest and tax.

Review of the Singtel Group's operating performance for the year ended 31 March 2018 ("FY2018") (audited) compared with the year ended 31 March 2017 ("FY2017") (restated)

The Singtel Group's net profit for FY2018 grew a robust 42 per cent. due to an exceptional gain from the divestment of NetLink Trust and a strong performance from the core business.

Operating revenue grew 4.9 per cent. and EBITDA rose 1.8 per cent., reflecting strong execution in Australia Consumer and the digital businesses following the acquisition of Turn in April 2017.

Australia Consumer's operating revenue grew 3.9 per cent. driven by strong customer additions in mobile and fixed broadband, increased equipment sales and higher NBN migration revenues. With higher operating revenue and increase in other income from a dispute settlement, EBITDA grew strongly by 4.0 per cent.

Singapore Consumer's operating revenue fell 2.7 per cent. impacted by intense competition in mobile services and continued decline in voice services due to data substitution. With lower operating revenue, EBITDA declined 4.5 per cent

Group Enterprise's operating revenue was stable with growth in ICT and equipment sales offsetting the decline in traditional carriage services. EBITDA declined 3.0 per cent. due to increased mix of lower-margin ICT business with investments in new growth platforms and pricing pressures in traditional services.

Group Digital Life's operating revenue doubled to S$1.08 billion driven by first time contribution from Turn and strong performance from Amobee's media and social businesses. With higher operating revenue, negative EBITDA was lower by 58 per cent. Amobee achieved positive EBITDA for FY2018 as it leveraged on increased scale and synergies with Turn while HOOQ's losses narrowed on higher operating revenue.

The associates' pre-tax underlying profit contributions declined by 15 per cent. on weaker earnings from Airtel and Telkomsel as well as lower contribution from NetLink NBN Trust following the reduction in economic interest of 75.2 per cent. in July 2017. The decline was partly mitigated by higher contribution from Intouch (acquired in November 2016).

Airtel's results were impacted by continued intense competition with aggressive pricing led by a new player and further aggravated by mandated cuts in mobile termination rates in India, partly mitigated by continued positive growth momentum in Africa. Telkomsel's earnings fell on softer revenue growth amid heightened price competition in data and steep declines in voice and SMS revenues, coupled with higher depreciation charges and a weaker Indonesian Rupiah against the Singapore Dollar. Both AIS and Globe recorded higher revenues and EBITDA partly offset by increased depreciation charges on network investments.

Depreciation and amortisation charges increased on higher investments in mobile infrastructure network and spectrum across the Singtel Group. Consequently, the Singtel Group's EBIT declined 7.7 per cent. to S$5.21 billion.

Net finance expense increased 33 per cent. on lower dividend income from the Southern Cross consortium, decline in net interest income from NetLink Trust with the repayment of unitholder loan in July 2017, as well as higher interest expense on increased average borrowings.

With lower associates' contributions and higher depreciation and amortisation charges, the Singtel Group's underlying net profit declined by 8.4 per cent. to S$3.54 billion in FY2018.

The net exceptional gain of S$1.91 billion in FY2018 mainly comprised a gain of S$2.03 billion from the disposal of units in NetLink Trust, gains on sale of venture investments and disputes settlement in Australia, partially offset by staff restructuring costs and various one-off charges.

With an exceptional gain in FY2018 compared to an exceptional loss in FY2017, the Singtel Group's net profit rose to S$5.45 billion.

Review of the Singtel Group's operating performance for the year ended 31 March 2017 ("FY2017") (audited) compared with the year ended 31 March 2016 ("FY2016") (audited)

The Singtel Group delivered resilient earnings amid heightened competition across all the markets the Group operated in.

Operating revenue declined by 1.5 per cent. to S$16.71 billion due mainly to continued declines in voice (local, IDD, roaming) partially offset by strong growth in data, ICT and digital revenues. Excluding the impact of regulatory mobile termination rates change in Australia from 1 January 2016 ("**rates change**")[17], operating revenue would have been up 2.0 per cent. EBITDA remained stable at S$5.0 billion in FY2017 with investments in content and network expansion, reflecting resilience in the core businesses with strong cost management.

Australia Consumer's operating revenue declined 8.4 per cent. on decline in mobile but increased 2.8 per cent. excluding the impact of device repayment plan credits and rates change. With lower revenue and investment in content, EBITDA declined 1.9 per cent.

Singapore Consumer's EBITDA grew 2.4 per cent. despite lower revenue, with strong cost management. The decrease in revenue of 1.9 per cent. was mainly from lower voice services and equipment sales partly offset by growth in mobile data and home services.

Group Enterprise saw operating revenue grow 3.2 per cent. as strong ICT performance mainly from cybersecurity and provision of infrastructure services in Singapore was partly offset by continued price declines in carriage services and lower voice. Overall EBITDA declined 2.3 per cent. due to ongoing investments to build ICT capabilities and intense price competition in Australia. Excluding Trustwave (consolidated from 30 September 2015), EBITDA would have declined by 1.2 per cent.

Group Digital Life's operating revenue rose 19 per cent. driven mainly by Amobee's strong performance in social, video and display advertising. Negative EBITDA fell 11 per cent. due to lower losses at Amobee on increased scale partly offset by higher content and marketing costs at HOOQ as it ramped up its operations. With acquisition of Turn on 10 April 2017, Amobee is now one of the largest independent digital marketing technology companies globally.

The associates' pre-tax contributions grew 5.4 per cent. underpinned by strong performances at Telkomsel and NetLink Trust, as well as first time contribution from Intouch (acquired in November 2016) partly offset by lower profits at Airtel, AIS and Globe.

Telkomsel continued to deliver robust growth across voice, data and digital services. On a consolidated basis, Airtel's earnings fell, even as operating performance in Africa has improved. In India, Airtel's results were adversely affected by the new operator which offered free voice and data, as well as higher network depreciation, spectrum amortisation and related financing costs. Both AIS and Globe recorded higher revenues but earnings were impacted by increased depreciation, spectrum amortisation charges and financing costs. NetLink Trust's revenue and earnings grew at double-digit on the back of increased fibre penetration in Singapore.

Depreciation and amortisation charges rose on increased network and spectrum investments, and higher amortisation charges on the acquired intangibles of Trustwave. Consequently, the Singtel Group's EBIT was stable at S$5.70 billion.

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17 Mobile termination rates are the fees charged by mobile operators for receiving calls and messages on their networks.

Net finance expense declined 2.0 per cent. on higher dividend income from the Southern Cross consortium partly offset by higher interest expense on increased borrowings and lower net interest income from NetLink Trust as a result of partial repayment of unitholder's loan by NetLink Trust in March 2016.

The Singtel Group's underlying net profit grew 2.9 per cent. to S$3.92 billion in FY2017.

The net exceptional loss of S$63 million in FY2017 was mainly due to share of AIS' handset subsidy costs of S$45 million, share of Singapore Post's exceptional loss of S$42 million, and staff restructuring costs of S$27 million partly offset by a gain on dilution of equity interest in Singapore Post of S$32 million.

With an exceptional loss in FY2017 compared to an exceptional gain in FY2016, net profit was stable at S$3.85 billion.

CAPITALISATION

The following table shows the consolidated capitalisation of the Singtel Group as at 31 March 2019.

	As at 31 March 2019
	(S$ million)
Short term borrowings	
Unsecured bonds	678
Unsecured bank loans	1,168
Secured bank loans	–
Secured finance lease liabilities	34
Long term borrowings	
Unsecured bonds	7,267
Unsecured bank loans	1,467
Secured finance lease liabilities	50
Secured bank loans	–
Total borrowings	10,664
Shareholder's equity	
Share capital	4,127
Reserves	(1,802)
Retained profit	27,513
	29,838
Total capitalisation and borrowings	**40,502**

Singapore Regulatory Environment

The following is a summary of the Singapore laws and regulations relating to the provision of telecommunication and broadcasting services in Singapore and is for general information only. It does not purport to be an exhaustive or comprehensive description of those laws and regulations.

(a) Overview of telecommunication and broadcasting services in Singapore

The provision of telecommunication and broadcasting services in Singapore is regulated primarily under the Telecommunications Act, Chapter 323 of Singapore (the "**Telecommunications Act**") and the Broadcasting Act, Chapter 28 of Singapore (the "**Broadcasting Act**") respectively. The Info-communications Media Development Authority of Singapore (the "**IMDA**") is the regulatory authority principally responsible for administering the Telecommunications Act and Broadcasting Act as well as regulating and promoting the info-communication and broadcasting industries in Singapore. The IMDA is a statutory board that was established under the Info-communications Media Development Authority Act 2016, No. 22 of 2016 (the "**IMDA Act**").

A licensee who is aggrieved by a decision of the IMDA under the Telecommunications Act or the Broadcasting Act respectively may appeal to the Minister. Alternatively, a telecommunication licensee who is aggrieved by a decision of the IMDA in the exercise of its discretion under the Telecommunications Act, or in anything contained in any code of practice or standard of performance or any direction of the IMDA under the Telecommunications Act, may make a request to the IMDA to reconsider the matter.

(b) Telecommunication Licensing Framework

Upon full liberalisation of the telecommunication market on 1 April 2000, the IMDA released guidelines with respect to the licensing framework under the Telecommunications Act to facilitate the entry of new players and the expansion of the scope of operations by existing licensees. There is no pre-determined number of licences to be awarded.

The IMDA issues the following two broad categories of licences:

(i) Facilities Based Operator ("**FBO**") licence; and

(ii) Services Based Operator ("**SBO**") licence.

Further authorisation may be required from other government agencies for the deployment or provision of certain types of systems or services. FBOs are individually licensed while SBOs may be individually licensed or class-licensed. A class licence is a licensing scheme where the terms and conditions are published by the IMDA. Anyone who provides the services within the scope of the class licence is deemed to have read and agreed to the terms and conditions of the class licence and must first register with the IMDA before providing such services.

There are no foreign equity limits imposed on any FBO or SBO licensee. Applicants for an FBO licence must be a company incorporated under the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"). Applicants for an SBO (Individual) licence must be a company incorporated, or a foreign company registered, under the Companies Act. SBO (Class) licences may also be held by a Limited Liability Partnership or a Limited Partnership.

Generally under the terms of their licences, FBOs must obtain prior approval from the IMDA for any change in their management and board of directors whilst SBOs are required to notify the IMDA. Under the Telecommunications Act, designated telecommunication licensees, being FBOs and certain designated SBOs, must obtain prior approval from the IMDA for the appointment of their chief executive officer, directors and the chairman of their board of directors. The IMDA may impose certain conditions in respect of such approval.

(c) Broadcasting Licensing Framework

The licensable broadcasting services include free-to-air television and radio services, subscription television and radio services, special interest television and radio services and video-on-demand services.

Internet Service Providers and Internet Content Providers are subject to a class licence and are required to comply with the Broadcasting (Class Licence) Notification.

The Broadcasting Act imposes specific obligations on broadcasting licensees in terms of management control and shareholding control. Under the Broadcasting Act, the chief executive officer of a broadcasting company (being a company incorporated or registered under the Companies Act which holds a relevant licence (as defined in the Broadcasting Act), or a holding company of such company) and at least half of its directors shall be citizens of Singapore, unless otherwise approved by the IMDA. No person is allowed to be a substantial shareholder (as defined in Section 81 of the Companies Act) of a broadcasting company without first obtaining the approval of the Minister. In addition, no person or party is allowed to become a "12 per cent. controller" or an "indirect controller" (as such terms are defined in Section 36 of the Broadcasting Act) of a broadcasting company without first obtaining the approval of the Minister. In addition, no person shall, without the prior consent of the IMDA, receive any fund from any foreign source for the purposes of financing, directly or indirectly, wholly or in part, any broadcasting service owned or operated by any broadcasting company.

(d) Material Licences held by Singtel Singapore

Singtel and Singtel Mobile Singapore Pte. Ltd. ("**Singtel Mobile**") each held a 25-year FBO licence which expired in 2017 to provide a range of telecommunication services including public basic international and domestic telecommunication services, cellular services and wireless broadband access services. Each of Singtel and Singtel Mobile is required to obtain the IMDA's approval prior to any assignment of its FBO licence. Singtel has renewed its FBO licence and now holds a 20-year FBO licence which expires in 2037. Singtel Mobile has also renewed its FBO licence and now holds a 15-year FBO licence which expires in 2032. Singtel Mobile has a 20-year FBO licence expiring in 2021 to provide 3G services (any assignment of which is subject to the IMDA's prior approval) and SingNet Pte. Ltd. ("**SingNet**") has a 10-year nationwide subscription television licence expiring in 2027. Each of the entities within Singtel Singapore has also obtained other necessary licences as well as spectrum rights in Singapore for the following purposes:

(i) to use radio frequency spectrum to operate cellular, 3G, 4G LTE and wireless broadband services;

(ii) to hire, sell, offer or possess for sale any registered equipment or telecommunication equipment;

(iii) to offer public internet access services; and

(iv) to utilise the Singapore-registered satellite orbital slot and establish, install and maintain the satellite system.

Each of the entities within Singtel Singapore will need to renew its existing licences when these expire. There is no assurance that such entities will be able to renew these licences or renew these licences on terms that are the same as, or equivalent to, those that currently apply.

Singtel is also designated as a Public Telecommunication Licensee under Section 6 of the Telecommunications Act and is required to comply with specific obligations, including the provision of Basic Telephone Services (as defined in condition 5.2 of Singtel's FBO licence) to any person in Singapore who requests the provision of such a service.

(e) Spectrum Licences

The table below details the licences held by Singtel Mobile in various spectrum bands as of 31 March 2019.

Spectrum band(1)	**Holdings**	**Term of licence**	**Expiry**
1800 MHz	2 x 30 MHz	13 years	Expires June 2030
2100 MHz	2 x 5 MHz	11 years	Expires December 2021
	2 x 15 MHz	20 years	
	5 MHz	20 years	
2500 MHz	2 x 20 MHz	15 years	Expires June 2030
New spectrum licences acquired pursuant to 2016 spectrum auction			
700 MHz	2 x 20 MHz	15 years	Depending on commencement date of the 700 MHz spectrum right
900 MHz	2 x 10 MHz	16 years	Expires June 2033
2500 MHz	15 MHz	16 years	Expires June 2033

Note (1): These are the IMDA terms for the spectrum bands; in practice each spectrum band may refer to a range of frequencies.

At the last spectrum auction in Singapore held in 2016, Singtel Mobile successfully acquired 75 MHz of spectrum, comprising (i) 2 x 20 MHz of the 700 MHz spectrum for S$376 million, (ii) 2 x 10 MHz of the 900 MHz spectrum for S$152 million and (iii) 3 x 5 MHz of the 2500 MHz spectrum for S$35.7 million. The assignment stage for the 700 MHz band will be conducted closer to the date on which the 700 MHz spectrum rights commence.

(f) Code of Practice for Competition in the Provision of Telecommunication Services (the "Telecom Competition Code")

The Telecom Competition Code sets out the IMDA's regulatory principles and contains provisions relating to the duties of licensees to their end-users, required co-operation amongst licensees to promote competition, the duty to interconnect with other licensees, infrastructure sharing, sector-specific competition rules and enforcement mechanisms. The IMDA has the authority to review and amend the Telecom Competition Code, and to grant exemptions to any licensee from, or suspend, any provision of the Telecom Competition Code in specified circumstances. For the avoidance of doubt, capitalised terms used in this section (f) shall, unless otherwise defined, have the meaning given to them in the Telecom Competition Code.

Classification of FBOs

The Telecom Competition Code distinguishes between licensees that are subject to competitive market forces (non-dominant licensees) and those whose conduct are not constrained adequately by competitive market forces (dominant licensees). The IMDA will classify a licensee as either a dominant licensee or non-dominant licensee. A licensee would be classified as dominant if:

(i) it is licensed to operate facilities used for the provision of telecommunication services in Singapore that are sufficiently costly or difficult to replicate such that requiring new entrants to do so would create a significant barrier to rapid and successful entry into the telecommunication market in Singapore by an efficient competitor; or

(ii) it has the ability to exercise Significant Market Power in any market in which it provides telecommunication services pursuant to its licence.

A dominant licensee must comply with special requirements set out in the Telecom Competition Code although there are procedures by which a dominant licensee can seek reclassification or an exemption from these special requirements. The IMDA has designated Singtel, StarHub Cable Vision Ltd and NetLink Management Pte. Ltd. ("**NetLink Management**") (in its capacity as trustee-manager of NetLink Trust) as dominant licensees. Singtel has been granted an exemption from dominant licensee obligations in respect of retail international telephone services for residential and commercial markets, wholesale international telephone services, international managed data services, leased satellite bandwidth services, international IP transit services, services within the VSAT services market, digital video broadcast-IP services, satellite IPLC services, satellite TV uplink and satellite TV downlink services, terrestrial IPLC services and backhaul services.

None of Singtel Mobile, SingNet, or any other Singtel subsidiary, associate or joint venture (other than those listed above) is a dominant licensee.

Duties to End-Users under the Telecom Competition Code

Licensees must include in their service agreements with their business and residential end-users certain provisions such as specifying billing periods (and committing the licensees to providing clear and accurate bills), procedures to contest charges, private dispute resolution procedures and procedures regarding the licensees' use of end-user service information of a business end user.

In addition, dominant licensees are required to, *inter alia*, provide telecommunication services upon reasonable request, on an unbundled basis, on prices, terms and conditions that are just, reasonable and non-discriminatory, and pursuant to tariffs approved by the IMDA. Prior to offering any new end-user telecommunication service (including any promotional telecommunication service) or modifying an existing telecommunication service (including any promotional telecommunication service), dominant licensees must file a tariff with the IMDA and obtain the IMDA's written approval. The tariff must, *inter alia*, contain a clear statement of the prices, terms and conditions on which the dominant licensee offers to provide the telecommunication service. The Telecom Competition Code sets out the procedure that the IMDA will use to assess a dominant licensee's proposed tariffs.

Interconnection Obligations under the Telecom Competition Code

- Minimum interconnection duties

  In order to ensure seamless any-to-any communication throughout Singapore, FBO and SBO licensees that use switching or routing equipment to provide telecommunication services to the public are required to satisfy the minimum interconnection duties set out in the Telecom Competition Code ("**Minimum Interconnection Duties**"). The IMDA will not reject any interconnection agreement agreed between non-dominant licensees, so long as they satisfy the Minimum Interconnection Duties. The Telecom Competition Code also specifies additional obligations that licensees must fulfil even in the absence of an interconnection agreement, such as publicly disclosing its network interfaces (as necessary to allow the deployment of telecommunication services and equipment that can interconnect and inter-operate with its network), complying with mandatory technical standards, facilitating number portability and rejecting certain discriminatory preferences.

- Interconnection with dominant licensees

  The Telecom Competition Code also sets out the interconnection obligations of dominant licensees. A licensee that seeks to interconnect with a dominant licensee ("**Requesting Licensee**") can choose any of three options in order to enter into an interconnection agreement. First, the Requesting Licensee can accept the provisions specified in the dominant licensee's Reference Interconnection Offer ("**RIO**") which is developed by the dominant licensee and has been approved by the IMDA. Second, the Requesting Licensee can "opt-in" to an existing interconnection agreement between the dominant licensee and any similarly situated licensee. Third, the Requesting Licensee can seek to negotiate an individualised interconnection agreement with the dominant licensee.

  Subject to certain provisions, Singtel's RIO (which is publicly available on the IMDA's website) provides that the prices, terms and conditions contained in any interconnection agreements arrived at by accepting the RIO will be effective for three years from 30 January 2018.

  The Telecom Competition Code contains detailed requirements regarding the terms that a dominant licensee must include in its RIO and detailed procedures regarding the negotiation process for an individualised interconnection agreement. To the extent an issue in dispute arising from the negotiation for an individualised interconnection agreement is not addressed by the RIO, the IMDA will have full discretion to impose whatever solution it deems appropriate (even if neither licensee advocates that solution).

  Once an interconnection agreement between two licensees becomes effective, the IMDA generally will not involve itself in the implementation of the interconnection agreement. Where there is a dispute arising out of the implementation of an interconnection agreement with a dominant licensee, (i) both parties may request the IMDA to provide conciliation, and the IMDA may, at its discretion, provide conciliation to assist the parties to reach a mutually acceptable solution or (ii) either party may refer the dispute to the IMDA and the IMDA may, at its discretion, decide to intervene to resolve the dispute and issue a decision resolving each of the unresolved issues (provided that if the IMDA declines to intervene, the licensees may resolve the dispute in any mutually agreeable manner).

Infrastructure Sharing under the Telecom Competition Code

The Telecom Competition Code permits an FBO licensee to request the right to share infrastructure controlled by another FBO licensee. The FBO licensees must first attempt to negotiate a voluntary sharing agreement. If they are unable to do so, the requesting FBO licensee may ask the IMDA to make a determination as to whether the infrastructure must be shared – either because it constitutes Critical Support Infrastructure (as defined in the Telecom Competition Code) or because the IMDA concludes that sharing it would serve the public interest. The Telecom Competition Code designates certain infrastructure that FBO licensees must share at cost-based prices – such as monopoles and radio towers.

Competition Rules under the Telecom Competition Code

The Telecom Competition Code sets out rules that preclude licensees from engaging in anti-competitive conduct. The Telecom Competition Code prohibits licensees with significant market power in any telecommunication market in Singapore from using their dominant position in that market in a manner that unreasonably restricts, or is likely to unreasonably restrict, competition in any telecommunication market in Singapore, including engaging in price squeezes and predatory pricing. Furthermore, all licensees are prohibited from entering into agreements that unreasonably restrict, or are likely to unreasonably restrict, competition in any telecommunication market in Singapore, such as price fixing arrangements or group boycotts. The permissibility of a licensee entering into other agreements that are ancillary to efficiency-enhancing integration of economic activity where such agreements are no broader than necessary to achieve the pro-competitive benefit, such as joint purchasing or production ventures, will be assessed based on each agreement's likely or actual impact on competition. In addition, all licensees are subject to a prohibition on engaging in unfair methods of competition such as the provision of false or misleading information or degrading the quality or availability of a competitor's service without a legitimate business, operational or technical justification.

Changes in Ownership and Consolidations involving Designated Telecommunication Licensees

Designated Telecommunication Licensees must notify the IMDA in writing where any person, whether by a series of transactions over a period of time or otherwise, holds 5 per cent. or more but less than 12 per cent. of the Voting Shares in the Designated Telecommunication Licensee or is in a position to control 5 per cent. or more but less than 12 per cent. of the Voting Power in the Designated Telecommunication Licensee. Every Acquiring Party and the Designated Telecommunication Licensee must seek the IMDA's prior approval in connection with the acquisition of Voting Shares or Voting Power in the Designated Telecommunication Licensee that would result in such Acquiring Party becoming a 12 per cent. Controller of the Designated Telecommunication Licensee or a Consolidation with the Designated Telecommunication Licensee.

The Telecom Competition Code provides that the IMDA will not approve an application by a Designated Telecommunication Licensee for implementing a change in its ownership or shareholding in connection with a proposed acquisition, consolidation or similar transaction, where the IMDA determines that the proposed acquisition or consolidation is likely to result in a substantial lessening of competition in any telecommunication market within Singapore or it is in the public interest to deny the application.

Enforcement

The IMDA may enforce the provisions of the Telecom Competition Code by initiating an enforcement action either on its own initiative or in response to a request filed by a private party. Such actions must be initiated within two years after the date on which the alleged contravention occurred. In enforcing the provisions of the Telecom Competition Code, the IMDA may, among others, issue warnings, directions to take specific remedial actions or directions to cease and desist. The IMDA may also impose financial penalties or suspend or cancel a licensee's licence. While reserving the right to impose financial penalties, the IMDA will consider all relevant aggravating or mitigating factors.

Quality of Service Standards

The IMDA regulates the performance of service operators by setting the quality of service standards. The IMDA may impose financial penalties on service operators who fail to comply with the quality of service standards.

(g) Code of Practice for Market Conduct in the Provision of Media Services ("Media Market Conduct Code")

The Media Market Conduct Code sets out the IMDA's regulatory principles and contains provisions relating to the duties of Regulated Persons to their end-consumers, required co-operation amongst licensees to promote competition, sector-specific competition rules and enforcement mechanisms. The IMDA has the authority to review and amend the Media Market Conduct Code and to grant exemptions to any person subject to the Media Market Conduct Code from, or waive, any provision of the Media Market Conduct Code in specified circumstances. For the avoidance of doubt, capitalised terms used in this section (g) shall, unless otherwise defined, have the same meaning given to them in the Media Market Conduct Code.

Regulated Persons

The Media Market Conduct Code distinguishes between Regulated Persons that are able to act without significant competitive restraints from its competitors (having a dominant position) and all other Regulated Persons (having a non-dominant position). Regulated Persons who are considered to have a dominant position in specified media industries are specified in the Media Development Authority of Singapore (Regulated Persons) (Dominant and Non-Dominant Positions) Notification 2003.

In considering whether a Regulated Person is in a dominant position, the IMDA shall have regard to whether that Regulated Person has significant market power in any relevant media market.

A Regulated Person who is in a dominant position must comply with special requirements set out in the Media Market Conduct Code although there are procedures by which such Regulated Person can seek reclassification or an exemption from these special requirements. The IMDA has designated licensees within the MediaCorp group, Singapore Press Holdings Limited, StarHub Cable Vision Ltd and Tamil Murasu Limited as Regulated Persons having a dominant position in specified media industries. None of Singtel, or any of its subsidiaries (including Singtel Mobile and SingNet), associates or joint ventures is currently designated as a Regulated Person having a dominant position in any media industry in Singapore under Section 63(3)(b) of the IMDA Act.

Public Interest Obligation of Regulated Persons and Certain Affiliates

Free-to-Air Television Licensees and Free-to-Air Radio Licensees must broadcast specified Events of National Significance. Designated Archive Operators must make available to Media Licensees or Ancillary Media Service Providers certain materials on reasonable prices, terms and conditions. The IMDA will also take measures to enhance the ability of the public to access certain programmes from Subscription Television Licensees with its anti-siphoning guidelines outlined in the Media Market Conduct Code. On and from 1 August 2011, Supplying Qualified Licensees are required to make Qualified Content available for cross-carriage by Receiving Qualified Licensees.

Regulated Persons' Duties to their Customers

Regulated Persons must comply with minimum regulatory requirements designed to ensure that they provide end-consumers with quality service and accurate and timely bills, while not using end-consumer information for unauthorised purposes. These obligations include compliance with a minimum quality of service standards, accurate and timely billing, adopting procedures to dispute charges and protecting subscriber service information.

Regulated Persons who offer Subscription Television Services must, *inter alia*:

– allow end-consumers to terminate a Subscription Television Service without early termination charges if the early termination is consequent upon and takes place within 30 days after the occurrence of any one of the events specified under paragraph 3.5A(a)(i) of the Media Market Conduct Code;

– generally not require an end-consumer to agree to amend the terms of or to terminate any existing agreement for the provision by the Regulated Person of any non-Subscription Television Service (such as mobile or broadband service contracts) before the Regulated Person will enter into, or amend the terms of, a Subscription Television Service agreement; and

– provide and draw the end-consumer's attention to critical information about an agreement for the provision of any Subscription Television Service (including all the information set out in paragraph 3.2D(a) of the Media Market Conduct Code) before entering into such agreement with the end-consumer.

In addition, a Dominant Person is required to provide its media services upon reasonable request, provide fair access to programme lists and provide access to advertising capacity to such persons and in the manner as set out in the Media Market Conduct Code.

Competition Rules under the Media Market Conduct Code

A Regulated Person must not engage in unfair methods of competition. Specific practices that are prohibited include the use of media services to disseminate false and misleading claims, degrading the availability or quality of any media service provided by any Media Licensee or raising another Media Licensee's costs of providing its media service without a legitimate business, operational or technical justification, providing false and misleading information to any Media Licensee and engaging in predatory price cutting. Regulated Persons are also prohibited from entering into certain types of agreements, such as price fixing arrangements or group boycotts. The permissibility of a Regulated Person entering into other agreements where it is necessary for the efficiency-enhancing integration of economic activity, such as joint research, purchasing or production ventures, will be assessed based on each agreement's likely or actual impact on competition.

Consolidations involving Regulated Persons

The Media Market Conduct Code provides that the IMDA generally will not approve an application by a Regulated Person for a consolidation, that is, a merger, acquisition, take-over or other similar transaction that results in two or more persons that were previously independent economic entities becoming, in effect, a single economic entity, that is likely to substantially lessen competition in any media market in Singapore.

Enforcement

The IMDA may enforce the provisions of the Media Market Conduct Code by initiating an enforcement action either on its own initiative or in response to a request filed by any person who has been injured or is likely to be injured as a direct result of the contravention of any provision of the Media Market Conduct Code by a Regulated Person. Such actions must be initiated within two years after the date on which the alleged contravention occurred. In enforcing the provisions of the Media Market Conduct Code, the IMDA may, among others, issue warnings, directions or orders to cease and desist. The IMDA may also impose financial penalties. While reserving the right to impose financial penalties of up to S$1 million, the IMDA will consider all relevant aggravating or mitigating factors in order to ensure that any financial penalty imposed is proportionate to the harm done.

(h) Discretionary powers of the Minister under the Telecommunications Act

Under the Telecommunications Act, the Minister has certain discretionary powers. For example, the Minister may direct a public telecommunication licensee:

- to undertake and provide such telecommunication services and facilities as may be necessary for aeronautical, maritime, meteorological, governmental, defence or other purposes; or

- on the occurrence of any public emergency, in the public interest or in the interests of public security, national defence, or relations with the government of another country.

The Minister may issue directions to the IMDA or any telecommunication licensee which may include provisions for the prohibition or regulation of such use of telecommunications in all cases or of such cases as may be considered necessary; provisions for the taking of, the control of or the usage for official purposes of, all or any such telecommunication system and equipment; and provisions for the stopping, delaying and censoring of messages and the carrying out of any other purposes which the Minister thinks necessary.

(i) Next Gen NBN

The Next Gen NBN is the wired network of the Next Generation National Info-communications Infrastructure, a project under the Singapore Government's Intelligent Nation 2015 master plan. NetLink Trust designs, builds, owns and operates the passive infrastructure of the Next Gen NBN, which includes the dark-fibre network and ducts. It provides fibre connections to Qualifying Persons[18] who in turn provide retail services to their End-Users[19] or fibre services to Retail Service Providers who offer retail services to their own End-Users.

Singtel was the initial and sole unitholder of NetLink Trust. On 10 July 2017, Singtel entered into a unit purchase agreement with NetLink NBN Trust for the disposal by Singtel of all the units of NetLink Trust to NetLink NBN Trust (the "**NetLink Disposal**"). NetLink NBN Trust was listed on the SGX-ST on 19 July 2017, and pursuant to the listing and completion of the NetLink Disposal, Singtel has reduced its effective interest in NetLink Trust to less than 25 per cent., fulfilling its undertaking to IMDA to divest its unitholding in NetLink Trust to less than 25 per cent.

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18 Qualifying Persons means any persons licensed by IMDA to provide facilities-based operations or service-based operations or any broadcasting licensees excluding persons licensed under a class licence pursuant to section 9 of the Broadcasting Act (Cap. 28) who intend to acquire or have acquired the provision of any service that is provided using the Next Gen NBN.

19 End-Users means business or residential subscribers of any retail telecommunication service in Singapore.

(j) Remittance Business

SingCash Pte. Ltd. has been granted a licence from the MAS under Section 8(3) of the Money-changing and Remittance Businesses Act, Chapter 187 of Singapore to operate a remittance business. This licence is renewable annually or as and when required by the MAS.

(k) The Personal Data Protection Act 2012 (No. 26 of 2012) of Singapore ("PDPA")

The PDPA regulates the collection, use and disclosure of each individual's "personal data" (i.e. data, whether true or not, about an individual who can be identified from that data or other accessible information).

In general, the PDPA permits an organisation (as defined under the PDPA) to collect, use or disclose personal data of individuals only for purposes for which such organisation has obtained consent or which consent is deemed to be given, and imposes various data protection, data retention, data transfer and data management obligations upon such organisation.

In addition, the PDPA generally requires an organisation to check the relevant Do-Not-Call Registry established under the PDPA prior to sending "specified messages" (i.e. marketing messages which offer, promote or advertise goods or services) to Singapore telephone numbers through text messages, voice calls or fax. The Personal Data Protection Commission is the regulatory authority created by the PDPA, with the power to give directions to ensure compliance with the PDPA, including the power to require an organisation to pay a penalty of up to S$1 million for breach of PDPA requirements. Apart from this, individuals have a right of private action pursuant to a contravention of specified parts of the PDPA and there are offences for which the penalties upon conviction include imprisonment.

(l) The Cybersecurity Act 2018 (No. 9 of 2018) of Singapore ("Cybersecurity Act")

The Cybersecurity Act establishes a framework for, amongst other things, the regulation of critical information infrastructure and cybersecurity service providers in Singapore.

Owners of Critical Information Infrastructure ("**CII**") (being computers and computer systems that are located wholly or partly in Singapore that are necessary for the continuous delivery of essential services in Singapore and the loss or compromise of which will have a debilitating effect on the availability of the relevant essential service in Singapore) are required to:

– provide certain information relating to such CII, such as information on the design, configuration and security of such CII and information on the design, configuration and security of any other computer or computer system under the owner's control that is interconnected with or that communicates with such CII, if required by the Commissioner of Cybersecurity (the "**Commissioner**");

– comply with the codes of practices, standards of performance and directions issued by the Commissioner;

– notify the Commissioner of certain prescribed cybersecurity incidents;

– carry out audits and risk assessments of CII and the compliance of CII with the Cybersecurity Act and the applicable codes of practice and standards of performance; and

– participate in cybersecurity exercises if directed by the Commissioner.

The Commissioner also has powers to investigate cybersecurity threats and incidents. In addition, the Minister may authorise or direct any person to take such measures or comply with such requirements as may be necessary to prevent, detect or counter any threat to any computer or computer system.

Cybersecurity service providers offering penetration testing services and managed security operations centre monitoring services will also have to be licensed.

Non-compliance with the requirements under the Cybersecurity Act will result in financial penalties and/or imprisonment.

(m) Public Order and Safety (Special Powers) Act 2018 ("POS Act")

The POS Act empowers the Minister for Home Affairs to issue a direction to any telecommunication licensee to take or stop taking a specific action in order to prevent or avoid prejudicing the effective conduct of an ongoing law enforcement activity relating to a serious incident (as defined in the POS Act) or threatened serious incident, or to avoid or prevent endangering the safety of the public or any law enforcement officer or serviceman during such an ongoing law enforcement activity by the provision of a telecommunication service about the relevant incident. Such a direction may require the telecommunication licensee to cease the provision of telecommunication services.

(n) Recent Developments

Code of Practice for Info-Communication Facilities in Buildings 2018 ("COPIF 2018")

IMDA conducted the first public consultation on the proposed key changes to the Code of Practice for Info-communication Facilities in Buildings between 26 April 2017 and 21 June 2017, and held a second public consultation on the proposed revised Code of Practice for Info-communication Facilities in Buildings from 20 April 2018 to 8 June 2018. Following such consultations, IMDA issued COPIF 2018 on 28 November 2018. COPIF 2018 came into effect on 15 December 2018.

COPIF 2018 specifies:

i. the space and facilities that the developer or owner of a land or building shall provide at its own cost and expense to enable the deployment and operation of installations, plants or systems to be used for telecommunications;

ii. the duties that shall be observed by the developer or owner of a land or building in relation to the space and facilities provided within, or on, the land or building pursuant to COPIF 2018 (and/or previous codes); and

iii. the duties that shall be observed by a licensee who deploys and operates its installation, plant or systems within the relevant space and facilities.

Key changes to the Code of Practice for Info-communication Facilities in Buildings set out in COPIF 2018 include:

– designating rooftop space as the preferred mobile installation space ("**MIS**") location upon request by MNOs who are required to provide nationwide mobile coverage, which will facilitate MNOs' deployment of equipment on rooftops for the provision of mobile coverage within and beyond the development. However, the size of the MIS has not been increased despite the entry of a new MNO except in underground tunnel developments, i.e. road tunnels, train tunnels and ventilation/facility buildings (where they serve a tunnel) where the MIS has been increased to 60 square metres;

– installation of fibre termination points ("**FTP**") with four ports in the riser for each residential unit, which will, amongst other things, allow for the easier replacement of the FTP if necessary, without disruption to services provided to other units served from the same riser;

– modifications to in-home co-axial cabling requirements for residential developments, for re-distribution of digital TV signals;

– installation of two-way air-blown fibre microducts for non-residential developments to enable faster deployment to customers by telecommunication licensee; and

– details on matters such as the usage of and access to info-communication space and facilities provided pursuant to COPIF 2018, criteria as to where the MIS should be located, the definition of "Mobile Coverage Area", apparatus that will be computed as MIS, the timeframe for building owners to provide emergency access to info-communication space and facilities provided pursuant to COPIF 2018, network redundancy and resiliency as well as infrastructure requirements, the provision of cables for telecommunication (excluding broadband coaxial cable) systems in developments and internal telecommunication wiring, as well as requirements on manhole cover designs.

Payment Services Act

On 20 February 2019, the Payment Services Act 2019 ("**PS Act**") was gazetted and will take effect on a date to be appointed. The PS Act provides for the licensing and regulation of payment service providers, the oversight of payment systems, and connected matters.

The PS Act streamlines the regulation of payment services under a single legislation and expands the scope of regulated payment activities to take into account developments in payment services.

The PS Act comprises two parallel regulatory frameworks. The first framework is a designation regime which enables the MAS to designate significant payment systems and regulate operators, settlement institutions and participants of these designated payment systems for financial stability reasons as well as for efficiency reasons.

The second framework is a licensing regime that enables the MAS to regulate the provision of payment services, and this may attract licensing obligations for the Singtel Group. The PS Act regulates payment services, namely, account issuance services, domestic money transfer services, merchant acquisition services, e-money issuance services, digital payment token service, cross-border money transfer services and money-changing services. This activity-based licensing framework provides a modular approach to ensure that regulations are appropriately calibrated according to the risks that specific payment services pose for different business models. To apply risk appropriate regulations to the specific regulated activities that the licensee conducts, there are three classes of licences under the PS Act. At any point in time, the payment service provider need only hold one licence but of a class of licence that corresponds to the risk posed by the type and scale of payment services provided.

To reduce the fragmentation of widely-used payment solutions, the MAS has interoperability powers under the PS Act which it may exercise where necessary. The PS Act gives the MAS powers to impose technology risk and cybersecurity risk management requirements on all licensees. Licensees that provide payment services which carry money-laundering and terrorism financing risks will also need to comply with money-laundering and terrorism financing risk mitigating measures that the MAS will impose under the Monetary Authority of Singapore Act, Chapter 189 of Singapore ("**MAS Act**").

To effect the objectives of the PS Act, the MAS intends to prescribe certain subsidiary legislation. The MAS held a public consultation from 10 April 2019 to 10 May 2019, pursuant to which the MAS sought comments on, amongst other things, the processes and timelines for licence application, lapsing and variation, the fee structures and the quantum of the fees proposed, the proposed expansion of options to allow applicants to more easily meet the residency requirement for executive directors, the quantum and components of the proposed minimum financial requirements for standard payment institutions and major payment institutions, and the proposed duties of the chief executive officer, directors and partners of the licensee.

MAS also held a public consultation from 6 June 2019 to 5 July 2019 to seek views on draft notices on Prevention of Money Laundering and Countering the Financing of Terrorism to be issued under the MAS Act that will apply to payment services providers who will be regulated under the PS Act. Further, it is holding a public consultation from 5 July 2019 to 5 August 2019 to seek views on, among others, the notices and guidelines to be issued under the PS Act.

Telecommunication and Subscription TV Mediation Adjudication Scheme

The IMDA held a public consultation on an alternative dispute resolution scheme (the "**ADR Scheme**") for customers to raise disputes about telecommunication and subscription TV services. The consultation was held from 17 January 2018 to 21 March 2018.

The ADR Scheme is a two-stage resolution process, which involves mediation and/or adjudication by an ADR operator (who is in charge of administering the ADR Scheme). Individuals and small business customers may submit complaints against all telecommunication and subscription TV licensees that have entered into service agreements, billing arrangements or imposed one-time charges for such services. Some exclusions from the ADR Scheme include Over-the-Top services, bill on behalf services (except Premium Rate services), payphone services and directory services.

The co-payment of fees for mediation and adjudication will be in the ratio of 10:90 for the complainant vis-à-vis the service provider.

The IMDA is currently reviewing the responses to the consultation.

Proposed Converged Competition Code

The IMDA held a public consultation on the proposed converged competition code for the telecommunication and media markets (the "**Converged Code**") from 20 February 2019 to 15 May 2019.

Currently, the IMDA regulates competition and market related matters through the Telecom Competition Code and the Media Market Conduct Code. The IMDA is developing a converged competition code for the Singapore telecommunication and media markets to streamline the requirements to promote competition, encourage market innovation, improve the protection of consumers' interests and keep pace with the fast-changing digital landscape.

IMDA will conduct the public consultation on the proposed Converged Code in two stages. In the first public consultation, IMDA will consult on broad policy proposals and will seek to harmonise the provisions that are substantively similar in effect, align the drafting of these provisions in the Converged Code or extend provisions found only in one code to the other market (e.g., telecommunication to media and vice versa) where appropriate, or remove them. The second public consultation will seek comments on the actual drafting of the proposed Converged Code. IMDA targets to launch the second public consultation in the second half of 2019.

5G Mobile Networks

The IMDA held a public consultation on the appropriate regulatory frameworks and policies for 5G mobile networks from 7 May 2019 to 9 July 2019.

Key areas of consultation include:

– the approach to allocate spectrum to MNOs in order to support the deployment of at least two nationwide 5G networks at the outset;

– the baseline regulatory requirements on MNOs which are allocated the spectrum; and

– building the broader 5G ecosystem through innovative 5G use-cases, skills and manpower development and other areas of Government support to drive innovation and development.

IMDA plans to allocate the 3.5 GHz, and the 26 GHz and 28 GHz millimetre wave (mmWave) bands for 5G in the initial tranche of spectrum allocation to MNOs who are interested to deploy 5G technology. The assignment of 5G spectrum is intended to be done through a Call For Proposal ("**CFP**") regulatory process. The CFP will require interested MNOs to submit detailed proposals on their nationwide 5G deployment plans. IMDA will assess these proposals based on several factors, including the ability to meet baseline regulatory requirements and the proposer's financial capability to roll out the proposed 5G networks. Such baseline requirements will be in the areas of network rollout and performance, network design and resilience, and the provision of wholesale services to other mobile operators. IMDA expects to issue the CFP later in the year.

Protection from Online Falsehoods and Manipulation Bill

On 8 May 2019, the Protection from Online Falsehoods and Manipulation Bill (the "**Bill**") was passed in Parliament. The Bill aims to:

– prevent the communication of false statements of fact ("**falsehoods**") in Singapore and enable measures to be taken to counteract the effects of such communication;

– suppress the financing, promotion and other support of online locations that repeatedly communicate falsehoods in Singapore;

– enable measures to be taken to detect, control and safeguard against coordinated inauthentic behaviour and other misuses of online accounts and bots; and

– enable measures to be taken to enhance disclosure of information concerning paid content directed towards a political end.

The Bill applies to persons who communicate a falsehood and persons who assist such as by providing financing, and third party service providers whose services are used to communicate the falsehoods. Where a falsehood has been communicated, such persons may be directed to take corrective action, including to put up correction notices and stop communication (in the case of a person communicating falsehood) or disable access by end-users to the subject statement (in the case of an internet intermediary). Non-compliance with any such direction is an offence. It is also an offence to communicate in Singapore a statement knowing or having reason to believe that such statement is a falsehood and is likely to lead to public interest concerns.

In addition, prescribed internet intermediaries may be directed to take steps to counteract inauthentic online accounts and coordinated inauthentic behaviour. The IMDA may also order an internet access service provider (that is licensed under section 5 of the Telecommunications Act) to disable access by end-users to the online location where the subject statement is being communicated.

Allocation of Spectrum for Enterprise and Public Mobile Use

The IMDA is holding a public consultation on the proposed policy and regulatory frameworks for the allocation of the 800 MHz, TDD1900 MHz and FDD2100 MHz spectrum from 17 May 2019 to 26 August 2019.

Key areas of the consultation include:

– the allocation of dedicated spectrum in the 800 MHz and the TDD1900 MHz bands to serve enterprise users' needs in light of growing demand for enterprise data services;

– the allocation of the FDD2100 MHz spectrum currently used to provide public 3G mobile services to be used for both public 3G and 4G mobile services in light of the ubiquity of 4G services today; and

– the assignment approaches for the 800 MHz, TDD1900 MHz and FDD2100 MHz spectrum bands, including the mechanism of assigning the spectrum through an auction.

The consultation paper states that IMDA proposes to conduct two spectrum auctions: (1) for the assignment of the 800 MHz and TDD1900 MHz spectrum bands (collectively "**Enterprise Spectrum Auction**"); and (2) for the assignment of the FDD2100 MHz spectrum bands ("**FDD2100 MHz Spectrum Auction**"), in the manner set out below. It is proposed that the auctions will adopt the "Clock Plus" auction format which was adopted in the 4G spectrum auction in 2013 and the general spectrum auction in 2017.

(i) Enterprise Spectrum Auction

  – Spectrum right duration: 7 – 10 years;

  – Spectrum caps: bidder of 10 MHz of unpaired TDD1900 MHz spectrum is not allowed to bid for any 800 MHz spectrum lots and vice versa; and a cap of two lots of paired 2 x 5 MHz (including any First Right of Refusal ("**FROR**") lot) for the 800 MHz spectrum bidder;

  – Put-to-use and rollout requirements: limited roll-out (e.g. 50 per cent.-75 per cent. nationwide outdoor service coverage within two to three years of the start date for the spectrum right) obligations for holder(s) of at least 2 x 5 MHz in the 800 MHz spectrum band and holder of the TDD1900 MHz spectrum band; and

– Reserve price: S$450,000 – S$900,000 for a 2 x 5 MHz lot in the 800 MHz band; S$100,000 – S$250,000 for a 2 x 3 MHz lot in the 800 MHz band; and S$450,000 – S$900,000 for an unpaired 10 MHz lot in the TDD1900 MHz band.

(ii) FDD2100 MHz Spectrum Auction:

– Spectrum right duration: 10 – 15 years;

– FROR lots: 2 lots of 2 x 5 MHz to be allocated on a FROR basis at a reserve price to MNOs with existing 3G networks (i.e., M1, Singtel Mobile and StarHub mobile), with the remaining six lots to be auctioned for 3G or 4G use;

– Spectrum caps: four lots of paired 2 x 5 MHz (including the FROR lots);

– Put-to-use and rollout requirements: spectrum holders are required to use these spectrum bands to augment their existing networks to provide nationwide 3G, 4G and/or IMT-Advanced telecommunication services. New FDD2100 MHz spectrum holders are required to utilise the FDD2100 MHz spectrum on a standalone basis to provide at least 50% nationwide outdoor coverage of 4G and/or IMT-Advanced services within 12-18 months from the commencement of the spectrum right;

– Regulatory requirements: spectrum holders (new and existing) are required to comply with the relevant regulatory frameworks governing mobile networks and services, such as the QoS standards, the Telecom Resiliency Code, an audit framework related to mobile networks and the relevant FBO licence requirements. These obligations as well as other general regulatory obligations tied to the use of these spectrum bands will be issued together with the finalised auction format and rules; and

– Reserve price: S$10 million – S$15 million for each 2 x 5 MHz lot in the FDD2100 MHz band.

Australian Regulatory Environment

The following is a general summary of the Australian laws and regulations relating to the provision of telecommunications services in Australia. It is for general information only, and does not purport to be an exhaustive or comprehensive description of those laws and regulations.

The Australian telecommunications market was opened up to competition on 1 July 1997. At that time, telecommunications specific provisions were introduced to the Trade Practices Act 1974, now named the Competition and Consumer Act 2010 (the "**Competition and Consumer Act**"). These provisions were designed to provide a counter balance to Telstra's position as the vertically integrated incumbent which had a dominant position in the telecommunications market. Given its ubiquity, Optus and other carriers continue to rely on access to Telstra's fixed network. These regulatory developments have enabled Optus and other new entrants to compete and take market share from Telstra in most telecommunications segments.

These provisions require Telstra to provide access to key input services. The Australian Competition and Consumer Commission ("**ACCC**") has specific powers to declare access services and to set terms and conditions for those Declared Services. The ACCC is also given broad powers to investigate and take action against anti-competitive conduct.

Since 1997, the regulatory regime has been adjusted, largely to refine the powers of the ACCC. Legislative reforms have made significant changes to the existing regulatory arrangements. See also "National Broadband Network and Reform of the Regulatory Framework" below.

(a) Overview

The regulatory regime is principally set out in the Telecommunications Act 1997 (the "**TCA**") and Part XIB and Part XIC of the Competition and Consumer Act. Key regulatory issues are dependent on the delegated powers of the Australian Minister for Communications (the "**Australian Minister**"), the ACCC and the Australian Communications and Media Authority ("**ACMA**").

(b) Obligations on Optus

Whilst the competition regulations seek to level the playing field in a market dominated by Telstra, many of those same regulations also apply equally to Optus. For example, Parts XIB and XIC of the Competition and Consumer Act which set out the competition and access framework are carrier neutral. Optus offers a range of Declared Services. The terms of access to these Declared Services can be set by the ACCC in the absence of a commercial agreement.

Optus is also subject to a range of compliance regulations covering technical standards, consumer protection, service standards and privacy matters, amongst others.

(c) Access and Interconnection Declared Services

The ACCC is responsible for declaring services pursuant to Part XIC of the Competition and Consumer Act, which sets out a telecommunications industry-specific access regime. This regime applies to those services which have been declared by the ACCC ("**Declared Services**"), for example:

(i) fixed terminating access service;

(ii) fixed originating access service;

(iii) mobile terminating access service ("**MTAS**");

(iv) domestic transmission capacity (except links between mainland capital cities and some routes between capital cities and regional centres) on various bandwidths;

(v) unconditioned local loop services ("**ULLS**") allowing access seekers use of unconditioned wires which connect customer premises;

(vi) line sharing service ("**LSS**") allowing an access seeker to supply broadband services to customers while the access provider supplies voice services to the customer;

(vii) local carriage services ("**LCS**") (except in the CBD);

(viii) wholesale line rental ("**WLR**") (except in the CBD);

(ix) wholesale asymmetric digital subscriber line service ("**ADSL**");

(x) local bistream access service;

(xi) NBN access service, ancillary services and facilities access service; and

(xii) Superfast Broadband Access Services ("**SBAS**").

Whilst the declaration provisions are usually carrier and technology neutral and may apply to all carriers and carriage service providers, in practice some Declared Services apply only to Telstra.

Terms and conditions of access

Changes in effect from 1 January 2011 to the Competition and Consumer Act have given the ACCC the power to issue Access Determinations that set the terms and conditions of access to Declared Services. These terms are binding unless the access seeker and access provider have agreed alternate commercial terms.

Facilities access

The TCA also contains a regime requiring carriers to provide other carriers with access to certain facilities such as exchanges, pillars, ducts and towers. If the parties are unable to agree upon the terms and conditions of access, they will be determined by an arbitrator or, if the parties cannot agree on an arbitrator, by the ACCC. The ACCC has also issued a Facilities Access Code governing access to mobile towers and underground facilities, with which carriers must comply.

(d) Competition Rules

The ACCC has been given specific power under Part XIB of the Competition and Consumer Act to regulate anti-competitive conduct in breach of the competition rule. Under the competition rule, a carrier or carriage service provider with a substantial degree of power in a telecommunications market must not take advantage of that power with the effect, or likely effect, of substantially lessening competition in that or another telecommunications market.

If a competition notice has been issued, and the carrier or carriage service provider continues to engage in the conduct, any person, including a competitor, may bring proceedings in the Australian Federal Court to seek an injunction, fines or compensation for the damage suffered.

(e) Carrier Licences and Service Provider Rules

A carrier licence is required to own most transmission infrastructure which is used for the provision of telecommunications services to the public. This includes fixed network links, base stations used to supply mobile telephony, fixed radio communications transmitters and satellites. No carrier licence is required to own infrastructure such as switches, operational support systems, databases and internet servers. Breach of a licence condition by a body corporate is subject to a penalty of up to A$10 million for each contravention.

While service providers are not required to be licensed or registered, they are required to comply with the service provider rules which involve compliance with the telecommunications regulatory regime as set out in the TCA and other legislation, including any determinations made by the ACMA. Breach of a service provider rule by a body corporate is subject to a penalty of up to A$10 million for each contravention.

The Telecommunications Consumer Protection Code sets out requirements for Australian telecommunications companies when dealing with their customers. The Code was developed by the industry association, Communications Alliance, under the co-regulatory arrangements in the TCA and registered by the ACMA. Telecommunications service providers that do not comply with the code face a direction to comply from the ACMA, while further breaches could lead to Federal Court action with the possibility of civil penalties of up to A$250,000.

(f) Telecommunications Security Sector Reform ("TSSR") Obligations

From 18 September 2018, carriers are subject to the new TSSR obligations. All carriers, carriage service providers and carriage service intermediaries will be required to protect networks and facilities from unauthorised access and interference – including a requirement to maintain 'competent supervision' and 'effective control' over telecommunications networks and facilities owned or operated by them. The Australian government has the power to direct a carrier, carriage service provider or carriage service intermediary to do, or not do, a specified thing that is reasonably necessary to protect networks and facilities from national security risks.

In advance of the implementation of the TSSR obligations, the Australian government issued 5G security guidance to Australian carriers on 23 August 2018. The guidance indicated that "the involvement of vendors who are likely to be subject to extrajudicial directions from a foreign government that conflict with Australian law, may risk failure by the carrier to adequately protect a 5G network from unauthorised access or interference" in contravention of the TSSR obligations.

(g) Australia's Foreign Investment Policy

Investments into Australia by overseas entities and governments are subject to approval under the foreign investment review framework. The legislative framework includes the Foreign Acquisitions and Takeover Act (1975) and the Foreign Acquisitions and Takeovers Fees Impositions Act 2015 and their associated legislation. The legislation enables the Treasurer to review foreign investment proposals that meet certain criteria. The Treasurer has the power to approve, block, or apply conditions to the way proposals are implemented to ensure they are consistent with the national interest. When making decisions the Treasurer is advised by the Foreign Investment Review Board, which examines foreign investment proposals and advises on national interest implications. Certain investment decisions by Optus may require approval under the foreign investment review framework.

(h) Customer Service Guarantee

Optus is required to comply with the Telecommunications (Customer Service Guarantee) Standard 2011 (No. 2) ("**CSG Standard**"), which is administered by ACMA under the Telecommunications (Consumer Protection and Service Standards) Act 1999. The CSG Standard imposes on carriage service providers specific performance standards and compensation payment requirements with respect to the connection, fault rectification and making of appointments for the supply of standard fixed telephone services to consumers and small business customers. A carriage service provider is required to provide financial compensation to a customer for not meeting a performance standard. Exemptions are available in specified circumstances.

(i) Universal Service Obligation

On 21 March 2012, the Australian parliament passed universal service reform legislation, aimed at ensuring the ongoing delivery of key telecommunication consumer safeguards during and after the rollout of the NBN. This legislation represents a move from a regulatory model for the delivery of universal service to a contractual model. A key aspect of the legislation was the establishment of the Telecommunications Universal Service Management Agency ("**TUSMA**"). From July 2015, the responsibilities of TUSMA have been transferred to the Department of Communications and the Arts, and the TUSMA has ceased to exist. The Department of Communications and the Arts is responsible for entering into, and managing contracts or grants, to ensure:

- all Australians have reasonable access to a standard telephone service (the Universal Service Obligation ("**USO**") for voice telephony services);

- payphones are reasonably accessible to all Australians (the USO for payphones);
- the ongoing delivery of the Emergency Call Service by Telstra (calls to Triple Zero '000' and '112');
- the ongoing delivery of the National Relay Service;
- the continued availability of untimed local calls for customers outside standard zones; and
- that appropriate safeguards are in place to support the continuity of supply of carriage services during the transition to the NBN.

All carriers, including Telstra and Optus, are required under the USO arrangements to contribute to, or subsidise, the costs of providing telecommunications services in loss making areas, mainly in rural Australia. Contributions to the subsidy are based on each carrier's share of the total national pool of eligible revenue and are determined by the Australian Minister. The Australian government is currently reviewing the USO policy.

(j) Spectrum Licences

The Australian government adopts a policy of pro-actively managing the use of spectrum. The use of spectrum requires a licence and spectrum licences are allocated to users by the ACMA from time to time via auction, tender or by allocation for a pre-determined price or negotiated price. Limits may be imposed upon the amounts of spectrum Optus or other bidders may purchase.

Access to spectrum is of critical importance to Optus in order to support its business of providing mobile voice and data services. Optus may also need to access additional spectrum to support both organic growth and the development of new services.

Optus currently holds spectrum in the 900 MHz (2 x 8.4 MHz nationally) range under an apparatus licence which has been eligible to be rolled over under an existing market price renewal process. The next renewal is in June 2020. The 900 MHz band is under a planning review by the ACMA, which includes consulting on the future allocation of this band. This spectrum supports Optus' 3G network services.

In addition, Optus holds licences in various spectrum bands as detailed in the table below as of 31 March 2019.

Spectrum Band(1)	**Holdings**	**Term of licence**	**Expiry**
700 MHz	2 x 10 MHz nationally (with exception of the Mid West Radio Quiet Zone)	15 years	December 2029
900 MHz (apparatus)	2 x 8.4 MHz nationally	1 year	June 2020
1800 MHz	2 x 15 MHz in Sydney, Melbourne, Brisbane, Perth, Adelaide	15 years	June 2028

Spectrum Band[1]	Holdings	Term of licence	Expiry
1800 MHz (regional)	Between 2 x 20 MHz and 2 x 25 MHz in regional areas	11 years	June 2028
2100 MHz	2 x 20 MHz in all 8 Australian capitals and 5 MHz in regional areas	15 years	October 2032
2100 MHz (apparatus)	Up to 2 x 10 MHz in regional and remote areas at more than 1800 sites	1 year rolling renewal	September 2019
2300 MHz	98 MHz in Sydney, Melbourne, Brisbane, Perth and Adelaide; 70 MHz in Canberra	15 years	July 2030
2600 MHz	2 x 20 MHz nationally (with exception of the Mid West Radio Quiet Zone)	15 years	September 2029
3500 MHz	100 MHz in Sydney and Melbourne; 72 MHz in Adelaide; 67.5 MHz in Brisbane; 65 MHz in Perth/Regional Western Australia, Canberra	15 years	December 2030
3600 MHz	30MHz in Southern/ Western NSW, Regional South Australia; 35MHz in North Queensland, Central Queensland, Regional North NSW/ Southern Queensland, Regional Victoria, Tasmania	10 years	March 2020 – December 2030

Note (1): These are the ACMA defined terms for the spectrum bands, in practice each band sits in a range.

(k) National Broadband Network and Reform of the Regulatory Framework

On 7 April 2009, the Australian government announced its plans to build a NBN as a core pledge in its election manifesto. The key details of the announcement were:

(i) the NBN will be built and operated by a new company specifically established by the Australian government to carry out this project;

(ii) the network will:

- connect 93 per cent. of homes, schools and workplaces with optical fibre (fibre to the premises "**FTTP**"), providing broadband services to Australians in urban and regional towns with speeds of 100 Mbps;

- use next generation wireless and satellite technologies that will be able to deliver 12 Mbps or more to people living in more remote parts of rural Australia (last 7 per cent. of premises);

- provide long haul fibre optic transmission links connecting cities, major regional centres and rural towns;

- be Australia's first national wholesale-only, open access broadband network;

- be built and operated on a commercial basis by a company established at arm's length from the Australian government and involve private sector investment; and

- be expected to be rolled-out, simultaneously, in metropolitan, regional, and rural areas over an estimated period of eight years;

(iii) the preliminary estimate was that the Australian NBN network would cost up to A$43 billion. This estimate has subsequently been revised to between A$46 billion and A$56 billion in NBN Co's Corporate Plan; and

(iv) the Australian government will be the majority shareholder of this company, but significant private sector investment in the company is anticipated once the rollout is completed.

The Australian government subsequently established the NBN Co.

The roll-out of the network commenced in Tasmania with the first services officially launched in August 2010. NBN Co commenced trialing services on mainland Australia in June 2011.

In December 2010, the Australian Parliament passed the Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill 2010. This introduced significant reforms to the existing regulatory framework aimed at strengthening the powers of the ACCC and introducing measures to address Telstra's vertical integration. The Act required Telstra to undertake a form of voluntary structural separation or to implement a form of mandatory functional separation of its retail and wholesale fixed line business.

In March 2011, the Australian Parliament passed legislation to establish the regulatory and governance framework for the NBN Co. This legislation seeks to deliver on the Australian government's commitment that the NBN will be operated as a wholesale-only network, on open access terms with strict oversight by the ACCC.

On 23 June 2011, the Australian government announced that Telstra and NBN Co had signed definitive agreements relating to Telstra's participation in the NBN. Under the terms of the agreement, NBN Co will be able to access the Telstra infrastructure, including pits, ducts and exchange space, to roll out its new network. In addition, Telstra announced that, as a key component of the definitive agreements, it will progressively migrate its services from its legacy copper and pay-TV cable networks to the NBN. Telstra in 2011 estimated that the agreement with NBN Co and the public policy reforms would deliver it a post-tax net present value of approximately A$11 billion.

On 23 June 2011, Optus announced that it had entered into an agreement with the NBN Co on the migration of customers who receive services on Optus' HFC network to the NBN (the "**2011 Optus HFC Subscriber Agreement**"), with the total value of the agreement being approximately A$800 million on a post-tax net present value basis.

On 12 December 2013, NBN Co released its report following a strategic review of the Australian government's NBN project. NBN Co recommended an optimised multi-technology mix model which would require the re-negotiation of a number of existing contracts. On 8 April 2014, the Australian government issued a new Statement of Expectations to NBN Co which endorsed the recommendation to transition to a multi-technology approach.

In December 2014, Telstra signed revised definitive agreements with NBN Co and the Commonwealth government to enable the rollout of the Australian government's multi-technology mix NBN. Telstra has indicated that the estimated net present value of the revised agreements is equivalent to the estimated net present value of the original agreements.

In December 2014, Optus and NBN Co entered into a revised agreement (the "**2014 Revised Agreemen**t") where the overall value was comparable to that of the 2011 Optus HFC Subscriber Agreement, with the majority of the payments to be received progressively on migration.

In September 2016, NBN Co advised Optus that it would not be using Optus' HFC network infrastructure beyond the Redcliffe trial area in Queensland. This change does not impact the contractual migration payments that are available to Optus. It may alter some of the operational aspects of the 2014 Revised Agreement where Optus will progressively decommission and transfer part of its coaxial cable and ancillary assets to NBN Co, while retaining ownership of strategic aerial fibre assets used to connect mobile base stations and business customers.

On 27 November 2017, NBN Co announced that it would immediately cease selling services over the HFC network for the next six to nine months. This change would result in a delay of migration payments to Optus of up to nine months but does not impact the contractual migration payments that are available to Optus. In April 2018, NBN Co announced it would recommence sale of services over the HFC network.

In 2018, the ACMA made the following standards and determinations which set the industry rules for migrating customers from their old telecommunications service to a service on the NBN:

- Consumer Information Standard which took effect on 21 September 2018

- Service Migration Determination which took effect on 21 September 2018

- Service Continuity Standard which took effect on 21 September 2018

- Complaints Handling Standard and Complaints Record Keeping Rules which took effect on 1 July 2018.

These rules apply to Optus (and the other industry participants involved in customer migrations) and are directly enforceable by the ACMA, which has the power to commence proceedings in the Federal Court seeking remedies such as injunctions and civil penalties of up to A$10 million. The ACMA may also issue formal warnings, remedial directions and infringement notices.

MANAGEMENT

Board of Directors

Singtel is required by its constitution to have at least two Directors. A Director must retire from office at the third Annual General Meeting ("**AGM**") after the Director was elected or last re-elected. A retiring Director is eligible for re-election by Singtel's shareholders at the AGM.

In addition, a Director appointed by the Board to fill a casual vacancy, or appointed as an additional Director, may only hold office until the next AGM, at which time he will be eligible for re-election by shareholders. If at any AGM, fewer than three Directors would retire pursuant to the requirements set out above, the additional Directors to retire at that AGM shall be those who have been longest in office since their last re-election or appointment.

Mr Simon Claude Israel

Mr Simon Israel, 66, is a non-executive and non-independent Director of Singtel. He was appointed a Director on 4 July 2003 and Chairman on 29 July 2011. He was last re-elected as Director on 23 July 2019.

Simon is the Chairman of Singapore Post Limited and a Director of Fonterra Co-operative Group Limited and Stewardship Asia Centre CLG Limited. He is also a member of the Governing Board of Lee Kuan Yew School of Public Policy and Westpac's Asia Advisory Board. Simon is a former Director of CapitaLand Limited and Stewardship Asia Centre Pte. Ltd.

Simon was an Executive Director and President of Temasek before retiring on 1 July 2011. Prior to that, he was Chairman, Asia Pacific of the Danone Group. Simon also held various positions in Sara Lee Corporation before becoming President (Household & Personal Care), Asia Pacific.

Simon was conferred Knight in the Legion of Honour by the French government in 2007 and awarded the Public Service Medal at the Singapore National Day Awards 2011. He holds a Diploma in Business Studies from The University of the South Pacific.

Ms Chua Sock Koong

Ms Chua Sock Koong, 61, is an executive and non-independent Director of Singtel. She was appointed a Director on 12 October 2006 and was last re-elected on 28 July 2017.

Sock Koong was appointed Group Chief Executive Officer on 1 April 2007. She has overall responsibility for the Singtel Group's businesses.

Sock Koong joined Singtel in June 1989 as Treasurer before becoming Chief Financial Officer in April 1999. She held the positions of Group Chief Financial Officer and Chief Executive Officer, International from February 2006 to 12 October 2006, when she was appointed Deputy Group Chief Executive Officer.

Sock Koong sits on the boards of Bharti Airtel Limited, Bharti Telecom Limited, the Defence Science and Technology Agency, Cap Vista Pte Ltd and key subsidiaries of the Singtel Group. She is also Deputy Chair of the GSMA Board.

She is a member of the Singapore Management University Board of Trustees, the Public Service Commission, the Research, Innovation and Enterprise Council and the Indonesia-Singapore Business Council. She is also an alternate member of Singapore's Council of Presidential Advisers.

Sock Koong holds a Bachelor of Accountancy (First Class Honours) from the University of Singapore. She is a Fellow Member of the Institute of Singapore Chartered Accountants and a CFA charterholder.

Mr Gautam Banerjee

Mr Gautam Banerjee, 64, is a non-executive and independent Director of Singtel. He was appointed a Director on 1 March 2018 and was last re-elected on 24 July 2018.

Gautam is Senior Managing Director of Blackstone Group and Chairman of Blackstone Singapore Pte Ltd. Gautam spent over 30 years with PricewaterhouseCoopers ("**PwC**") and was a Senior Partner and Executive Chairman of PwC Singapore until he retired on 31 December 2012.

Gautam sits on the boards of Singapore Airlines Limited, Piramal Enterprises Limited, The Indian Hotels Company Limited and GIC Private Limited. He also serves in several not-for-profit organisations including Defence Science and Technology Agency, Listings Advisory Committee of the Singapore Exchange, Singapore Legal Service Commission and Yale-NUS College. He was a Director of The Straits Trading Company Limited and EDBI Pte Ltd.

Gautam holds a Bachelor of Science (Honours) and an Honorary Doctor of Laws (LLD) from Warwick University. He is a fellow member of the Institute of Chartered Accountants in England and Wales, the Institute of Singapore Chartered Accountants and the Singapore Institute of Directors.

Mr Dominic Stephen Barton

Mr Dominic Barton, 56, is a non-executive and independent Director of Singtel. He was appointed a Director on 25 March 2019 and was last re-elected on 23 July 2019.

Dominic is Senior Partner of McKinsey & Company. Until July 2018, Dominic was the Global Managing Partner of McKinsey & Company. Prior to that, he was based in Shanghai as McKinsey's Asia Chairman and also led the Korea office.

Dominic is the Chairman of Teck Resources Limited and a Director of Investor AB and MasterCard Foundation. He is the Chancellor of the University of Waterloo, the Chairman of the International Integrated Reporting Council, the Canadian Minister of Finance's Advisory Council on Economic Growth and the Seoul International Business Advisory Council. He is also a trustee of the Brookings Institution, a member of the Singapore Economic Development Board's International Advisory Council, and a member of the boards of Memorial Sloan Kettering in New York City and the Asia Pacific Foundation of Canada. He is one of the founders of FCLT Global. He was previously the Chairman of the Seoul International Business Advisory Council.

Dominic holds a Bachelor of Arts (Honours) in Economics from the University of British Columbia and a Master of Philosophy in Economics from Oxford University, where he studied as a Rhodes Scholar.

Mr Venkataraman Vishnampet Ganesan

Mr Venkataraman (Venky) Ganesan, 45, is a non-executive and independent Director of Singtel. He was appointed a Director on 2 February 2015 and was last re-elected on 24 July 2018.

Venky is one of the Managing Partners of Menlo Ventures, a top-tier Silicon Valley venture capital firm. He focuses on investments in the consumer and enterprise sectors. Venky sits on the boards of several portfolio companies of Menlo Ventures. He is also a Board member of Amobee, Inc., a wholly-owned subsidiary of Singtel.

Prior to joining Menlo Ventures, Venky was Managing Director at Globespan Capital Partners. Before Globespan, he was one of the founders of Trigo Technologies. He also worked at McKinsey & Company and Microsoft as a Program Manager. He is the former Chair of the National Venture Capital Association and a former Director of Gild, Inc., Handle, Inc., Palo Alto Networks Inc and Virident Systems.

Venky holds a Bachelor of Arts in Economics-Mathematics from Reed College and a Bachelor of Science in Engineering and Applied Science (Honours) from the California Institute of Technology in the US.

Mr Bradley Joseph Horowitz

Mr Bradley Horowitz, 54, is a non-executive and independent Director of Singtel. He was appointed a Director on 26 December 2018 and was last re-elected on 23 July 2019.

Bradley is Vice President of Product Management at Google, Inc. Over the past decade, Bradley has led product development for a wide array of consumer products at Google including Gmail, Google Drive & Docs, Blogger, Google Voice, Google News and Google Photos. Prior to joining Google, he was the Vice President of Advanced Development at Yahoo, Inc.

Bradley is an independent Director of Issuu, Inc. and also a member of the Visiting Committee of Media Lab at the Massachusetts Institute of Technology.

Bradley holds a Bachelor in Computer Science from the University of Michigan and a Masters in Media Science from the Media Lab at the Massachusetts Institute of Technology.

Mrs Gail Patricia Kelly

Mrs Gail Kelly, 63, is a non-executive and independent Director of Singtel. She was appointed a Director on 26 December 2018 and was last re-elected on 23 July 2019.

Gail is a Board Director of Australian Philanthropic Services. She is also a Senior Global Adviser to UBS and a member of the Group of Thirty, Bretton Woods Committee, McKinsey Advisory Council and PLuS Alliance Advisory Board.

Gail's executive banking career spanned 35 years. She was the Group Chief Executive Officer and Managing Director of two banks in Australia – St.George Bank from 2002 to 2007 and Westpac Banking Corporation from 2008 to 2015. She was previously a Director of Woolworths Holdings Limited in South Africa, Country Road Group, David Jones and the Business Council of Australia.

Gail holds a Bachelor of Arts and Higher Diploma of Education from the University of Cape Town and a Masters of Business Administration (with Distinction) from the University of the Witwatersrand. She has been awarded an Honorary Doctorate of Business by the University of New South Wales, Macquarie University and Charles Sturt University and an Honorary Doctorate of Science in Economics by the University of Sydney.

Mr Low Check Kian

Mr Low Check Kian, 60, is a non-executive and Lead Independent Director of Singtel. He was appointed a Director on 9 May 2011 and Lead Independent Director on 21 July 2015. He was last re-elected as Director on 28 July 2017.

Check Kian is a Director of Cluny Park Capital. He was previously one of the founding partners of NewSmith Capital Partners LLP ("**NewSmith**"), an independent partnership providing corporate finance advice and investment management services with its headquarters based in London. Prior to founding NewSmith, he was a Senior Vice President and member of the Executive Management Committee of Merrill Lynch & Co and its Chairman for the Asia-Pacific region.

Check Kian also sits on the boards of Broadcom Limited, Singtel Innov8 Pte. Ltd. and Singtel Innov8 Holdings Pte. Ltd., and is a trustee of the Singapore London School of Economics Trust and Nanyang Technological University. He was a Director of Neptune Orient Lines Limited and Fullerton Fund Management Company Ltd.

Check Kian holds a B. Sc (First Class Honours) and M. Sc in Economics from the London School of Economics.

Ms Christina Hon Kwee Fong (Mrs Christina Ong)

Mrs Christina Ong, 67, is a non-executive and independent Director of Singtel. She was appointed a Director on 7 April 2014 and was last re-elected on 23 July 2019.

Christina is Co-Chairman and Senior Partner of Allen & Gledhill LLP as well as Co-Head of its Financial Services Department. She is a Director of Hongkong Land Holdings Limited, Oversea-Chinese Banking Corporation Limited, SIA Engineering Company Limited and Epimetheus Ltd. Christina is a member of the Catalist Advisory Panel and the Corporate Governance Advisory Committee, a trustee of The Stephen A. Schwarzman Scholars Trust and a member of the Supervisory Committee of the ABF Singapore Bond Index Fund. She also sits on the boards of companies and entities which are owned by Allen & Gledhill LLP. She is a former Director of Singapore Tourism Board and the Trailblazer Foundation Ltd.

Christina is a lawyer and she provides corporate and corporate regulatory and compliance advice, particularly to listed companies. Her areas of practice include banking and securities.

Christina holds a Bachelor of Laws (Second Upper Class Honours) from the University of Singapore. She is a member of the Law Society of Singapore and the International Bar Association.

Ms Teo Swee Lian

Ms Teo Swee Lian, 59, is a non-executive and independent Director of Singtel. She was appointed a Director on 13 April 2015 and was last re-elected on 24 July 2018.

Swee Lian is the Chairman of CapitaLand Mall Trust, a Director of AIA Group Ltd, Avanda Investment Management Pte Ltd, Clifford Capital Pte. Ltd. and Dubai Financial Services Authority, a member of the Governing Board of the Duke-NUS Medical School and a council member of the Asian Bureau of Finance & Economic Research of National University of Singapore Business School.

Swee Lian was Special Advisor in the Managing Director's Office at the MAS until she stepped down in early June 2015. Prior to that, she was the Deputy Managing Director in charge of Financial Supervision at the MAS, where she oversaw macroeconomic surveillance, regulation and supervision of the banking, insurance and capital markets industries. Swee Lian was also a member of the Corporate Governance Council formed by the MAS and the Singapore Exchange Diversity Action Committee.

Swee Lian holds a B. Sc (First Class Honours) in Mathematics from Imperial College, London University and an M. Sc in Applied Statistics from Oxford University.

The Management of Singtel

Ms Chua Sock Koong

Group Chief Executive Officer

Ms Chua Sock Koong, 61, was appointed Group Chief Executive Officer on 1 April 2007. She has overall responsibility for the Singtel Group's businesses.

Sock Koong joined Singtel in June 1989 as Treasurer before becoming Chief Financial Officer in April 1999. She held the positions of Group Chief Financial Officer and Chief Executive Officer, International from February 2006 to 12 October 2006, when she was appointed Deputy Group Chief Executive Officer.

Sock Koong sits on the boards of Bharti Airtel Limited, Bharti Telecom Limited, the Defence Science and Technology Agency, Cap Vista Pte Ltd and key subsidiaries of the Singtel Group. She is also Deputy Chair of the GSMA Board.

She is a member of the Singapore Management University Board of Trustees, the Public Service Commission, the Research, Innovation and Enterprise Council and the Indonesia-Singapore Business Council. She is also an alternate member of Singapore's Council of Presidential Advisers.

Sock Koong holds a Bachelor of Accountancy (First Class Honours) from the University of Singapore. She is a Fellow Member of the Institute of Singapore Chartered Accountants and a CFA charterholder.

Mr Bill Chang

Chief Executive Officer, Group Enterprise
Country Chief Officer, Singapore

Mr Bill Chang, 52, was appointed Chief Executive Officer, Group Enterprise on 16 July 2012. He leads the infocomm and technology (ICT) team, providing solutions to enterprise customers. He also assumed the role of Country Chief Officer, Singapore on 1 October 2014, as principal liaison with local and regulatory bodies.

Bill joined Singtel in November 2005 as Executive Vice President of Corporate Business and subsequently as Managing Director, Business Group.

Bill is the Chairman of the Singapore Polytechnic Board of Governors and co-chaired the Future Jobs and Skills Sub-committee of the Committee on the Future Economy of Singapore. He is a member of the Australian Institute of Company Directors' International Advisory Technology Governance and Innovations Panel, and the Board of Urban Redevelopment Authority of Singapore.

For his contributions, Bill has won multiple recognitions including the Public Service Star in conjunction with National Day Honours, the Singapore Computer Society's IT Leader of the Year award in 2017, and the honorary Fellow of the Society in 2014.

Bill graduated with a Bachelor of Engineering (Honours) in Electrical and Computer Systems Engineering from Monash University, Australia and attended the Harvard Business School's Advanced Management Program.

Mr Mark Chong

Group Chief Technology Officer

Mr Mark Chong, 55, was appointed Group Chief Technology Officer on 1 April 2017. He leads the Singtel Group's technology strategy and innovations in the transformation of its networks and businesses across Singapore and Australia. Prior to his appointment, Mark was Chief Executive Officer, International from January 2013 to March 2017.

Mark joined Singtel in 1997 and has held various executive positions in the company including the roles of Executive Vice President (Networks) in Singapore and Chief Operating Officer of Advanced Info Service Public Company Limited (AIS), Singtel's associate in Thailand.

Mark has represented Singtel on the Boards of public listed companies such as Globe Telecom, Bharti Infratel, CS Loxinfo PCL and other non-listed companies such as OpenNet. He is currently the Chairman of Bridge Mobile Alliance and an Authority member of the Civil Aviation Authority of Singapore.

He graduated with a Bachelor of Electronics Engineering and Master in Research in Electronic Systems from ENSERG, Grenoble, France, on a Singapore Government scholarship. Mark obtained his MBA from the National University of Singapore. He is a Senior Fellow with the Singapore Computer Society.

Mr Arthur Lang

Chief Executive Officer, International

Mr Arthur Lang, 47, is Chief Executive Officer, International having joined Singtel in January 2017. His main responsibilities are to oversee the growth of the Singtel Group's regional associates across Africa, India, Indonesia, the Philippines and Thailand, strengthen their relationships with overseas partners, and drive regional initiatives, such as the regional mobile financial and gaming businesses, for scale and synergies.

Prior to joining Singtel, Arthur was Group Chief Financial Officer of CapitaLand Limited, where he also ran CapitaLand's real estate fund management business. Prior to CapitaLand, Arthur was at Morgan Stanley where he was Co-head of the Southeast Asia investment banking division and Chief Operating Officer of the Asia Pacific investment banking division.

Arthur is a board member of Airtel Africa, Globe Telecom, Bharti Infratel Limited, NetLink NBN Trust, the Land Transport Authority of Singapore, the National Kidney Foundation and the Straits Times School Pocket Money Fund. He also sits on the Advisory Board of the Lee Kong Chian School of Business, Singapore Management University. In 2018, Arthur was awarded the Public Service Medal for his contributions.

Arthur has an MBA from the Harvard Business School and a BA in Economics (magna cum laude) from Harvard University.

Mr Allen Lew

Chief Executive Officer, Consumer Australia
Chief Executive Officer, Optus

Mr Allen Lew, 64, was appointed Chief Executive Officer, Consumer Australia and Chief Executive Officer, Optus on 1 October 2014.

Prior to that, Allen was Chief Executive Officer, Group Digital Life where he transformed the Group into a leading player in the digital ecosystem. He was also Country Chief Officer, Singapore.

Allen began his career with Singtel on 7 November 1980 and has served in various senior management roles, both in Singapore and overseas. His first overseas posting was to Advanced Info Service Public Company Limited (AIS), Singtel's regional associate. He was the Chief Operating Officer of AIS for three years before his posting to Optus in late 2001, as Managing Director of Optus Mobile and later as Managing Director of Optus Consumer Business. He returned to Singapore as Chief Executive Officer, Singapore in 2006.

Allen is the Chairman of the AIS Executive Committee.

He holds a Bachelor of Electrical Engineering from the University of Western Australia under a Colombo Plan Scholarship and a Master of Science (Management) from the Massachusetts Institute of Technology.

Ms Lim Cheng Cheng

Group Chief Financial Officer

Ms Lim Cheng Cheng, 47, is Group Chief Financial Officer. She assumed this role on 10 April 2015 and is responsible for the Singtel Group's finance-related functions including tax, treasury and investor relations.

Cheng Cheng has over 24 years of experience in finance and mergers and acquisitions. She joined Singtel in 2012 as Vice President, Group Strategic Investment and was appointed Deputy Group Chief Financial Officer on 1 October 2014. Prior to that, she was Managing Director, Group Strategic Investments.

Before joining Singtel, Cheng Cheng was Executive Vice President and Chief Financial Officer at SMRT Corporation. She also worked at Singapore Power for 10 years in various corporate planning, investments and finance roles, the last being Head and Vice President (Financial Planning and Analysis).

Cheng Cheng is a non-executive, non-independent Director at SingPost and is the winner of the Best CFO (big cap) title at the 2018 Singapore Corporate Awards. Cheng Cheng also serves on the Board of Governors of Raffles Girls' School.

Cheng Cheng holds an MBA from the University of Chicago Booth School of Business and a Bachelor of Accountancy from Nanyang Technological University. She is a Chartered Accountant (Singapore) of the Institute of Singapore Chartered Accountants.

Ms Jeann Low

Group Chief Corporate Officer

Ms Jeann Low, 58, was appointed Group Chief Corporate Officer on 10 April 2015. She is responsible for the Singtel Group's corporate functions including strategy, mergers and acquisitions, corporate communications, legal, regulatory and procurement.

Prior to this role, she was Group Chief Financial Officer for seven years. Jeann joined Singtel on 12 October 1998 as Group Financial Controller and has held several management roles including Executive Vice President of Strategic Investments and Chief Financial Officer of Optus.

Jeann is a member of the Governing Board of the Lee Kong Chian School of Medicine. She is also a Director of Advanced Info Service Public Company Limited (AIS) and Intouch Holdings Public Company Limited.

Jeann holds an Honours Degree in Accountancy from the National University of Singapore and is a Fellow Member of the Institute of Singapore Chartered Accountants.

Mr Samba Natarajan

Chief Executive Officer, Group Digital Life

Mr Samba Natarajan, 53, is Chief Executive Officer, Group Digital Life. He joined Singtel in May 2014 as Managing Director of Digital Enterprise, leading a team focused on identifying and executing on growth opportunities from emerging technology trends.

Samba has more than 25 years of corporate and consulting experience across a wide range of senior roles in the areas of strategy, business development and finance. He worked for Citibank from 1988 to 1997 and McKinsey & Company from 1999 to 2014. In his last role at McKinsey, he was the Leader of Southeast Asia Technology, Media & Telecommunications practice.

Samba serves on the Board of Directors of Globe Telecom in the Philippines. He is also a member of the Board of the Singapore American School.

Samba holds a Bachelor of Engineering degree in Electrical Engineering with distinction from the Birla Institute of Technology and Science in Pilani, India, a Post Graduate Diploma in Management from the Indian Institute of Management in Ahmedabad, India, and an MBA from the Wharton School, University of Pennsylvania, USA where he was a Ford Fellow and a Palmer Scholar.

Ms Aileen Tan

Group Chief Human Resources Officer

Ms Aileen Tan, 52, Group Chief Human Resources Officer, is responsible for the development of human resources across the Singtel Group. She also leads its corporate sustainability function.

Aileen joined Singtel in June 2008 as Group Director, Human Resources. Prior to that, she was Group General Manager, Human Resources at WBL Corporation Limited and Vice President, Centres of Excellence with Abacus International Pte Ltd.

She co-chairs the Ministry of Manpower's HR Industry Transformation Advisory Panel and is a member of the Institute for Human Resource Professionals ("**IHRP**") Board, Singapore University of Social Sciences Board of Trustees and the Home Nursing Foundation Board.

Aileen graduated with a Bachelor of Arts from the National University of Singapore. She holds a Master of Science in Organisational Behaviour from the California School of Professional Psychology, Alliant International University, US. She is a pioneer IHRP Master Professional, conferred by the IHRP in recognition of her being a role model for the HR profession. She received the Public Service Medal in 2018 for significant contributions to the human resources sectors in Singapore.

Mr William Woo

Group Chief Information Officer

Mr William Woo, 55, was appointed Group Chief Information Officer from 1 August 2017. William was Managing Director of Enterprise Data and Managed Services and Managing Director of Cyber Security at Group Enterprise.

He joined Singtel in May 2011 from Xchanging PLC, where he was Managing Director for the Southeast Asia region.

Prior to that, William spent 20 years at EDS and had held various senior management roles which included Managing Director of Southeast Asia & India and Vice President, Global Service Delivery of Asia, responsible for leading the Information Technology Outsourcing, Business Process Outsourcing and Applications service delivery across the Asia region. He started his career with the National Computer Board.

William graduated with a Bachelor of Applied Science in Computing (Distinction) from the Queensland University of Technology, Australia, and holds an Executive MBA from the National University of Singapore.

Mr Yuen Kuan Moon

Chief Executive Officer, Consumer Singapore

Mr Yuen Kuan Moon, 52, was appointed Chief Executive Officer, Consumer Singapore in June 2012. He leads the Singapore consumer business to deliver an integrated suite of mobile, broadband and TV services. Concurrently, Moon is responsible for driving the Singtel Group's digital transformation as Group Chief Digital Officer, a role that was created to unlock digital growth opportunities in an era of disruption.

Since joining Singtel in February 1993, Moon has several leadership roles in Marketing, Business Development and Sales, including Vice President of Regional Operations and Executive Vice President of Digital Consumer.

In 2003, Moon was posted to Telkomsel as General Manager for Product Development and appointed Director of Commerce from 2005 to 2007. He has served on the Board of Commissioners in Telkomsel since 2009.

Moon was appointed to the Board of SkillsFuture Singapore in October 2016, and the Board of Advisors of the Institute of Service Excellence at Singapore Management University in January 2018. He was appointed a member of the Digital Readiness Council Steering Committee in November 2018.

Moon holds a First Class Honours degree in Engineering from the University of Western Australia and a Master of Science in Management from Stanford University.

CLEARING AND SETTLEMENT

*The information set out below is subject to any change in, or reinterpretation of, the rules, regulations and procedures of CDP, DTC, Euroclear and Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer, any other party to the Agency Agreement, the Arrangers nor any Dealer will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.*

The relevant Pricing Supplement will specify the clearing system(s) applicable for each Series.

The Clearing Systems

DTC

DTC is a limited purpose trust company organised under the laws of the State of New York, a member of the United States Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions among participants through electronic computerised book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Direct participants include securities brokers and dealers, banks, trust companies and clearing corporations and certain other organisations. DTC is owned by a number of its participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Indirect access to the DTC system is available to others, such as banks, securities brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly ("**indirect participants**"). DTC makes payments only in U.S. dollars.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Registered Notes (including, without limitation, the presentation of Restricted Global Certificates for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in Restricted Global Certificates are credited and only in respect of such portion of the aggregate nominal amount of the relevant Restricted Global Certificates as to which such participant or participants has or have given such direction. However, in the circumstances described above, DTC will surrender the relevant Restricted Global Certificates in exchange for Individual Certificates (which will, in the case of Restricted Notes, bear the legend applicable to transfers pursuant to Rule 144A).

CDP

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (the "**Depository System**") maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note or Global Certificate for persons holding the Notes in securities accounts with CDP (the "**Depositors**"). Delivery and transfer of Notes between Depositors are by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the second business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Notes through the Depository System may only be effected through certain corporate depositors (the "**Depository Agents**") approved by CDP under the SFA, to maintain securities sub-accounts and to hold the Notes in such securities sub-accounts for themselves and their clients. Accordingly, Notes for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the CDP Paying Agent or any other Agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from the lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with each other. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

Book-Entry Ownership

Bearer Notes

The Issuer may make applications to CDP, Euroclear and/or Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note in bearer form without coupons may be deposited with CDP, or with a common depositary for Euroclear and/or Clearstream, Luxembourg or an Alternative Clearing System as agreed between the Issuer and the Dealer. Transfers of interests in such temporary Global Notes or permanent Global Notes will be made in accordance with the normal Euromarket debt securities operating procedures of CDP, Euroclear and Clearstream, Luxembourg or, if appropriate, the Alternative Clearing System.

Registered Notes

The Issuer may make applications to CDP, Euroclear and/or Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of the Notes to be represented by an Unrestricted Global Certificate. Each Unrestricted Global Certificate deposited with a common depositary for, and registered in the name of, a nominee of Euroclear and/or Clearstream, Luxembourg will have an ISIN (as defined herein) and a Common Code.

The Issuer, and a relevant U.S. agent appointed for such purpose that is an eligible DTC participant, may make an application to DTC for acceptance in its book-entry settlement system of the Registered Notes represented by a Restricted Global Certificate. Each such Restricted Global Certificate will have a CUSIP (as defined herein) number. Each Restricted Global Certificate will be subject to restrictions on transfer contained in a legend appearing on the front of such Global Certificate, as set out under "Transfer Restrictions". In certain circumstances, as described below in "Transfers of Registered Notes", transfers of interests in a Restricted Global Certificate may be made as a result of which such legend may no longer be required.

In the case of a Tranche of Registered Notes to be cleared through the facilities of DTC, the Custodian, with whom the Restricted Global Certificates are deposited, and DTC, will electronically record the nominal amount of the Restricted Notes held within the DTC system. Investors may hold their beneficial interests in a Restricted Global Certificate directly through DTC if they are participants in the DTC system, or indirectly through organisations which are participants in such system.

Payments of the principal of, and interest on, each Restricted Global Certificate registered in the name of DTC's nominee will be to, or to the order of, its nominee as the registered owner of such Restricted Global Certificate. The Issuer expects that the nominee, upon receipt of any such payment, will immediately credit DTC participants' accounts with payments in amounts proportionate to their respective beneficial interests in the nominal amount of the relevant Restricted Global Certificate as shown on the records of DTC or the nominee. The Issuer also expects that payments by DTC participants to owners of beneficial interests in such Restricted Global Certificate held through such DTC participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants. Neither the Issuer nor any Paying Agent or any Transfer Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, ownership interests in any Restricted Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

All Registered Notes will initially be in the form of an Unrestricted Global Certificate and/or a Restricted Global Certificate. Individual Certificates will only be available, in the case of Notes initially represented by an Unrestricted Global Certificate, in amounts specified in the applicable Pricing Supplement, and, in the case of Notes initially represented by a Restricted Global Certificate, in minimum amounts of US$100,000 (or its equivalent rounded upwards as agreed between the Issuer and the relevant Dealer(s)), or higher integral multiples of US$1,000, in certain limited circumstances described below.

Payments through DTC

Payments in U.S. dollars of principal and interest in respect of a Restricted Global Certificate registered in the name of a nominee of DTC will be made to the order of such nominee as the registered holder of such Note. Payments of principal and interest in a currency other than U.S. dollars in respect of Notes evidenced by a Restricted Global Certificate registered in the name of a nominee of DTC will be made or procured to be made by the Paying Agent in such currency in accordance with the following provisions. The amounts in such currency payable by the Paying Agent or its agent to DTC with respect to Notes held by DTC or its nominee will be received from the Issuer by the Paying Agent who will make payments in such currency by wire transfer of same day funds to the designated bank account in such currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of payments of interest, on or prior to the third business day in New York City after the Record Date for the relevant payment of interest and, in the case of payments of principal, at least 12 business days in New York City prior to the relevant payment date, to receive that payment in such currency. An exchange agent will convert amounts in such currency into U.S. dollars and deliver such U.S. dollar amount to the Paying Agent in same day funds for delivery to DTC for payment through its settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such currency. The Agency Agreement sets out the manner in which such conversions are to be made.

Transfers of Registered Notes

Transfers of interests in Global Certificates within CDP, Euroclear, Clearstream, Luxembourg and DTC will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Restricted Global Certificate to such persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Restricted Global Certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Beneficial interests in an Unrestricted Global Certificate may only be held through CDP, Euroclear or Clearstream, Luxembourg. In the case of Registered Notes to be cleared through Euroclear, Clearstream, Luxembourg and/or DTC, transfers may be made at any time by a holder of an interest in an Unrestricted Global Certificate to a transferee who wishes to take delivery of such interest through a Restricted Global Certificate for the same Series of Notes provided that any such transfer made on or prior to the expiration of the distribution compliance period (as used in "Subscription and Sale") relating to the Notes represented by such Unrestricted Global Certificate will only be made upon receipt by any Transfer Agent of a written certificate from Euroclear or Clearstream, Luxembourg, as the case may be, (based on a written certificate from the transferor of such interest) to the effect that such transfer is being made to a person whom the transferor, and any person acting on its behalf, reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States. Any such transfer made thereafter of the Notes represented by such Unrestricted Global Certificate will only be made upon request through Euroclear or Clearstream, Luxembourg by the holder of an interest in the Unrestricted Global Certificate to the Issuing and Paying Agent of details of that account at DTC to be credited with the relevant interest in the Restricted Global Certificate. Transfers at any time by a holder of any interest in the Restricted Global Certificate to a transferee who takes delivery of such interest through an Unrestricted Global Certificate will only be made upon delivery to any Transfer Agent of a certificate setting forth compliance with the provisions of Regulation S and giving details of the account at Euroclear or Clearstream, Luxembourg, as the case may be, and DTC to be credited and debited, respectively, with an interest in each relevant Global Certificate.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described above and under “Transfer Restrictions”, cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream, Luxembourg accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Custodian, the Registrar and the Issuing and Paying Agent.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Euroclear and/or Clearstream, Luxembourg and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Euroclear or Clearstream, Luxembourg and DTC participants will need to have an agreed settlement date between the parties to such transfer. As there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, Luxembourg, on the other, transfers of interests in the relevant Global Certificates will be effected through the Issuing and Paying Agent, the Custodian, the relevant Registrar and any applicable Transfer Agent receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) three business days after the trade date for the disposal of the interest in the relevant Global Certificate resulting in such transfer and (ii) two business days after receipt by the Issuing and Paying Agent or the Registrar, as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

For a further description of restrictions on transfer of Registered Notes, see “Transfer Restrictions”. DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Registered Notes (including, without limitation, the presentation of Restricted Global Certificates for exchange as described above) only at the direction of one or more participants in whose account with DTC, interests in Restricted Global Certificates are credited and only in respect of such portion of the aggregate nominal amount of the relevant Restricted Global Certificates as to which such participant or participants has or have given such direction. However, in the circumstances described above, DTC will surrender the relevant Restricted Global Certificates for exchange for Individual Certificates (which will, in the case of Restricted Notes, bear the legend applicable to transfers pursuant to Rule 144A).

Although Euroclear, Clearstream, Luxembourg and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Certificates among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Guarantor, any Paying Agent or any Transfer Agent will have any responsibility for the performance by CDP, Euroclear, Clearstream, Luxembourg or DTC or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

While a Restricted Global Certificate is lodged with DTC or the Custodian, Restricted Notes represented by Individual Certificates will not be eligible for clearing or settlement through Euroclear, Clearstream, Luxembourg or DTC.

Individual Certificates

Registration of title to Registered Notes in a name other than a depositary or its nominee for Clearstream, Luxembourg and Euroclear or for DTC will be permitted only (i) in the case of Restricted Global Certificates in the circumstances set forth in "Summary of Provisions Relating to the Notes while in Global Form – Exchange – Restricted Global Certificates" or (ii) in the case of Unrestricted Global Certificates in the circumstances set forth in "Summary of Provisions Relating to the Notes while in Global Form – Exchange – Unrestricted Global Certificates". In such circumstances, the Issuer will cause sufficient individual Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholder(s). A person having an interest in a Global Certificate must provide the Registrar with:

(i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Individual Certificates; and

(ii) in the case of a Restricted Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous resale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Individual Certificates issued pursuant to this paragraph (ii) shall bear the legends applicable to transfers pursuant to Rule 144A.

Pre-issue Trades Settlement

It is expected that delivery of Notes will be made against payment therefor on the relevant Issue Date, which could be more than three business days following the date of pricing. Under Rule 15c6-1 of the Exchange Act, trades in the US secondary market generally are required to settle within three business days (T+3), unless the parties to any such trade expressly agree otherwise. Accordingly, in the event that an Issue Date is more than three business days following the relevant date of pricing, purchasers who wish to trade Registered Notes in the United States between the date of pricing and the date that is three business days prior to the relevant Issue Date will be required, by virtue of the fact that such Notes initially will settle beyond T+3, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices and, in the event that an Issue Date is more than three business days following the relevant date of pricing, purchasers of Notes who wish to trade Notes between the date of pricing and the date that is three business days prior to the relevant Issue Date should consult their own adviser.

TAXATION

Singapore Taxation

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the MAS in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive tax incentive(s)) may be subject to special rules or tax rates. It should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. Prospective holders of the Notes are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that neither the Issuer, the Guarantor nor any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore ("**ITA**"), the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 22 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium or break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

As the Programme as a whole was arranged by Financial Sector Incentive (Bond Market) Companies (as defined in the ITA) prior to 1 January 2014 and by Financial Sector Incentive (Bond Market), Financial Sector Incentive (Standard Tier) or Financial Sector Incentive (Capital Market) Companies (as defined in the ITA) thereafter, any tranche of the Notes ("**Relevant Notes**") issued as debt securities under the Programme during the period from the date of this Offering Circular to 31 December 2023 would be, pursuant to the ITA, qualifying debt securities ("**QDS**") for the purposes of the ITA, to which the following treatments shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Notes made by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax. Where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds from that person's operations through the Singapore permanent establishment;

(ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), Qualifying Income from the Relevant Notes made by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

(aa) the Issuer including in all offering documents relating to the Relevant Notes, a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

payments of Qualifying Income derived from the Relevant Notes and made by the Issuer are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as QDS; and

(B) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50 per cent. or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:

(I) any related party of the Issuer; or

(II) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "**prepayment fee**", "**redemption premium**" and "**break cost**" are defined in the ITA as follows:

"prepayment fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;

"redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and "break cost", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to "prepayment fee", "redemption premium" and "break cost" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Notwithstanding that the Issuer is permitted to make payments of interest, discount income, prepayment fee, redemption premium and break cost in respect of the Relevant Notes without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains from the sale of Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who are adopting Singapore Financial Reporting Standard ("**FRS**") 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 (Financial Instruments) ("**SFRS(I) 9**") (as the case may be) may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore income tax purposes".

3. Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore income tax purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The Inland Revenue Authority of Singapore has also issued a circular entitled "Income Tax Implications arising from the adoption of FRS 39 – Financial Instruments: Recognition and Measurement".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The Inland Revenue Authority of Singapore has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Notes who may be subject to the tax treatment under Sections 34A and 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Union Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdiction of the Issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Notes (as described under "Terms and Conditions of the Notes Governed by Singapore Law – Further Issues" and "Terms and Conditions of the Notes Governed by English Law – Further Issues") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. The rules governing FATCA are complicated and holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. If an amount in respect of FATCA were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor the Guarantor nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 24 July 2019 (as amended, varied or supplemented from time to time, the "**Dealer Agreement**") between the Issuer, the Guarantor, the Permanent Dealers and the Arrangers, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are underwritten by two or more Dealers.

The Issuer, failing whom the Guarantor, will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer, failing whom the Guarantor, has agreed to reimburse the Arrangers for their expenses incurred in connection with the establishment and update of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer and the Guarantor have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in accordance with Regulation S under the Securities Act ("**Regulation S**") or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Dealer Agreement, it will not offer, sell or, in the case of Bearer Notes, deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable Tranche of which such Notes are a part, as determined and certified to the Issuing and Paying Agent by such Dealer (or, in the case of an identifiable Tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable Tranche purchased by or through it, in which case the Issuing and Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period (other than resales pursuant to Rule 144A) a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. The Dealer Agreement provides that the Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Notes within the United States only to QIBs in reliance on Rule 144A.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such Tranche of Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

This Offering Circular has been prepared by the Issuer and the Guarantor for use in connection with the offer and sale of the Notes outside the United States and for the resale of the Notes in the United States. The Issuer, the Guarantor and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States or to any U.S. person, other than any QIB within the meaning of Rule 144A to whom an offer has been made directly by one of the Dealers or its U.S. broker-dealer affiliate. Distribution of this Offering Circular by any non-U.S. person outside the United States or by any QIB in the United States to any U.S. person or to any other person within the United States, other than any QIB and those persons, if any, retained to advise such non-U.S. person or QIB with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, other than any QIB and those persons, if any, retained to advise such non-U.S. person or QIB, is prohibited.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

  (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Hong Kong

In relation to each Tranche of Notes issued by the Issuer, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (the "**SFO**") other than (a) to "**professional investors**" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "**prospectus**" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

General

These selling restrictions may be supplemented or modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such supplement or modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Offering Circular, any other offering material or any Pricing Supplement therefore in all cases at its own expense. Other persons into whose hands this Offering Circular or any Pricing Supplement comes are required by the Issuer, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Offering Circular or any Pricing Supplement or any related offering material, in all cases at their own expense.

TRANSFER RESTRICTIONS

Restricted Notes

Each purchaser of Restricted Notes, by accepting delivery of this Offering Circular, will be deemed to have represented, agreed and acknowledged that:

1. It is (a) a QIB, (b) acquiring such Restricted Notes for its own account, or for the account of one or more QIBs, and (c) aware, and each beneficial owner of the Restricted Notes has been advised, that the sale of the Restricted Notes to it is being made in reliance on Rule 144A.

2. (i) The Restricted Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it, and any person acting on its behalf, reasonably believes is a QIB purchasing for its own account or for the account of one or more QIBs, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) in each case in accordance with any applicable securities laws of any State of the United States and (ii) it will, and each subsequent holder of the Restricted Notes is required to, notify any purchaser of the Restricted Notes from it of the resale restrictions on the Restricted Notes.

3. The Restricted Notes, unless the Issuer determines otherwise in accordance with applicable law, will bear a legend (the "**Rule 144A Legend**") in or substantially in the following form:

   "THIS NOTE AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A "**QIB**") THAT IS ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER RULE 144 UNDER THE SECURITIES ACT ("**RULE 144**"), IF AVAILABLE, OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR RESALES OF THE NOTES."

4. It understands that the Issuer, the Guarantor, each Registrar, the relevant Dealer(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

5. It understands that the Restricted Notes will be represented by a Restricted Global Certificate. Before any interest in a Restricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Unrestricted Global Certificate or as the case may be, Global Note, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Unrestricted Notes

Each purchaser of Unrestricted Notes and each subsequent purchaser of such Unrestricted Notes in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Offering Circular and the Unrestricted Notes, will be deemed to have represented, agreed and acknowledged that:

(i) It is, or at the time Unrestricted Notes are purchased will be, the beneficial owner of such Unrestricted Notes and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

(ii) It understands that such Unrestricted Notes and the Guarantee have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Unrestricted Notes except (a) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believes is a QIB purchasing for its own account, or for the account of one or more QIBs or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.

(iii) It understands that the Unrestricted Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend in or substantially in the following form:

"THIS NOTE AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT."

(iv) It understands that the Issuer, the Guarantor, each Registrar, the relevant Dealer(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer.

(v) It understands that the Unrestricted Notes will be represented by an Unrestricted Global Certificate, or as the case may be, a Global Note. Prior to the expiration of the distribution compliance period, before any interest in an Unrestricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Restricted Global Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

(vi) Delivery of the Notes may be made against payment thereof on or about a date which will occur more than three business days after the date of pricing of the Notes. Pursuant to Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the Notes may initially settle on or about a date which will occur more than three business days after the date of pricing of the Notes to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of Notes who wish to trade Notes on the date of pricing or the next succeeding business day should consult their own advisor.

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions.

[**PRIIPs Regulation/ PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[**MiFID II product governance/ target market –** [*appropriate target market legend to be included*]]

[*To insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA*]

Pricing Supplement dated [●]

Singtel Group Treasury Pte. Ltd.

Legal entity identifier (LEI): [●]

S$10,000,000,000
Guaranteed Euro Medium Term Note Programme

Guaranteed by
Singapore Telecommunications Limited

Singtel Group Treasury Pte. Ltd.
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the S$10,000,000,000 Guaranteed Euro Medium Term Note Programme
guaranteed by Singapore Telecommunications Limited

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 24 July 2019 [and the supplemental Offering Circular dated [●]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular [as so supplemented].

The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated [original date]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [●], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto.]

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the "**Income Tax Act**"), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

1.	(i)	Issuer:	[ ]
	(ii)	Guarantor:	[ ]
2.	[(i)]	Series Number:	[ ]
	[(ii)	Tranche Number: (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]	
3.		Specified Currency or Currencies:	[ ]
4.		Aggregate Nominal Amount:	[ ]
	[(i)]	Series:	[ ]
	[(ii)	Tranche:	[ ]]
5.	[(i)]	Issue Price:	[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]
	[(ii)	Net proceeds:	[ ] (*Required only for listed issues*)]
6.	(i)	Specified Denominations:	[ ]
	(ii)	Calculation Amount:	[ ]
7.	(i)	Issue Date:	[ ]
	(ii)	Interest Commencement Date:	[*Specify/Issue date/Not Applicable*]
8.		Maturity Date:	[*specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]

9.	Interest Basis:	[[●] per cent. Fixed Rate] [[*specify reference rate*] +/-[●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Other (*specify*)] (further particulars specified below)
10.	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (*specify*)]
11.	Change of Interest or Redemption/ Payment Basis:	[*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*]
12.	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13.	(i) Status of the Notes:	[Senior]
	(ii) Status of the Guarantee:	[Senior]
14.	Listing:	[[ ] (*specify*)/None]
15.	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	Fixed Rate Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Rate[(s)] of Interest:	[ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii) Interest Payment Date(s):	[ ] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/*not adjusted*]
	(iii) Fixed Coupon Amount[(s)]:	[ ] per Calculation Amount
	(iv) Broken Amount(s):	[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]
	(v) Day Count Fraction:	[30/360/Actual/Actual (ICMA/ISDA)/other]

	(vi) [Determination Dates:	[ ] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)]
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/*give details*]
17.	Floating Rate Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph.*)
	(i) Interest Period(s):	[ ]
	(ii) Specified Interest Payment Dates:	[ ]
	(iii) First Interest Period Date:	[ ] (*Not applicable unless different from Interest Payment Date*)
	(iv) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
	(v) Business Centre(s):	[ ]
	(vi) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ ISDA Determination/ other (*give details*)]
	(vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[ ]
	(viii) Screen Rate Determination:	
	– Reference Rate:	[ ]
	– Interest Determination Date(s):	[ ]
	– Relevant Screen Page:	[ ]
	(ix) ISDA Determination:	
	– Floating Rate Option:	[ ]
	– Designated Maturity:	[ ]
	– Reset Date:	[ ]
		(N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)

(x)	Margin(s):	[+/-][ ] per cent. per annum
(xi)	Minimum Rate of Interest:	[ ] per cent. per annum
(xii)	Maximum Rate of Interest:	[ ] per cent. per annum
(xiii)	Day Count Fraction:	[ ]
(xiv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[ ]

18.	Zero Coupon Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Amortisation Yield:	[ ] per cent. per annum
(ii)	Any other formula/basis of determining amount payable:	[ ]
19.	Index-Linked Interest Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph. If Index-Linked Interest Notes and Index-Linked Redemption Notes are issued on or after 1 January 2017 and reference a U.S. equity or an index that contains a U.S. equity component or otherwise provides direct or indirect exposure to U.S. equities, additional analysis should be undertaken from a U.S. taxation perspective, and additional disclosure may be required.*)
(i)	Index/Formula:	[*give or annex details*]
(ii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[ ]
(iii)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted:	[ ]
(iv)	Interest Period(s):	[ ]
(v)	Specified Interest Payment Dates:	[ ]

(vi)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
(vii)	Business Centre(s):	[ ]
(viii)	Minimum Rate of Interest:	[ ] per cent. per annum
(ix)	Maximum Rate of Interest:	[ ] per cent. per annum
(x)	Day Count Fraction:	[ ]

20.	Dual Currency Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Rate of Exchange/method of calculating Rate of Exchange:	[*give details*]
(ii)	Party, if any, responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[ ]
(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[ ]
(iv)	Person at whose option Specified Currency(ies) is/are payable:	[ ]

PROVISIONS RELATING TO REDEMPTION

21.	Call Option:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Optional Redemption Date(s):	[ ]
(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[ ] per Calculation Amount
(iii)	If redeemable in part:	
	(a) Minimum Redemption Amount:	[ ] per Calculation Amount
	(b) Maximum Redemption Amount:	[ ] per Calculation Amount
(iv)	Notice period:	[ ]

22.	Put Option:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Optional Redemption Date(s):	[ ]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[ ] per Calculation Amount
	(iii) Notice period	[ ]
23.	Final Redemption Amount of each Note:	[ ] per Calculation Amount
24.	Early Redemption Amount	
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[ ]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Form of Notes:	**Bearer Notes:** [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [ ] days' notice] (*For this option to be available, such Notes shall only be issued in denominations that are equal to, or greater than, €100,000 (or its equivalent in other currencies) and integral multiples thereof*) [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Registered Notes]
26.	Financial Centre(s) or other special provisions relating to Payment Dates:	[Not Applicable/*give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 16(ii), 17(iv) and 19(vii) relate*]

27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. If yes, *give details*]
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details*]
29.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	[Not Applicable/*give details*]
30.	Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

31.	(i) If syndicated, names of Managers:	[Not Applicable/*give names*]
	(ii) Stabilising Manager (if any):	[Not Applicable/*give name*]
32.	If non-syndicated, name of Dealer:	[Not Applicable/*give name*]
33.	U.S. selling restrictions:	[C Rules/D Rules/TEFRA not applicable]
34.	Additional selling restrictions:	[Not Applicable/*give details*]

OPERATIONAL INFORMATION

35.	ISIN Code:	[ ]
36.	Common Code:	[ ]
37.	Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
38.	Delivery:	Delivery [against/free of] payment
39.	Additional Paying Agent(s) (if any):	[ ]

[**PURPOSE OF PRICING SUPPLEMENT**

This Pricing Supplement comprises the final terms required for issue and admission to trading on the [specify relevant stock exchange/market] of the Notes described herein pursuant to the S$10,000,000,000 Euro Medium Term Note Programme of Singtel Group Treasury Pte. Ltd. guaranteed by Singapore Telecommunications Limited.]

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of Singtel Group Treasury Pte. Ltd.:

By:	.... Duly authorised	By:	.... Duly authorised

Signed on behalf of Singapore Telecommunications Limited:

By:	.... Duly Authorised	By:	.... Duly Authorised

GENERAL INFORMATION

(1) Application has been made for permission to deal in, and for quotation of, any Notes which are agreed at the time of issue to be listed on the Official List of the SGX-ST. There can be no assurance that the application to the SGX-ST will be approved. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, their respective subsidiaries and associated companies, the Programme or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. The Notes will trade on the SGX-ST in a minimum board lot size of S$200,000 or its equivalent in other currencies so long as any of the Notes remain listed on the SGX-ST.

(2) Each of the Issuer and the Guarantor has obtained all necessary consents, approvals and authorisations in Singapore in connection with the establishment and update of the Programme and the giving of the Guarantee. The establishment and update of the Programme were authorised by resolutions of the Board of Directors of the Issuer passed on 22 July 2010 and the giving of the Guarantee by the Guarantor was authorised by resolutions of the Board of Directors of the Guarantor passed on 16 July 2010.

(3) Except as disclosed in this Offering Circular, there has been no material adverse change in the financial or trading position of the Guarantor or of the Singtel Group since 31 March 2019 and no material adverse change in the prospects of the Guarantor or of the Singtel Group since 31 March 2019.

(4) Each Bearer Note having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

(5) Notes have been accepted for clearance through the CDP, Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). In addition, the Issuer may make an application for any Restricted Notes to be accepted for trading in book-entry form by DTC. Acceptance by DTC of such Certificates will be confirmed in the relevant Pricing Supplement. The Common Code, the International Securities Identification Number ("**ISIN**"), the Committee on the Uniform Security Identification Procedure Number ("**CUSIP**") and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Pricing Supplement.

(6) There are no material contracts entered into other than in the ordinary course of the Issuer's or the Guarantor's business, which could result in any member of the Singtel Group being under an obligation or entitlement that is material to the Issuer's or the Guarantor's ability to meet its obligations to Noteholders in respect of the Notes being issued.

(7) Where information in this Offering Circular has been sourced from third parties this information has been accurately reproduced and as far as each of the Issuer and the Guarantor is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

(8) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Pricing Supplement of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

(9) For so long as Notes may be issued pursuant to this Offering Circular, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer:

(i) the English Law Trust Deed (which includes the form of (a) the Global Notes governed under English law, (b) the definitive Bearer Notes governed under English law and (c) the Certificates, the Coupons, the Receipts and the Talons relating to Notes governed under English law);

(ii) the Singapore Law Trust Deed (which includes the form of (a) the Global Notes governed under Singapore law, (b) the definitive Bearer Notes governed under Singapore law and (c) the Certificates, the Coupons, the Receipts and the Talons relating to Notes governed under Singapore law);

(iii) the Agency Agreement;

(iv) the Constitution of each of the Issuer and the Guarantor;

(v) the latest published annual report and audited accounts of the Guarantor and the Singtel Group;

(vi) each Pricing Supplement (save that the relevant Pricing Supplement relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Issuing and Paying Agent as to its holding of Notes and identity);

(vii) a copy of this Offering Circular together with any supplement to this Offering Circular or further Offering Circular; and

(viii) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Offering Circular.

(10) Copies of the latest annual report and consolidated accounts of the Guarantor and the latest interim consolidated accounts of the Guarantor may be obtained, and copies of the English Law Trust Deed, the Singapore Law Trust Deed and the Agency Agreement will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.

INDEX TO FINANCIAL STATEMENTS

AUDITED FINANCIAL STATEMENTS OF THE SINGTEL GROUP FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

The information in this section has been reproduced from the audited financial statements of the Singtel Group for the financial year ended 31 March 2019 and has not been specifically prepared for inclusion in this Offering Circular.

Directors' Statement

For the financial year ended 31 March 2019

The Directors present their statement to the members together with the audited financial statements of the Company ("**Singtel**") and its subsidiaries (the "**Group**") for the financial year ended 31 March 2019.

In the opinion of the Directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 137 to 249 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. DIRECTORS

The Directors of the Company in office at the date of this statement are –

Simon Claude Israel (Chairman)
Chua Sock Koong (Group Chief Executive Officer)
Gautam Banerjee
Dominic Stephen Barton (appointed on 25 March 2019)
Bobby Chin Yoke Choong
Venkataraman Vishnampet Ganesan
Bradley Joseph Horowitz (appointed on 26 December 2018)
Gail Patricia Kelly (appointed on 26 December 2018)
Low Check Kian
Peter Edward Mason AM [1]
Christina Hon Kwee Fong (Christina Ong)
Teo Swee Lian

Peter Ong Boon Kwee, who served during the financial year, stepped down as a Director of the Company following the conclusion of the Annual General Meeting on 24 July 2018.

Note:
[1] Member of the Order of Australia

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except for performance shares granted under the Singtel Performance Share Plan 2012 (the "**Singtel PSP 2012**") and share options granted by Amobee Group Pte. Ltd. ("**Amobee**").

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The interests of the Directors holding office at the end of the financial year in the share capital of the Company and related corporations according to the register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act were as follows –

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 31 March 2019	At 1 April 2018 or date of appointment, if later	At 31 March 2019	At 1 April 2018 or date of appointment, if later
The Company				
Singapore Telecommunications Limited				
(Ordinary shares)				
Simon Claude Israel	**1,019,593** (1)	919,961	**1,360** (2)	1,360
Chua Sock Koong	**8,229,844** (3)	7,540,668	**4,104,371** (4)	4,852,449
Gautam Banerjee	**-**	-	**-**	-
Dominic Stephen Barton	**-**	-	**-**	-
Bobby Chin Yoke Choong	**-**	-	**-**	-
Bradley Joseph Horowitz	**-**	-	**-**	-
Gail Patricia Kelly	**-**	-	**-**	-
Low Check Kian	**1,490**	1,490	**-**	-
Peter Edward Mason AM	**50,000** (5)	50,000	**-**	-
Christina Ong	**-**	-	**-**	-
Teo Swee Lian	**1,550**	1,550	**-**	-
(American Depositary Shares)				
Venkataraman Vishnampet Ganesan	**3,341.45** (6)	3,341.45	**-**	-
Subsidiary Corporations				
Amobee Group Pte. Ltd.				
(Options to subscribe for ordinary shares)				
Venkataraman Vishnampet Ganesan	**1,581,805**	750,718	**-**	-
Optus Finance Pty Limited				
(A$250,000,000 4% fixed rate notes due 2022)				
Simon Claude Israel	**A$1,600,000** (7) **(principal amount)**	A$1,600,000 (principal amount)	**-**	-
(A$500,000,000 3.25% fixed rate notes due 2023)				
Simon Claude Israel	**A$1,000,000** (8) **(principal amount)**	-	**-**	-

Directors' Statement

For the financial year ended 31 March 2019

3. **DIRECTORS' INTERESTS IN SHARES AND DEBENTURES** *(Cont'd)*

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 31 March 2019	At 1 April 2018 or date of appointment, if later	At 31 March 2019	At 1 April 2018 or date of appointment, if later
Related Corporations				
Ascendas Funds Management (S) Limited				
(Unit holdings in Ascendas Real Estate Investment Trust)				
Simon Claude Israel	**1,000,000** [9]	1,000,000	**-**	-
Chua Sock Koong	**142,000**	142,000	**-**	-
Gautam Banerjee	**20,000**	20,000	**-**	-
Ascendas Property Fund Trustee Pte. Ltd.				
(Unit holdings in Ascendas India Trust)				
Gautam Banerjee	**120,000**	120,000	**-**	-
Mapletree Commercial Trust Management Ltd.				
(Unit holdings in Mapletree Commercial Trust)				
Simon Claude Israel	**4,043,520** [7]	4,043,520	**-**	-
Bobby Chin Yoke Choong	**-**	-	**117,000** [2]	117,000
Mapletree Greater China Commercial Trust Management Ltd.				
(Unit holdings in Mapletree Greater China Commercial Trust)				
Simon Claude Israel	**1,000,000** [7]	1,000,000	**-**	-
Chua Sock Koong	**430,000**	430,000	**50,000** [2]	50,000
Mapletree Industrial Trust Management Ltd.				
(Unit holdings in Mapletree Industrial Trust)				
Simon Claude Israel	**990,160** [7]	990,160	**-**	-
Chua Sock Koong	**11,000**	11,000	**-**	-
Bobby Chin Yoke Choong	**129,600**	129,600	**-**	-
Mapletree Logistics Trust Management Ltd.				
(Unit holdings in Mapletree Logistics Trust)				
Simon Claude Israel	**1,100,000** [7]	1,100,000	**-**	-
Mapletree Real Estate Advisors Pte. Ltd.				
(Unit holdings in Mapletree US Logistics Private Trust)				
Christina Ong	**185**	-	**-**	-
(Unit holdings in Mapletree EU Logistics Private Trust)				
Christina Ong	**185**	-	**-**	-

Directors' Statement

For the financial year ended 31 March 2019

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES *(Cont'd)*

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 31 March 2019	At 1 April 2018 or date of appointment, if later	At 31 March 2019	At 1 April 2018 or date of appointment, if later
Mapletree Treasury Services Limited				
(S$625,500,000 4.5% perpetual capital securities)				
Simon Claude Israel	**S$500,000 (principal amount)**	S$500,000 (principal amount)	**-**	-
Olam International Limited				
(Ordinary shares)				
Low Check Kian	**1,024,995**	500,000	**2,074,518** (10)	2,074,518
Singapore Airlines Limited				
(Ordinary shares)				
Simon Claude Israel	**9,000** (11)	9,000	**-**	-
Chua Sock Koong	**2,000**	2,000	**-**	-
Bobby Chin Yoke Choong	**-**	-	**2,000** (2)	2,000
Low Check Kian	**5,600**	5,600	**-**	-
Singapore Technologies Engineering Limited				
(Ordinary shares)				
Christina Ong	**1**	1	**-**	-

Notes:

(1) 1,015,182 ordinary shares held in the name of Citibank Nominees Singapore Pte Ltd and 4,411 ordinary shares held in the name of DBS Nominees (Private) Limited.

(2) Held by Director's spouse.

(3) 688,750 ordinary shares held in the name of DBS Nominees (Private) Limited and 2,000,000 ordinary shares held jointly with spouse in the name of DBSN Services Pte Ltd.

(4) Ms Chua Sock Koong's deemed interest of 4,104,371 shares included:
(a) 28,137 ordinary shares held by Ms Chua's spouse; and
(b) An aggregate of up to 4,076,234 ordinary shares in Singtel awarded to Ms Chua pursuant to the Singtel PSP 2012, subject to certain performance criteria being met and other terms and conditions. Depending on the extent of the satisfaction of the relevant minimum performance criteria, up to an aggregate of 5,847,725 ordinary shares may be released pursuant to the conditional awards granted.

According to the Register of Directors' Shareholdings, Ms Chua had a deemed interest in 10,836,742 shares held by DBS Trustee Limited, the trustee of a trust established for the purposes of the Singtel Performance Share Plan and the Singtel PSP 2012 for the benefit of eligible employees of the Group, as at 19 November 2012, being the date on which the Securities and Futures (Disclosure of Interests) Regulations 2012 (the "**SFA (DOI) Regulations**") came into operation. Under regulation 6 of the SFA (DOI) Regulations, Ms Chua is exempted from reporting interests, and changes in interests, in shares held by the trust, with effect from 19 November 2012.

(5) Held (through custodians) by Burgoyne Investments Pty Ltd as trustee for Burgoyne Superannuation Fund. Both Mr Peter Edward Mason AM and spouse are directors of Burgoyne Investments Pty Ltd and beneficiaries of Burgoyne Superannuation Fund.

(6) 1 American Depositary Share represents 10 ordinary shares in Singtel.

(7) Held in the name of Citibank Nominees Singapore Pte Ltd.

(8) Held in the name of Citibank N.A. (Hong Kong).

(9) 100,000 units held jointly by Mr Simon Claude Israel and his spouse, and 900,000 units held in the name of Citibank Nominees Singapore Pte Ltd.

(10) Held by Cluny Capital Limited. Mr Low Check Kian is the sole shareholder of Cluny Capital Limited.

(11) 6,200 ordinary shares held in the name of Citibank Nominees Singapore Pte Ltd and 2,800 ordinary shares held in the name of DBS Nominees (Private) Limited.

According to the register of Directors' shareholdings, there were no changes to any of the above-mentioned interests between the end of the financial year and 21 April 2019.

Directors' Statement

For the financial year ended 31 March 2019

4. PERFORMANCE SHARES

The Executive Resource and Compensation Committee ("**ERCC**") is responsible for administering the Singtel PSP 2012. At the date of this statement, the members of the ERCC are Peter Edward Mason AM (Chairman of the ERCC), Simon Claude Israel, Teo Swee Lian and Gail Kelly.

At the Extraordinary General Meeting held on 27 July 2012, the shareholders approved the adoption of the Singtel PSP 2012. The duration of the Singtel PSP 2012 is 10 years commencing 27 July 2012. This plan gives the flexibility to either allot and issue and deliver new Singtel shares or purchase and deliver existing Singtel shares upon the vesting of awards.

The participants of the Singtel PSP 2012 will receive fully paid Singtel shares free of charge, the equivalent in cash, or combinations thereof, provided that certain prescribed performance targets or vesting conditions are met within a prescribed performance period. The performance period for the awards granted is three years, except for Restricted Share Awards which have a performance period of two years. The number of Singtel shares that will vest for each participant or category of participants will be determined at the end of the performance period based on the level of attainment of the performance targets or vesting conditions.

Awards comprising an aggregate of 86.2 million shares have been granted under the Singtel PSP 2012 from its commencement to 31 March 2019.

Performance share awards granted, vested and cancelled during the financial year, and share awards outstanding at the end of the financial year, were as follows –

Date of grant	Balance as at 1 April 2018 ('000)	Share awards granted ('000)	Additional share awards from targets exceeded ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 March 2019 ('000)
Share award for Chairman						
(Simon Claude Israel)						
14.08.18	**-**	**100**	**-**	**(100)**	**-**	**-**
Special Share Award						
For Group Chief Executive Officer						
(Chua Sock Koong)						
19.06.18	-	498	-	(498)	-	-
For other staff						
19.06.18	-	959	-	(959)	-	-
Sub-total	**-**	**1,457**	**-**	**(1,457)**	**-**	**-**
Performance shares						
(Restricted Share Awards)						
For Group Chief Executive Officer						
(Chua Sock Koong)						
17.06.15	55	-	-	(55)	-	-
20.06.16	201	-	72	(137)	-	136
19.06.17	383	-	-	-	-	383
19.06.18	-	397	-	-	-	397
	639	397	72	(192)	-	916

4. PERFORMANCE SHARES *(Cont'd)*

Date of grant	Balance as at 1 April 2018 ('000)	Share awards granted ('000)	Additional share awards from targets exceeded ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 March 2019 ('000)
For other staff						
17.06.15	2,132	–	–	(2,111)	(21)	–
28.09.15	15	–	–	(15)	–	–
05.01.16	5	–	–	(5)	–	–
20.06.16	4,710	–	1,676	(3,264)	(206)	2,916
20.03.17	20	–	8	(14)	–	14
19.06.17	6,910	–	–	(201)	(474)	6,235
21.09.17	87	–	–	–	–	87
18.12.17	77	–	–	–	(48)	29
14.03.18	150	–	–	–	(32)	118
19.06.18	–	9,132	–	(17)	(692)	8,423
21.09.18	–	82	–	–	–	82
18.12.18	–	77	–	–	–	77
21.03.19	–	147	–	–	–	147
	14,106	9,438	1,684	(5,627)	(1,473)	18,128
Sub-total	**14,745**	**9,835**	**1,756**	**(5,819)**	**(1,473)**	**19,044**
<u>Performance shares</u>						
<u>(Performance Share Awards)</u>						
For Group Chief Executive Officer (Chua Sock Koong)						
17.06.15	1,659	–	–	–	(1,659)	–
20.06.16	1,695	–	–	–	–	1,695
19.06.17	832	–	–	–	–	832
19.06.18	–	634	–	–	–	634
	4,186	634	–	–	(1,659)	3,161
For other staff						
17.06.15	6,870	–	–	–	(6,870)	–
28.09.15	125	–	–	–	(125)	–
05.01.16	32	–	–	–	(32)	–
20.06.16	6,956	–	–	–	(376)	6,580
20.03.17	91	–	–	–	–	91
19.06.17	3,897	–	–	–	(189)	3,708
21.09.17	24	–	–	–	–	24
18.12.17	53	–	–	–	(36)	17
14.03.18	79	–	–	–	–	79
19.06.18	–	3,537	–	–	(163)	3,374
21.09.18	–	24	–	–	–	24
18.12.18	–	12	–	–	–	12
	18,127	3,573	–	–	(7,791)	13,909
Sub-total	**22,313**	**4,207**	**–**	**–**	**(9,450)**	**17,070**
Total	**37,058**	**15,599**	**1,756**	**(7,376)**	**(10,923)**	**36,114**

4. PERFORMANCE SHARES *(Cont'd)*

During the financial year, awards in respect of an aggregate of 7.4 million shares granted under the Singtel PSP 2012 were vested. The awards were satisfied by the delivery of existing shares purchased from the market as permitted under the Singtel PSP 2012.

As at 31 March 2019, no participant (other than Ms Chua Sock Koong) has received shares pursuant to the vesting of awards granted under the Singtel PSP 2012 which, in aggregate, represents five per cent or more of the aggregate of –

(i) the total number of new shares available under the Singtel PSP 2012; and

(ii) the total number of existing shares purchased for delivery of awards released under the Singtel PSP 2012.

5. SHARE OPTION PLANS

During the financial year, there were:

(a) no options granted by the Company to any person to take up unissued shares of the Company; and

(b) no shares issued by virtue of any exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

The particulars of the share option plans of subsidiary corporations of the Company are as follows:

Amobee Group Pte. Ltd.

In April 2015, Amobee, a wholly-owned subsidiary corporation of the Company, implemented the 2015 Long-Term Incentive Plan ("**Amobee LTI Plan**"). Under the terms of Amobee LTI Plan, options to purchase ordinary shares of Amobee may be granted to employees (including executive directors) and non-executive directors of Amobee and/or any of its subsidiaries.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of Amobee on the date of grant.

From 1 April 2018 to 31 March 2019, options in respect of an aggregate of 62.6 million of ordinary shares in Amobee have been granted to the employees and non-executive directors of Amobee and/or its subsidiaries. As at 31 March 2019, options in respect of an aggregate of 112.6 million of ordinary shares in Amobee are outstanding.

The grant dates and exercise prices of the share options were as follows –

Date of grant	Exercise price
For employees	
13 April 2015, 14 October 2015	US$0.54 to US$0.79
20 January 2016, 10 May 2016, 23 June 2016, 24 August 2016, 25 January 2017, 19 July 2017, 18 August 2017, 12 September 2017, 25 January 2018	US$0.54
21 August 2018, 25 March 2019	US$0.55 to US$0.58
For non-executive directors	
14 October 2015	US$0.54
21 August 2018	US$0.55

5. SHARE OPTION PLANS *(Cont'd)*

The options granted to employees and non-executive directors expire 10 years and 5 years from the date of grant respectively.

During the financial year, 10,879 ordinary shares of Amobee were issued pursuant to the exercise of options granted under the Amobee LTI Plan. The persons to whom the options have been granted do not have the right to participate, by virtue of the options, in any share issue of any other company.

Trustwave Holdings, Inc.

In December 2015, Trustwave Holdings, Inc. ("**Trustwave**"), a wholly-owned subsidiary corporation of the Company, implemented the Stock Option Incentive Plan ("**Trustwave ESOP**"). Under the terms of the Trustwave ESOP, options to purchase common stock of Trustwave may be granted to employees (including executive directors) and non-executive directors of Trustwave and/or any of its subsidiaries.

Options are exercisable at a price no less than 100% of the fair value of the common stock of Trustwave on the date of grant.

From 1 April 2018 to 31 March 2019, options in respect of an aggregate of 0.6 million of common stock in Trustwave have been granted to the employees of Trustwave and/or its subsidiaries. As at 31 March 2019, options in respect of an aggregate of 2.2 million of common stock in Trustwave are outstanding.

The grant dates and exercise prices of the stock options were as follows –

Date of grant	Exercise price
1 December 2015, 22 January 2016, 19 May 2016, 12 September 2016	US$16.79
20 January 2017	US$16.24
15 March 2018, 23 May 2018, 12 July 2018, 31 August 2018	US$15.37

The options granted expire 10 years from the date of grant.

No common stock of Trustwave was issued during the financial year pursuant to the exercise of options granted under the Trustwave ESOP. The persons to whom the options have been granted do not have the right to participate, by virtue of the options, in any share issue of any other company.

HOOQ Digital Pte. Ltd.

In December 2015, HOOQ Digital Pte. Ltd. ("**HOOQ**"), a 65%-owned subsidiary corporation of the Company, implemented the HOOQ Digital Employee Share Option Scheme ("the **Scheme**"). Under the terms of the Scheme, options to purchase ordinary shares of HOOQ may be granted to employees (including executive directors) of HOOQ and/or any of its subsidiaries.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of HOOQ on the date of grant.

From 1 April 2018 to 31 March 2019, options in respect of an aggregate of 9.6 million of ordinary shares in HOOQ have been granted to the employees of HOOQ and/or its subsidiaries. As at 31 March 2019, options in respect of an aggregate of 43.3 million of ordinary shares in HOOQ are outstanding.

Directors' Statement

For the financial year ended 31 March 2019

5. SHARE OPTION PLANS *(Cont'd)*

The grant dates and exercise prices of the share options were as follows –

Date of grant	Exercise price
16 May 2016, 24 April 2017, 2 May 2017, 31 July 2017, 8 September 2017, 23 October 2017, 10 January 2018, 1 April 2018, 1 July 2018, 19 October 2018, 31 January 2019	US$0.07

The options granted expire 10 years from the date of grant.

No ordinary shares of HOOQ were issued during the financial year pursuant to the exercise of options granted under the Scheme. The persons to whom the options have been granted do not have the right to participate, by virtue of the options, in any share issue of any other company.

6. AUDIT COMMITTEE

At the date of this statement, the Audit Committee comprises the following members, all of whom are non-executive and independent –

Bobby Chin Yoke Choong (Chairman of the Audit Committee)
Gautam Banerjee
Christina Hon Kwee Fong (Christina Ong)

Peter Ong Boon Kwee, who served during the financial year, stepped down as a member of the Audit Committee following the conclusion of the Annual General Meeting on 24 July 2018.

The Audit Committee carried out its functions in accordance with Section 201B of the Singapore Companies Act, Chapter 50.

In performing its functions, the Committee reviewed the overall scope and results of both internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal auditors to discuss the results of the respective examinations and their evaluation of the Company's system of internal accounting controls. The Committee also held discussions with the internal and external auditors and is satisfied that the processes put in place by management provide reasonable assurance on mitigation of fraud risk exposure to the Group.

The Committee also reviewed the financial statements of the Company and the Group, as well as the Independent Auditors' Report thereon. In the review of the financial statements of the Company and the Group, the Committee had discussed with management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements.

Directors' Statement
For the financial year ended 31 March 2019

6. AUDIT COMMITTEE *(Cont'd)*

In addition, the Committee had, with the assistance of the internal auditors, reviewed the procedures set up by the Company and the Group to identify and report, and where necessary, sought appropriate approval for interested person transactions.

The Committee has full access to and has the co-operation of management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Committee has nominated KPMG LLP for re-appointment as auditors of the Company at the forthcoming Annual General Meeting.

7. AUDITORS

KPMG LLP were appointed as auditors of the Company at the Annual General Meeting of the Company held on 24 July 2018.

The auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

On behalf of the Directors

Simon Claude Israel
Chairman

Chua Sock Koong
Director

Singapore
14 May 2019

Independent Auditors' Report

Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2019

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Singapore Telecommunications Limited ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2019 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group, and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 137 to 249.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 ('the Act') and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
Revenue recognition	
For the main Operating Revenues – Mobile Service, Data and Internet and Sale of Equipment, there is an inherent risk around the accuracy and timing of revenue recognition given the complexity of systems and the large volume of data processed, which are also impacted by changing pricing models and the introduction of new products and tariff arrangements. Significant management judgements and estimates are required when accounting for revenue from long-term contracts with respect to the Group Enterprise Infocomm Technology ("ICT") Operating Revenues. For some of these ICT contracts, estimates are required in determining the completeness and valuation of provisions against contracts that are expected to be loss-making and the recoverability of the contract assets.	We obtained an understanding of the nature of the various revenue streams and the related revenue recording processes, systems and controls. Our audit approach included controls testing as well as substantive procedures. For our procedures over the design and operating effectiveness of controls over significant IT systems, we involved our IT specialists. In particular, our procedures included: • *IT systems:* Testing of the design and implementation, and the operating effectiveness of automated controls over the capture of data at the network switches and interfaces between relevant IT applications, measurement and billing of revenue, and the recording of entries in the general ledger.

The key audit matter	How the matter was addressed in our audit
Revenue recognition *(Cont'd)*	
In addition, the initial application of SFRS(I) 15 *Revenue from Contracts with Customers* required the exercise of significant judgement regarding: • Identification of performance obligations for each product and service offering; • Estimation of stand-alone selling prices, variable consideration, future customer behaviour with respect to early contract renewals and terminations; and • The timing of revenue recognition. The accounting policies for revenue recognition are set out in Note 2.23 to the financial statements and the various revenue streams for the Group have been disclosed in Note 4 to the financial statements.	• *Manual controls:* Testing of the design and implementation, and the operating effectiveness of manual controls over the initiation, authorisation, recording, and processing of revenue transactions. This included evaluating process controls over authorising new price plans and rate changes and the adjustments to the relevant billing systems. We had also tested the access controls and change management controls over the relevant billing systems. • Testing of contracts in the ICT business for appropriate revenue recognition and provisioning for contracts that were expected to be loss-making. We challenged management's underlying assumptions in making their judgements on the provisions required. • Assessing the appropriateness of the revenue recognition policies for the products and services offered by the Group in adopting SFRS(I) 15, which included but was not limited to: - Assessing the appropriateness of the transaction price and its allocation to performance obligations identified within bundled contracts based on stand-alone selling prices; - Inspection of customer contracts to evaluate whether performance obligations were satisfied over time or at a point in time, and assessed the reasonableness of estimates used in respect to revenue recognition and deferral of revenue; and - Assessing the effects of the initial application of SFRS(I) 15 as at 1 April 2018. • Testing of manual journal entries recorded in the general ledger relating to revenue recognition.

Findings

We found that the processes and controls to account for revenue were operating effectively.

We found that the key assumptions used and estimates made in regard to the policies for revenue recognition were reasonable.

Impairment assessment of goodwill	
Goodwill is subject to an annual impairment test or more frequently if there are indications of impairment. At 31 March 2019, the Group's statement of financial position includes goodwill amounting to S$11.5 billion, primarily related to the following cash-generating units ("CGUs"): Singtel Optus Pty Limited ("**Optus**"): S$9.3 billion Amobee, Inc. ("**Amobee**"): S$1.1 billion Global Cyber Security: S$1.0 billion	We evaluated whether CGUs were appropriately identified by management based on our understanding of the current business structure of the Group. We involved our valuation specialists in the overall assessment of the recoverable amounts of the respective CGUs.

The key audit matter	How the matter was addressed in our audit

Impairment assessment of goodwill *(Cont'd)*

Global Cyber Security CGU
Subsequent to the reorganisation of the Group's cyber security business, with effect from 1 April 2018, management has assessed and considered the combined cyber security businesses of the Group, including Trustwave, to constitute one CGU.

The Group performed impairment assessments for each of the CGUs by estimating the recoverable amounts. The recoverable amount is the discounted sum of individually forecasted cash flows for each year and the value of the cash flows for the years thereafter using a long-term growth rate. As the recoverable amount for each of the CGUs was calculated to be in excess of the respective carrying amounts, no impairment was determined.

Forecasting of future cash flows is a highly judgmental process which requires estimation of revenue growth rates, profit margins, discount rates and future economic conditions.

Refer to Note 24 to the financial statements for the impairment assessments.

In particular, our procedures included:

Optus, Amobee and Global Cyber Security
We assessed the reasonableness of the key assumptions used by management in developing the cash flow forecasts and the discount rates used in computing the recoverable amounts, which included but are not limited to:

- Agreeing the cash flow forecasts used in the impairment model to Board approved forecasts and budgets;
- Considering management's expectations of the future business developments and corroborated certain information with market data; we also considered planned operational improvements to the businesses and how these plans would impact future cash flows and whether these were appropriately reflected in the cash flow forecasts used;
- Challenging the appropriateness of cash flow forecasts used by comparing against historical trends and recent performance and industry trends. Where relevant, assessing whether budgeted cash flows for prior years were achieved to assess forecasting accuracy;
- Comparing the discount rates and terminal growth rates to observable market data; and
- Performing a sensitivity analysis of the key assumptions used to determine which reasonable changes to assumptions would change the outcome of the impairment assessment.

Findings
We found the identification of CGUs to be reasonable and appropriate.

We found the key assumptions and estimates used in determining the recoverable amounts to be within a supportable range.

Share of joint ventures' reported contingent liabilities relating to regulatory litigations and tax disputes

The Group's significant joint ventures have a number of on-going disputes and litigations with their local regulators and tax authorities.

Significant judgement is required by management in assessing the likelihood of the outcome of each matter and whether the risk of loss is remote, possible or probable and whether the matter is considered a contingent liability to be disclosed.

Please refer to Note 41 to the financial statements for 'Significant Contingent Liabilities of Associates and Joint Ventures'.

Our audit procedures included:

- Inquiring with management and legal counsel of the joint ventures to understand the process and internal controls relating to the identification, assessment and recognition of the disputes and litigations.
- Reviewing the audit working papers of the auditors of the joint ventures ('Component Auditors'), in particular their assessment on the regulatory litigations and tax disputes that may have a material impact to the financial statements.
- Discussing with the Component Auditors on their evaluation of the probability and magnitude of losses relating to the disputes and litigations, and their conclusions reached in accordance with SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

The key audit matter	How the matter was addressed in our audit

Findings
We found management's assessment of the regulatory litigations and tax disputes to be reasonable, and the disclosure of contingent liabilities to be appropriate.

Taxation

The Group is exposed to tax disputes with local tax authorities in the jurisdiction it operates in on a regular basis. The assessment of the outcome of such disputes requires significant judgement and could have a material impact on the financial statements. Australian Tax Office ("ATO") audit The Group has been responding to an on-going specific issue audit by the ATO in connection with the acquisition financing of Optus. The Group has engaged external specialists to advise on this matter and to assist in raising objections to the amended assessments. Significant judgement is required in assessing the probability and timing of the outlays necessary for the resolution of this matter. Please refer to Note 40 to the financial statements.	Our audit procedures included: • Inquiring with management on the tax issues raised by the tax authorities and assessing their impact to the financial statements; • Involving our tax specialists in assessing the appropriateness of the accounting treatments of significant tax issues for the Group; and • Assessing the reasonableness of management's position and the accounting impact to the Group's consolidated financial statements. With respect to the ATO matter: • Involving our tax specialists in assessing the appropriateness of management's judgements taken on this matter, and the disclosure as a contingent liability, and that the amount paid continues to represent a receivable as at 31 March 2019; • Examining the advice that the Group had obtained from external specialists to support the position taken by management; and • Inquiring with management and the external specialists to discuss the merits of the Group's position on the specific issue audit by ATO.

Findings
We found the position of management and the basis for it to be appropriate.

We found the disclosures to the consolidated financial statements to be adequate and appropriate in accordance to SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Other matter

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the year ended 31 March 2018 were audited by another auditor who expressed an unmodified opinion on those statements on 16 May 2018.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon. We have not obtained any other information prior to the date of this auditors' report. The other information is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditors' Report

Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2019

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Mr Ong Pang Thye.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
14 May 2019

Consolidated Income Statement

For the financial year ended 31 March 2019

	Notes	2019 S$ Mil	2018 S$ Mil
Operating revenue	4	**17,371.7**	17,268.0
Operating expenses	5	**(12,904.5)**	(12,476.3)
Other income	6	**224.7**	258.8
		4,691.9	5,050.5
Depreciation and amortisation	7	**(2,222.2)**	(2,250.0)
		2,469.7	2,800.5
Exceptional items	8	**68.2**	1,895.1
Profit on operating activities		**2,537.9**	4,695.6
Share of results of associates and joint ventures	9	**1,562.7**	1,804.0
Profit before interest, investment income (net) and tax		**4,100.6**	6,499.6
Interest and investment income (net)	10	**38.1**	45.5
Finance costs	11	**(392.8)**	(390.2)
Profit before tax		**3,745.9**	6,154.9
Tax expense	12	**(674.8)**	(703.0)
Profit after tax		**3,071.1**	5,451.9
Attributable to:			
Shareholders of the Company		**3,094.5**	5,473.0
Non-controlling interests		**(23.4)**	(21.1)
		3,071.1	5,451.9
Earnings per share attributable to shareholders of the Company			
- basic (cents)	13	**18.96**	33.53
- diluted (cents)	13	**18.93**	33.48

Note:
The Group has adopted all applicable new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") which became effective from 1 April 2018 and has applied them retrospectively. Accordingly, the comparatives have been restated to take into account adjustments relating to SFRS(I) 1, *First-time Adoption of SFRS(I)*, SFRS(I) 15, *Revenue from Contracts with Customers* and SFRS(I) 9, *Financial Instruments*.

The accompanying notes on pages 147 to 249 form an integral part of these financial statements.
Independent Auditors' Report – pages 131 to 136.

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2019

	2019 S$ Mil	2018 S$ Mil
Profit after tax	**3,071.1**	5,451.9
Other comprehensive (loss)/ income		
Items that may be reclassified subsequently to income statement:		
Exchange differences arising from translation of foreign operations and other currency translation differences	**(484.5)**	(1,283.0)
Cash flow hedges		
- Fair value changes	**182.9**	(46.9)
- Tax effects	**(23.7)**	(55.2)
	159.2	(102.1)
- Fair value changes transferred to income statement	**(122.4)**	35.0
- Tax effects	**17.8**	46.8
	(104.6)	81.8
	54.6	(20.3)
Share of other comprehensive income of associates and joint ventures	**283.8**	650.3
Items that will not be reclassified subsequently to income statement:		
Fair value changes on Fair Value through Other Comprehensive Income ("**FVOCI**") investments	**13.2**	9.6
Other comprehensive loss, net of tax	**(132.9)**	(643.4)
Total comprehensive income	**2,938.2**	4,808.5
Attributable to:		
Shareholders of the Company	**2,962.3**	4,828.9
Non-controlling interests	**(24.1)**	(20.4)
	2,938.2	4,808.5

The accompanying notes on pages 147 to 249 form an integral part of these financial statements.
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Statements of Financial Position

As at 31 March 2019

	Notes	Group			Company		
		31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Current assets							
Cash and cash equivalents	15	**512.7**	524.9	533.8	**81.6**	92.0	89.2
Trade and other receivables	16	**5,992.7**	5,813.7	5,762.4	**1,960.9**	2,323.9	1,673.3
Inventories	17	**417.6**	397.4	352.2	**37.2**	21.8	23.8
Derivative financial instruments	18	**155.1**	22.6	106.1	**0.7**	70.1	105.9
		7,078.1	6,758.6	6,754.5	**2,080.4**	2,507.8	1,892.2
Non-current assets							
Property, plant and equipment	19	**11,050.4**	11,454.1	11,456.1	**2,250.0**	2,259.4	2,266.6
Intangible assets	20	**14,016.7**	13,969.1	13,072.8	**-**	-	-
Subsidiaries	21	**-**	-	-	**20,009.2**	19,425.9	17,441.0
Joint ventures	22	**12,857.9**	12,786.5	12,285.3	**22.8**	22.8	23.0
Associates	23	**2,060.2**	2,000.2	1,946.7	**24.7**	24.7	603.5
Fair value through other comprehensive income (**"FVOCI"**) investments	25	**646.9**	197.9	192.9	**5.3**	5.5	37.4
Derivative financial instruments	18	**283.6**	388.3	434.4	**125.9**	130.6	283.5
Deferred tax assets	12	**276.6**	353.0	634.9	**-**	-	-
Other assets	26	**644.4**	587.8	592.0	**130.7**	144.9	161.0
Loan to an associate		**-**	-	1,100.5	**-**	-	1,100.5
		41,836.7	41,736.9	41,715.6	**22,568.6**	22,013.8	21,916.5
Total assets		**48,914.8**	48,495.5	48,470.1	**24,649.0**	24,521.6	23,808.7
Current liabilities							
Trade and other payables	27	**5,817.1**	5,371.0	5,054.8	**1,737.5**	1,468.4	1,602.0
Advance billings		**812.1**	794.1	861.1	**89.8**	80.1	74.8
Current tax liabilities		**255.0**	351.3	296.3	**83.6**	101.5	100.6
Borrowings (unsecured)	28	**1,846.2**	1,800.5	3,046.6	**-**	-	-
Borrowings (secured)	29	**34.0**	23.1	86.7	**4.8**	7.4	1.5
Derivative financial instruments	18	**9.2**	69.3	15.8	**0.5**	84.9	108.8
Net deferred gain	31	**20.8**	20.1	68.8	**-**	-	-
		8,794.4	8,429.4	9,430.1	**1,916.2**	1,742.3	1,887.7
Non-current liabilities							
Advance billings		**197.4**	221.6	241.9	**129.2**	136.7	138.3
Borrowings (unsecured)	28	**8,734.4**	8,586.1	7,898.2	**786.5**	739.5	802.7
Borrowings (secured)	29	**49.5**	81.5	199.6	**7.7**	68.5	157.2
Derivative financial instruments	18	**149.5**	277.0	279.4	**191.8**	250.9	344.0
Net deferred gain	31	**375.0**	357.7	1,282.7	**-**	-	-
Deferred tax liabilities	12	**515.1**	535.6	572.8	**274.5**	268.2	273.0
Other non-current liabilities	32	**289.8**	295.1	324.2	**26.5**	31.4	23.7
		10,310.7	10,354.6	10,798.8	**1,416.2**	1,495.2	1,738.9
Total liabilities		**19,105.1**	18,784.0	20,228.9	**3,332.4**	3,237.5	3,626.6
Net assets		**29,809.7**	29,711.5	28,241.2	**21,316.6**	21,284.1	20,182.1
Share capital and reserves							
Share capital	33	**4,127.3**	4,127.3	4,127.3	**4,127.3**	4,127.3	4,127.3
Reserves		**25,710.5**	25,609.8	24,113.9	**17,189.3**	17,156.8	16,054.8
Equity attributable to shareholders of the Company		**29,837.8**	29,737.1	28,241.2	**21,316.6**	21,284.1	20,182.1
Non-controlling interests		**(28.1)**	(3.2)	22.4	**-**	-	-
Other reserve		**-**	(22.4)	(22.4)	**-**	-	-
Total equity		**29,809.7**	29,711.5	28,241.2	**21,316.6**	21,284.1	20,182.1

The accompanying notes on pages 147 to 249 form an integral part of these financial statements.
Independent Auditors' Report – pages 131 to 136.

Statements of Changes in Equity

For the financial year ended 31 March 2019

	Attributable to shareholders of the Company											
Group - 2019	Share Capital S$ Mil	Treasury Shares[1] S$ Mil	Capital Reserve S$ Mil	Currency Translation Reserve[2] S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Other Reserves[3] S$ Mil	Total S$ Mil	Non-controlling Interests S$ Mil	Other Reserve[4] S$ Mil	Total Equity S$ Mil
Balance as at 1 April 2018, previously reported	**4,127.3**	**(32.7)**	**(96.2)**	**(5,773.3)**	**5.3**	**25.5**	**31,600.7**	**(177.4)**	**29,679.2**	**(3.2)**	**(22.4)**	**29,653.6**
Effects of adoption of SFRS(I) 1, 9 and 15	-	-	-	**4,489.6**	**(59.6)**	**(44.4)**	**(4,331.3)**	**3.6**	**57.9**	-	-	**57.9**
Balance as at 1 April 2018, restated	**4,127.3**	**(32.7)**	**(96.2)**	**(1,283.7)**	**(54.3)**	**(18.9)**	**27,269.4**	**(173.8)**	**29,737.1**	**(3.2)**	**(22.4)**	**29,711.5**
Changes in equity for the year												
Performance shares purchased by the Company	-	**(1.8)**	-	-	-	-	-	-	**(1.8)**	-	-	**(1.8)**
Performance shares purchased by Trust[5]	-	**(17.5)**	-	-	-	-	-	-	**(17.5)**	-	-	**(17.5)**
Performance shares vested	-	**20.3**	**(20.3)**	-	-	-	-	-	-	-	-	-
Equity-settled share-based payment	-	-	**38.0**	-	-	-	-	-	**38.0**	-	-	**38.0**
Transfer of liability to equity	-	-	**7.8**	-	-	-	-	-	**7.8**	-	-	**7.8**
Cash paid to employees under performance share plans	-	-	**(0.1)**	-	-	-	-	-	**(0.1)**	-	-	**(0.1)**
Performance shares purchased by Singtel Optus Pty Limited ("**Optus**") and vested	-	-	**(5.5)**	-	-	-	-	-	**(5.5)**	-	-	**(5.5)**
Final dividend paid (see **Note 34**)	-	-	-	-	-	-	**(1,746.7)**	-	**(1,746.7)**	-	-	**(1,746.7)**
Interim dividend paid (see **Note 34**)	-	-	-	-	-	-	**(1,109.9)**	-	**(1,109.9)**	-	-	**(1,109.9)**
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	**(5.4)**	-	**(5.4)**
Acquisition of non-controlling interests[4]	-	-	-	-	-	-	-	**(27.0)**	**(27.0)**	**4.6**	**22.4**	-
Reclassification due to disposal of FVOCI investments	-	-	-	-	-	**(4.6)**	**4.6**	-	-	-	-	-
Others	-	-	-	-	-	-	**1.1**	-	**1.1**	-	-	**1.1**
	-	**1.0**	**19.9**	-	-	**(4.6)**	**(2,850.9)**	**(27.0)**	**(2,861.6)**	**(0.8)**	**22.4**	**(2,840.0)**
Total comprehensive (loss)/ income for the year	-	-	-	**(483.8)**	**54.6**	**13.2**	**3,094.5**	**283.8**	**2,962.3**	**(24.1)**	-	**2,938.2**
Balance as at 31 March 2019	**4,127.3**	**(31.7)**	**(76.3)**	**(1,767.5)**	**0.3**	**(10.3)**	**27,513.0**	**83.0**	**29,837.8**	**(28.1)**	-	**29,809.7**

The accompanying notes on pages 147 to 249 form an integral part of these financial statements.
Independent Auditors' Report – pages 131 to 136.

Statements of Changes in Equity

For the financial year ended 31 March 2019

	Attributable to shareholders of the Company											
Group - 2018	Share Capital S$ Mil	Treasury Shares[1] S$ Mil	Capital Reserve S$ Mil	Currency Translation Reserve[2] S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Other Reserves[3] S$ Mil	Total S$ Mil	Non-controlling Interests S$ Mil	Other Reserve[4] S$ Mil	Total Equity S$ Mil
Balance as at 1 April 2017, previously reported	4,127.3	(32.5)	(108.0)	(4,507.5)	11.1	57.0	29,493.9	(827.7)	28,213.6	22.4	(22.4)	28,213.6
Effects of adoption of SFRS(I) 1, 9 and 15	-	-	-	4,507.5	(45.1)	(46.1)	(4,392.3)	3.6	27.6	-	-	27.6
Balance as at 1 April 2017, restated	4,127.3	(32.5)	(108.0)	-	(34.0)	10.9	25,101.6	(824.1)	28,241.2	22.4	(22.4)	28,241.2
Changes in equity for the year												
Performance shares purchased by the Company	-	(2.4)	-	-	-	-	-	-	(2.4)	-	-	(2.4)
Performance shares purchased by Trust[5]	-	(15.9)	-	-	-	-	-	-	(15.9)	-	-	(15.9)
Performance shares vested	-	18.1	(18.1)	-	-	-	-	-	-	-	-	-
Equity-settled share-based payment	-	-	32.5	-	-	-	-	-	32.5	0.2	-	32.7
Transfer of liability to equity	-	-	4.2	-	-	-	-	-	4.2	-	-	4.2
Cash paid to employees under performance share plans	-	-	(0.2)	-	-	-	-	-	(0.2)	-	-	(0.2)
Performance shares purchased by Optus and vested	-	-	(6.6)	-	-	-	-	-	(6.6)	-	-	(6.6)
Final dividend paid (see **Note 34**)	-	-	-	-	-	-	(1,746.6)	-	(1,746.6)	-	-	(1,746.6)
Interim dividend paid (see **Note 34**)	-	-	-	-	-	-	(1,110.0)	-	(1,110.0)	-	-	(1,110.0)
Special dividend paid (see **Note 34**)	-	-	-	-	-	-	(489.7)	-	(489.7)	-	-	(489.7)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(5.4)	-	(5.4)
Reclassification due to disposal of FVOCI investments	-	-	-	-	-	(39.4)	39.4	-	-	-	-	-
Others	-	-	-	-	-	-	1.7	-	1.7	-	-	1.7
	-	(0.2)	11.8	-	-	(39.4)	(3,305.2)	-	(3,333.0)	(5.2)	-	(3,338.2)
Total comprehensive (loss)/ income for the year	-	-	-	(1,283.7)	(20.3)	9.6	5,473.0	650.3	4,828.9	(20.4)	-	4,808.5
Balance as at 31 March 2018	4,127.3	(32.7)	(96.2)	(1,283.7)	(54.3)	(18.9)	27,269.4	(173.8)	29,737.1	(3.2)	(22.4)	29,711.5

The accompanying notes on pages 147 to 249 form an integral part of these financial statements.
Independent Auditors' Report – pages 131 to 136.

Statements of Changes in Equity

For the financial year ended 31 March 2019

Company - 2019	Share Capital S$ Mil	Treasury Shares[1] S$ Mil	Capital Reserve S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Total Equity S$ Mil
Balance as at 1 April 2018, previously reported	**4,127.3**	**(1.0)**	**39.4**	**60.1**	**2.2**	**17,133.7**	**21,361.7**
Effects of adoption of SFRS(I) 1, 9 and 15	**-**	**-**	**-**	**(56.1)**	**-**	**(21.5)**	**(77.6)**
Balance as at 1 April 2018, restated	**4,127.3**	**(1.0)**	**39.4**	**4.0**	**2.2**	**17,112.2**	**21,284.1**
Changes in equity for the year							
Performance shares purchased by the Company	**-**	**(1.8)**	**-**	**-**	**-**	**-**	**(1.8)**
Performance shares vested	**-**	**1.7**	**(1.7)**	**-**	**-**	**-**	**-**
Equity-settled share-based payment	**-**	**-**	**13.6**	**-**	**-**	**-**	**13.6**
Transfer of liability to equity	**-**	**-**	**7.8**	**-**	**-**	**-**	**7.8**
Cash paid to employees under performance share plans	**-**	**-**	**(0.1)**	**-**	**-**	**-**	**(0.1)**
Contribution to Trust[5]	**-**	**-**	**(13.8)**	**-**	**-**	**-**	**(13.8)**
Final dividend paid (see **Note 34**)	**-**	**-**	**-**	**-**	**-**	**(1,747.2)**	**(1,747.2)**
Interim dividend paid (see **Note 34**)	**-**	**-**	**-**	**-**	**-**	**(1,110.4)**	**(1,110.4)**
	-	**(0.1)**	**5.8**	**-**	**-**	**(2,857.6)**	**(2,851.9)**
Total comprehensive income/ (loss) for the year	**-**	**-**	**-**	**20.2**	**(0.2)**	**2,864.4**	**2,884.4**
Balance as at 31 March 2019	**4,127.3**	**(1.1)**	**45.2**	**24.2**	**2.0**	**17,119.0**	**21,316.6**

The accompanying notes on pages 147 to 249 form an integral part of these financial statements.
Independent Auditors' Report – pages 131 to 136.

Statements of Changes in Equity

For the financial year ended 31 March 2019

Company - 2018	Share Capital S$ Mil	Treasury Shares [1] S$ Mil	Capital Reserve S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Total Equity S$ Mil
Balance as at 1 April 2017, previously reported	4,127.3	(0.9)	38.3	60.3	27.7	16,006.1	20,258.8
Effects of adoption of SFRS(I) 1, 9 and 15	-	-	-	(46.3)	-	(30.4)	(76.7)
Balance as at 1 April 2017, restated	4,127.3	(0.9)	38.3	14.0	27.7	15,975.7	20,182.1
Changes in equity for the year							
Performance shares purchased by the Company	-	(2.4)	-	-	-	-	(2.4)
Performance shares vested	-	2.3	(2.3)	-	-	-	-
Equity-settled share-based payment	-	-	11.8	-	-	-	11.8
Transfer of liability to equity	-	-	4.2	-	-	-	4.2
Cash paid to employees under performance share plans	-	-	(0.2)	-	-	-	(0.2)
Contribution to Trust [5]	-	-	(12.4)	-	-	-	(12.4)
Final dividend paid (see **Note 34**)	-	-	-	-	-	(1,747.2)	(1,747.2)
Interim dividend paid (see **Note 34**)	-	-	-	-	-	(1,110.4)	(1,110.4)
Special dividend paid (see **Note 34**)	-	-	-	-	-	(489.9)	(489.9)
Reclassification due to disposal of FVOCI investments	-	-	-	-	(25.0)	25.0	-
	-	(0.1)	1.1	-	(25.0)	(3,322.5)	(3,346.5)
Total comprehensive (loss)/ income for the year	-	-	-	(10.0)	(0.5)	4,459.0	4,448.5
Balance as at 31 March 2018	4,127.3	(1.0)	39.4	4.0	2.2	17,112.2	21,284.1

Notes:

(1) 'Treasury Shares' are accounted for in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 1-32, *Financial Instruments: Presentation*.

(2) 'Currency Translation Reserve' relates mainly to the translation of the net assets of foreign subsidiaries, associates and joint ventures of the Group denominated mainly in Australian Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Thai Baht and United States Dollar.

(3) 'Other Reserves' relate mainly to goodwill on acquisitions completed prior to 1 April 2001 and the share of other comprehensive income or loss of the associates and joint ventures.

(4) This amount was a reserve for an obligation which arose from a put option written with the non-controlling shareholder of Trustwave Holdings, Inc. ("**Trustwave**"). In May 2018, the put option was exercised for the acquisition of the remaining 2% equity interest in Trustwave.

(5) DBS Trustee Limited (the "**Trust**") is the trustee of a trust established to administer the performance share plans.

The accompanying notes on pages 147 to 249 form an integral part of these financial statements.
Independent Auditors' Report – pages 131 to 136.

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2019

	2019 S$ Mil	2018 S$ Mil
Cash Flows From Operating Activities		
Profit before tax	**3,745.9**	6,154.9
Adjustments for –		
Depreciation and amortisation	**2,222.2**	2,250.0
Share of results of associates and joint ventures	**(1,562.7)**	(1,804.0)
Exceptional items (non-cash)	**(171.7)**	(1,920.3)
Interest and investment income (net)	**(38.1)**	(45.5)
Finance costs	**392.8**	390.2
Other non-cash items	**36.3**	30.3
	878.8	(1,099.3)
Operating cash flow before working capital changes	**4,624.7**	5,055.6
Changes in operating assets and liabilities		
Trade and other receivables	**(431.6)**	(139.1)
Trade and other payables	**338.8**	58.8
Inventories	**(33.6)**	(59.1)
Cash generated from operations	**4,498.3**	4,916.2
Dividends received from associates and joint ventures	**1,548.9**	1,647.7
Income tax and withholding tax paid	**(679.5)**	(607.8)
Payment to employees in cash under performance share plans	**(0.1)**	(0.9)
Net cash from operating activities	**5,367.6**	5,955.2
Cash Flows From Investing Activities		
Payment for purchase of property, plant and equipment	**(1,718.1)**	(2,349.0)
Purchase of intangible assets	**(216.7)**	(1,124.4)
Investment in associate/ joint venture (**Note 1**)	**(2.3)**	(540.6)
Payment for acquisition of subsidiary, net of cash acquired (**Note 2**)	**(5.8)**	(336.5)
Payment for acquisition of intangibles and other assets (**Note 3**)	**(123.1)**	-
Investment in FVOCI investments (**Note 4**)	**(436.9)**	(59.6)
Proceeds from disposal of subsidiary	**15.4**	-
Payment for acquisition of non-controlling interests	**(16.1)**	-
Proceeds/ Deferred proceeds from disposal of associates and joint venture (**Note 5**)	**14.8**	1,146.4
Repayment of loan by an associate (**Note 5**)	**-**	1,100.5
Proceeds from sale of property, plant and equipment	**160.9**	142.6
Proceeds from sale of FVOCI investments	**14.8**	77.7
Interest received	**7.0**	16.4
Dividends received from FVOCI investments (net of withholding tax paid)	**0.3**	1.8
Withholding tax paid on intra-group interest income	**(22.7)**	(26.0)
Net cash used in investing activities	**(2,328.5)**	(1,950.7)

The accompanying notes on pages 147 to 249 form an integral part of these financial statements.
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Consolidated Statement of Cash Flows

For the financial year ended 31 March 2019

	Note	2019 S$ Mil	2018 S$ Mil
Cash Flows From Financing Activities			
Proceeds from term loans		**7,157.1**	6,948.6
Repayment of term loans		**(6,983.1)**	(6,726.0)
Proceeds from bond issue		**1,177.6**	430.2
Repayment of bonds		**(1,139.1)**	(936.4)
Increase in finance lease liabilites		**44.3**	18.0
Finance lease payments		**(34.5)**	(46.3)
Net proceeds from/ (repayment of) borrowings		**222.3**	(311.9)
Final dividend paid to shareholders of the Company		**(1,746.7)**	(1,746.6)
Interim dividend paid to shareholders of the Company		**(1,109.9)**	(1,110.0)
Special dividend paid to shareholders of the Company		**-**	(489.7)
Net interest paid on borrowings and swaps		**(385.1)**	(379.9)
Settlement of swaps for bonds repaid		**(6.2)**	61.4
Purchase of performance shares		**(25.6)**	(25.0)
Dividend paid to non-controlling interests		**(5.4)**	(5.4)
Others		**1.1**	(2.1)
Net cash used in financing activities		**(3,055.5)**	(4,009.2)
Net change in cash and cash equivalents		**(16.4)**	(4.7)
Exchange effects on cash and cash equivalents		**4.2**	(4.2)
Cash and cash equivalents at beginning of year		**524.9**	533.8
Cash and cash equivalents at end of year	15	**512.7**	524.9

Note 1: Investment in joint venture

Singtel acquired an additional 1.7% equity interest in Bharti Telecom Limited for S$539.4 million in the previous financial year.

Note 2: Payment for acquisition of subsidiary

(a) On 28 December 2018, Singtel's wholly-owned subsidiary, Optus Cyber Security Pty Limited, completed the acquisition of 100% of shares in Hivint Pty Limited ("**Hivint**"), a cyber security consulting company in Australia, for S$16.6 million (A$17 million). The fair values of identifiable net assets and the cash outflow on the acquisition were as follows –

The accompanying notes on pages 147 to 249 form an integral part of these financial statements.
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Note 2: Payment for acquisition of subsidiary *(Cont'd)*

	31 March 2019 S$ Mil
Cash and cash equivalents	**2.2**
Trade and other receivables	**2.8**
Total liabilities	**(3.5)**
Net assets acquired	**1.5**
Goodwill	**15.1**
Total cash consideration	**16.6**
Less: Consideration unpaid as at 31 March 2019	**(8.6)**
Less: Cash and cash equivalents acquired	**(2.2)**
Net outflow of cash	**5.8**

(b) The payment of S$336.5 million in the previous financial year was for the acquisition of Turn, Inc. by Amobee, Inc. ("**Amobee**"), a wholly-owned subsidiary of the Group.

Note 3: Payment for acquisition of intangibles and other assets

On 22 August 2018, Amobee completed the acquisition of the technology platform, intellectual property and certain other assets of Videology, Inc. and its subsidiaries for S$123.1 million (US$90 million). The fair values of identifiable net assets and the cash outflow on the acquisition were as follows –

	31 March 2019 S$ Mil
Identifiable intangible assets	**18.8**
Non-current assets	**0.1**
Trade and other receivables	**11.4**
Total liabilities	**(2.0)**
Net assets acquired	**28.3**
Goodwill	**94.8**
Net outflow of cash	**123.1**

Note 4: Investment in FVOCI investments

This included a payment of S$344.3 million (US$250 million) for Singtel's acquisition of 5.7% equity interest in Airtel Africa Limited on 24 October 2018.

Note 5: Proceeds from disposal of an associate, and repayment of loan by an associate

In the previous financial year, Singtel sold its 100% interest in NetLink Trust to NetLink NBN Trust for an aggregate consideration of S$1.89 billion comprising a cash consideration of S$1.11 billion and 24.8% interest in NetLink NBN Trust. In addition, a unitholder loan of S$1.10 billion was repaid by NetLink Trust to Singtel.

The accompanying notes on pages 147 to 249 form an integral part of these financial statements.
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Notes to the Financial Statements

For the financial year ended 31 March 2019

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

Singtel is domiciled and incorporated in Singapore and is publicly traded on the Singapore Exchange. The address of its registered office is 31 Exeter Road, Comcentre, Singapore 239732.

The principal activities of the Company consist of the operation and provision of telecommunications systems and services, and investment holding. The principal activities of the significant subsidiaries are disclosed in **Note 44**.

In Singapore, the Group has the rights to provide fixed national and international telecommunications services to 31 March 2037, and public cellular mobile telephone services to 31 March 2032. In addition, the Group is licensed to offer Internet services and has also obtained frequency spectrum and licence rights to install, operate and maintain mobile communication systems and services including wireless broadband systems and services. The Group also holds the requisite licence to provide nationwide subscription television services.

In Australia, Optus is granted telecommunication licences under the Telecommunications Act 1991. Pursuant to the Telecommunications (Transitional Provisions and Consequential Amendments) Act 1997, the licences continued to have effect after the deregulation of telecommunications in Australia in 1997. The licences do not have a finite term, but are of continuing operation until cancelled under the Telecommunications Act 1997.

These financial statements were authorised and approved for issue in accordance with a Directors' resolution dated 14 May 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

For all periods up to and including the financial year ended 31 March 2018, the financial statements were prepared in accordance with Financial Reporting Standards in Singapore ("**FRS**"). With effect from 1 April 2018, the Group adopted all applicable new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and Interpretations of SFRS(I) on a mandatory basis. SFRS(I) are identical to the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The new accounting framework and standards have been retrospectively applied to the financial statements for the previous financial year ended 31 March 2018 and the opening statement of financial position as at 1 April 2017. These are the Group's first set of financial statements prepared in accordance with SFRS(I), of which SFRS(I) 1, *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied. The adoption of SFRS(I) has no material effect on the financial statements prepared under FRS, except for SFRS(I) 1, SFRS(I) 9, *Financial Instruments*, and SFRS(I) 15, *Revenue from Contracts with Customers*. The summarised impact of adopting SFRS(I) 1, SFRS(I) 9 and SFRS(I) 15 for the previous financial year ended 31 March 2018, and as at 31 March 2018 and 1 April 2017, are shown in **Note 42**.

The financial statements have been prepared under the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and SFRS(I). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

2.1 Basis of Accounting *(Cont'd)*

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement are disclosed in **Note 3**.

2.2 Foreign Currencies

2.2.1 Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The statement of financial position and statement of changes in equity of the Company and consolidated financial statements of the Group are presented in Singapore Dollar, which is the functional and presentation currency of the Company and the presentation currency of the Group.

2.2.2 Transactions and balances

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at exchange rates ruling at that date. Foreign exchange differences arising from translation are recognised in the income statement.

2.2.3 Translation of foreign operations' financial statements

In the preparation of the consolidated financial statements, the assets and liabilities of foreign operations are translated to Singapore Dollar at exchange rates ruling at the end of the reporting period except for share capital and reserves which are translated at historical rates of exchange (see below for translation of goodwill and fair value adjustments).

Income and expenses in the consolidated income statement are translated using either the average exchange rates for the month or year, which approximate the exchange rates at the dates of the transactions. All resulting translation differences are taken directly to 'Other Comprehensive Income'.

On loss of control of a subsidiary, loss of significant influence of an associate or loss of joint control of a joint venture, the accumulated translation differences relating to that foreign operation are reclassified from equity to the consolidated income statement as part of gain or loss on disposal.

On partial disposal where there is no loss of control of a subsidiary, the accumulated translation differences relating to the disposal are reclassified to non-controlling interests. For partial disposals of associates or joint ventures, the proportionate accumulated translation differences relating to the disposal are taken to the consolidated income statement.

2.2.4 Translation of goodwill and fair value adjustments

Goodwill and fair value adjustments arising on the acquisition of foreign entities completed on or after 1 April 2005 are treated as assets and liabilities of the foreign entities and are recorded in the functional currencies of the foreign entities and translated at the exchange rates prevailing at the end of the reporting period. However, for acquisitions of foreign entities completed prior to 1 April 2005, goodwill and fair value adjustments continue to be recorded at the exchange rates at the respective dates of the acquisitions.

2.2.5 Net investment in a foreign entity

The exchange differences on loans from the Company to its subsidiaries, associates or joint ventures which form part of the Company's net investment in the subsidiaries, associates or joint ventures are included in 'Currency Translation Reserve' in the consolidated financial statements. On disposal of the foreign entity, the accumulated exchange differences deferred in the 'Currency Translation Reserve' are reclassified to the consolidated income statement in a similar manner as described in **Note 2.2.3**.

2.3 Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, balances with banks and fixed deposits with original maturity of mainly three months or less, net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

Bank overdrafts are included under borrowings in the statement of financial position.

2.4 Contract Assets

Where revenue recognised for a customer contract exceeds the amount received or receivable from a customer, a contract asset is recognised. Contract assets arise from bundled telecommunications contracts where equipment delivered at a point in time are bundled with services delivered over time. Contract assets also arise from information technology contracts where performance obligations are delivered over time (see **Note 2.23**). Contract assets are transferred to trade receivables when the consideration for performance obligations are billed. Contract assets are included in 'Trade and other receivables' under current assets as they are expected to be realised in the normal operating cycle. Contract assets are subject to impairment review for credit risk in accordance with the expected loss model.

2.5 Trade and Other Receivables

Trade and other receivables, including contract assets and receivables from subsidiaries, associates and joint ventures, are initially recognised at fair values and subsequently measured at amortised cost using the effective interest method, less an allowance for expected credit loss ("**ECL**").

The Group applied the 'simplified approach' for determining the allowance for ECL for trade receivables and contract assets, where lifetime ECL are recognised in the income statement at initial recognition of receivables and updated at each reporting date. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of the receivable. When determining the allowance for ECL, the Group considers reasonable and supportable information that is relevant and available for customer types. This includes both qualitative and quantitative information based on the Group's historical experience and forward looking information such as general economic factors as applicable. Loss events include financial difficulty or bankruptcy of the debtor, significant delay in payments and breaches of contracts.

Trade and other receivables are written off against the allowance for ECL when there is no reasonable expectation of recovery. Subsequent recoveries of amounts previously written off are recognised in the income statement.

2.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

2.7 Contract Liabilities

Where the amounts received or receivable from customers exceed the revenues recognised for contracts, contract liabilities or advance billings are recognised in the statement of financial position. Contract liabilities or advance billings are recognised as revenues when services are provided to customers.

2.8 Trade and Other Payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

2.9 Borrowings

Borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs. After initial recognition, borrowings are subsequently stated at amortised cost using the effective interest method.

2.10 Provisions

A provision is recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. No provision is recognised for future operating losses.

For information technology contracts, a provision for expected project loss is made when it is probable that total contract costs will exceed total contract revenue.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

2.11 Contingencies

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

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

2.12 Group Accounting

The accounting policy for investments in subsidiaries, associates and joint ventures in the Company's financial statements is stated in **Note 2.13.** The Group's accounting policy on goodwill is stated in **Note 2.19.1**.

2.12.1 Subsidiaries

Subsidiaries are entities (including structured entities) controlled by the Group. Control exists when the Group has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the Group the ability to direct activities that significantly affect the entity's returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above. Subsidiaries are consolidated from the date that control commences until the date that control ceases. All significant inter-company balances and transactions are eliminated on consolidation.

2.12.2 Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Equity accounting involves recording the investment in associates initially at cost, and recognising the Group's share of the post-acquisition results of associates in the consolidated income statement, and the Group's share of post-acquisition reserve movements in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investments in the consolidated statement of financial position.

Where the Group's interest in an associate reduces as a result of a deemed disposal, any gain or loss arising as a result of the deemed disposal is taken to the consolidated income statement.

Where the Group increases its interest in its existing associate and it remains as an associate, the incremental cost of investment is added to the existing carrying amount without considering the fair value of the associate's identifiable assets and liabilities.

In the consolidated statement of financial position, investments in associates include goodwill on acquisition identified on acquisitions completed on or after 1 April 2001, net of accumulated impairment losses. Goodwill is assessed for impairment as part of the investment in associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including loans that are in fact extensions of the Group's investment, the Group does not recognise further losses, unless it has incurred or guaranteed obligations in respect of the associate.

Unrealised gains resulting from transactions with associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.12.3 Joint ventures

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangements. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing the control.

The Group's interest in joint ventures is accounted for in the consolidated financial statements using the equity method of accounting.

Where the Group's interest in a joint venture reduces as a result of a deemed disposal, any gain or loss arising as a result of the deemed disposal is taken to the consolidated income statement.

2.12.3 Joint ventures *(Cont'd)*

Where the Group increases its interest in its existing joint venture and it remains as a joint venture, the incremental cost of investment is added to the existing carrying amount without considering the fair value of the joint venture's identifiable assets and liabilities.

In the consolidated statement of financial position, investments in joint ventures include goodwill on acquisition identified on acquisitions completed on or after 1 April 2001, net of accumulated impairment losses. Goodwill is assessed for impairment as part of the investment in joint ventures.

The Group's interest in its unincorporated joint operations is accounted for by recognising the Group's assets and liabilities from the joint operations, as well as expenses incurred by the Group and the Group's share of income earned from the joint operations, in the consolidated financial statements.

Unrealised gains resulting from transactions with joint ventures are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.12.4 Dividends from associates and joint ventures

Dividends are recognised when the Group's rights to receive payment have been established. Dividends received from an associate or joint venture in excess of the Group's carrying value of the equity accounted investee are recognised as dividend income in the consolidated income statement where there is no legal or constructive obligation to refund the dividend nor is there any commitment to provide financial support to the investee. Equity accounting is then suspended until the investee has made sufficient profits to cover the income previously recognised for the excess cash distributions.

2.12.5 Structured entity

The Trust has been consolidated in the consolidated financial statements under SFRS(I) 10, *Consolidated Financial Statements*.

2.12.6 Business combinations

Business combinations are accounted for using the acquisition method on and after 1 April 2010. The consideration for each acquisition is measured at the aggregate of the fair values of assets given, liabilities incurred and equity interests issued by the Group and any contingent consideration arrangement at acquisition date. Acquisition-related costs, other than those associated with the issue of debt or equity, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the consolidated income statement.

For business combinations that are achieved in stages, any existing equity interests in the acquiree entity are re-measured to their fair values at acquisition date and any changes are taken to the consolidated income statement.

2.12.6 Business combinations *(Cont'd)*

Non-controlling interests in subsidiaries represent the equity in subsidiaries which are not attributable, directly or indirectly, to the shareholders of the Company, and are presented separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and within equity in the consolidated statement of financial position. The Group elects for each individual business combination whether non-controlling interests in the acquiree entity are recognised at fair value, or at the non-controlling interests' proportionate share of the fair value of the acquiree entity's identifiable net assets, at the acquisition date.

Total comprehensive income is attributed to non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a debit balance.

Changes in the Group's interest in subsidiaries that do not result in loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, any interest retained in the former subsidiary is recorded at fair value with the re-measurement gain or loss recognised in the consolidated income statement.

2.13 Investments in Subsidiaries, Associates and Joint Ventures

In the Company's statement of financial position, investments in subsidiaries, associates and joint ventures, including loans that meet the definition of equity instruments, are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable value. On disposal of investments in subsidiaries, associates and joint ventures, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in the income statement of the Company.

2.14 Fair Value Through Other Comprehensive Income ("FVOCI") investments

On initial recognition, the Group has made an irrevocable election to designate all equity investments (other than investments in subsidiaries, associates or joint ventures) as FVOCI investments as these are strategic investments held for the long term. They are initially recognised at fair value plus directly attributable transaction costs, with subsequent changes in fair value and translation differences recognised in 'Other Comprehensive Income' and accumulated within 'Fair Value Reserve' in equity. Upon disposal, the gain or loss accumulated in equity is transferred to retained earnings and is not reclassified to the income statement. Dividends are recognised in the income statement when the Group's right to receive payments is established.

Purchases and sales of investments are recognised on trade date, which is the date that the Group commits to purchase or sell the investment.

2.15 Derivative Financial Instruments and Hedging Activities

The Group enters into the following derivative financial instruments to hedge its risks, namely –

Cross currency swaps and interest rate swaps as fair value hedges for interest rate risk and cash flow hedges for currency risk arising from the Group's issued bonds. The swaps involve the exchange of principal and floating or fixed interest receipts in the foreign currency in which the issued bonds are denominated, for principal and floating or fixed interest payments in the entities' functional currencies.

Forward foreign exchange contracts as cash flow hedges for the Group's exposure to foreign currency exchange risks arising from forecasted or committed expenditure.

Notes to the Financial Statements

For the financial year ended 31 March 2019

2.15 Derivative Financial Instruments and Hedging Activities *(Cont'd)*

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair values at the end of each reporting period.

A derivative financial instrument is carried as an asset when the fair value is positive and as a liability when the fair value is negative.

Any gains or losses arising from changes in fair value are recognised immediately in the income statement, unless they qualify for hedge accounting.

2.15.1 Hedge accounting

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with the risk management objectives and strategy for undertaking various hedge transactions. At inception and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting the changes in fair values or cash flows of the hedged item attributable to the hedged risk. To be effective, the hedging relationships are to meet all of the following requirements:

(i) there is an economic relationship between the hedged item and the hedging instrument;

(ii) the effect of credit risk does not dominate the fair value changes that result from that economic relationship; and

(iii) the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group hedges and the quantity of the hedging instrument that the Group uses to hedge that quantity of the hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward currency contract (i.e. including the forwards elements) as the hedged risk for all its hedging relationships involving forward currency contracts.

Note 18.1 sets out the details of the fair values of the derivative instruments used for hedging purposes.

<u>Fair value hedge</u>

Designated derivative financial instruments that qualify for fair value hedge accounting are initially recognised at fair value on the date that the contract is entered into. Changes in fair value of derivatives are recorded in the income statement together with any changes in the fair value of the hedged items that are attributable to the hedged risks.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised in the income statement from that date.

2.15.1 Hedge accounting *(Cont'd)*

Cash flow hedge

The effective portion of changes in the fair value of the designated derivative financial instruments that qualify as cash flow hedges are recognised in 'Other Comprehensive Income'. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in the 'Hedging Reserve' within equity are transferred to the income statement in the periods when the hedged items affect the income statement.

However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gain or loss previously recognised in 'Other Comprehensive Income' and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect 'Other Comprehensive Income'. Furthermore, if the Group expects some or all the loss accumulated in 'Other Comprehensive Income' will not be recovered in the future, that amount is immediately reclassified to the income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is transferred to the income statement when the forecast transaction is recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the income statement.

2.16 Fair Value Estimation of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

The following methods and assumptions are used to estimate the fair value of each class of financial instrument –

Bank balances, receivables and payables, current borrowings

The carrying amounts approximate fair values due to the relatively short maturity of these instruments.

Quoted and unquoted investments

The fair values of investments traded in active markets are based on the market quoted price or the price quoted by the market maker at the close of business at the end of the reporting period.

The fair values of unquoted investments are determined primarily using recent arm's length transactions.

Cross currency and interest rate swaps

The fair value of a cross currency or an interest rate swap is the estimated amount that the swap contract can be exchanged for or settled with under normal market conditions. This fair value can be estimated using the discounted cash flow method where the future cash flows of the swap contract are discounted at the prevailing market foreign exchange rates and interest rates. Market interest rates are actively quoted interest rates or interest rates computed by applying techniques to these actively quoted interest rates.

2.16 Fair Value Estimation of Financial Instruments *(Cont'd)*

Forward foreign currency contracts

The fair value of forward foreign exchange contracts is determined using forward exchange market rates for contracts with similar maturity profiles at the end of the reporting period.

Non-current borrowings

For disclosure purposes, the fair values of non-current borrowings which are traded in active markets are based on the quoted market ask price. For other non-current borrowings, the fair values are based on valuations provided by service providers or estimated by discounting the future contractual cash flows using discount rates based on the borrowing rates which the Group expects would be available at the end of the reporting period.

2.17 Financial Guarantee Contracts

Financial guarantees issued by the Company prior to 1 April 2010 are recorded initially at fair values plus transaction costs and amortised in the income statement over the period of the guarantee. Financial guarantees issued by the Company on or after 1 April 2010 are directly charged to the subsidiary as guarantee fees based on fair values.

2.18 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, where applicable. The cost of self-constructed assets includes the cost of material, direct labour, capitalised borrowing costs and an appropriate proportion of production overheads.

Depreciation is calculated on a straight-line basis to write off the cost of the property, plant and equipment over its expected useful life. Property, plant and equipment under finance lease is depreciated over the shorter of the lease term or useful life.

The estimated useful lives are as follows –

	No. of years
Buildings	5 - 40
Transmission plant and equipment	5 - 25
Switching equipment	3 - 15
Other plant and equipment	2 - 20

Other plant and equipment consist mainly of finance-leased handsets, motor vehicles, office equipment, and furniture and fittings.

No depreciation is provided on freehold land, long-term leasehold land with a remaining lease period of more than 100 years and capital work-in-progress. Leasehold land with a remaining lease period of 100 years or less is depreciated in equal instalments over its remaining lease period.

In respect of capital work-in-progress, assets are depreciated from the month the asset is completed and ready for use.

2.18 Property, Plant and Equipment *(Cont'd)*

Costs of computer software which are an integral part of the related hardware are capitalised and recognised as assets and included in property, plant and equipment when it is probable that the costs will generate economic benefits beyond one year and the costs are associated with identifiable software products which can be reliably measured by the Group.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Costs may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Subsequent expenditure is included in the carrying amount of an asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period.

On disposal of property, plant and equipment, the difference between the disposal proceeds and its carrying value is taken to the income statement.

2.19 Intangible Assets

2.19.1 Goodwill

Goodwill on acquisition of subsidiaries on and after 1 April 2010 represents the excess of the consideration transferred, the recognised amount of any non-controlling interest in the acquiree entity and the fair value of any previous equity interest in the acquiree entity over the fair value of the net identifiable assets acquired, including contingent liabilities, at the acquisition date. Such goodwill is recognised separately as intangible asset and stated at cost less accumulated impairment losses.

Acquisitions completed prior to 1 April 2001

Goodwill on acquisitions of subsidiaries, associates and joint ventures completed prior to 1 April 2001 had been adjusted in full against 'Other Reserves' within equity. Such goodwill has not been retrospectively capitalised and amortised.

The Group also had acquisitions where the costs of acquisition were less than the fair value of identifiable net assets acquired. Such differences (negative goodwill) were adjusted against 'Other Reserves' in the year of acquisition.

Goodwill which has been previously taken to 'Other Reserves', is not taken to the consolidated income statement when the entity is disposed of or when the goodwill is impaired.

Acquisitions completed on or after 1 April 2001

Prior to 1 April 2004, goodwill on acquisitions of subsidiaries, associates and joint ventures completed on or after 1 April 2001 was capitalised and amortised on a straight-line basis in the consolidated income statement over its estimated useful life of up to 20 years. In addition, goodwill was assessed for indications of impairment at the end of each reporting period.

2.19.1 Goodwill *(Cont'd)*

Since 1 April 2004, goodwill is no longer amortised but is tested annually for impairment or whenever there is an indication of impairment (see **Note 2.20**). The accumulated amortisation for goodwill as at 1 April 2004 had been eliminated with a corresponding decrease in the capitalised goodwill.

A bargain purchase gain is recognised directly in the consolidated income statement.

Gains or losses on disposal of subsidiaries, associates and joint ventures include the carrying amount of capitalised goodwill relating to the entity sold.

2.19.2 Other intangible assets

Expenditure on telecommunication and spectrum licences are capitalised and amortised using the straight-line method over their estimated useful lives of 11 to 16 years.

Other intangible assets which are acquired in business combinations are carried at fair values at the date of acquisition, and amortised on a straight-line basis over the period of the expected benefits. Customer relationships or customer contracts, brand, and technology have estimated useful lives of 4 to 10 years. Other intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

2.20 Impairment of Non-Financial Assets

Goodwill on acquisition of subsidiaries is subject to an annual impairment test or is more frequently tested for impairment if events or changes in circumstances indicate that it might be impaired. Goodwill is not amortised (see **Note 2.19.1**).

Other intangible assets of the Group, which have finite useful lives and are subject to amortisation, as well as property, plant and equipment and investments in subsidiaries, associates and joint ventures, are reviewed at the end of each reporting period to determine whether there is any indicator for impairment, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the assets' recoverable amounts are estimated.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value-in-use.

An impairment loss for an asset, other than goodwill on acquisition of subsidiaries, is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Impairment loss on goodwill on acquisition of subsidiaries is not reversed.

2.21 Non-current Assets (or Disposal Groups) Held For Sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of their carrying amounts and fair value less costs to sell if their carrying amounts are recovered principally through sale transactions rather than through continuing use.

2.22 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new equity shares are taken to equity as a deduction, net of tax, from the proceeds.

When the Company purchases its own equity share capital, the consideration paid, including any directly attributable costs, is recognised as 'Treasury Shares' within equity. When the shares are subsequently disposed, the realised gains or losses on disposal of the treasury shares are included in 'Other Reserves' of the Company.

The Trust acquires shares in the Company from the open market for delivery to employees upon vesting of performance shares awarded under Singtel performance share plans. Such shares are designated as 'Treasury Shares'. In the consolidated financial statements, the cost of unvested shares, including directly attributable costs, is recognised as 'Treasury Shares' within equity.

Upon vesting of the performance shares, the weighted average costs of the shares delivered to employees, whether held by the Company or the Trust, are transferred to 'Capital Reserve' within equity in the financial statements.

2.23 Revenue Recognition

Revenue is recognised when the Group satisfies a performance obligation by transferring control of a promised good or service to the customer. It is measured based on the amount of the transaction price allocated to the satisfied performance obligation, and are net of goods and services tax, rebates, discounts and sales within the Group.

Revenue from service contracts (e.g. telecommunications or pay TV) are recognised ratably over the contract periods as control over the services passes to the customers as services are provided. Service revenue is also recognised based on usage (e.g. minutes of traffic/ bytes of data).

For prepaid cards which have been sold, revenue is recognised based on usage. A contract liability is recognised for advance payments received from customers where services have not been rendered as at the end of the reporting period. Expenses directly attributable to the unearned revenue are deferred until the revenue is recognised.

Revenue from the sale of equipment (primarily handsets and accessories) is recognised upon the transfer of control to the customer or third party dealer which generally coincides with delivery and acceptance of the equipment sold.

Goods and services deliverable under bundled telecommunication contracts are identified as separate performance obligations to the extent that the customer can benefit from the goods or services on their own. The transaction price is allocated between goods and services based on their relative standalone selling prices. Standalone selling prices are determined by assessing prices paid for standalone equipment and for service-only contracts (e.g. arrangements where customers bring their own equipment). Where standalone selling prices are not directly observable, estimation techniques are used.

Contracts with customers generally do not include a material right. In cases where material rights are granted such as the award of mobile price plan discount vouchers, a portion of the transaction price is deferred as a contract liability (see **Note 2.7**) and is not recognised as revenue until this additional performance obligation has been satisfied or has lapsed.

Incentives given to customers are recognised as a reduction from revenue in accordance with the specific terms and conditions of each contract.

2.23 Revenue Recognition *(Cont'd)*

Non-refundable, upfront service activation and setup fees associated with service arrangements are deferred and recognised over the associated service contract period or customer life.

The Group may exchange network capacity with other capacity or service providers. The exchange is regarded as a transaction which generates revenue unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given up is reliably measurable.

When the Group has control of goods or services prior to delivery to a customer, the Group is the principal in the sale to the customer. If another party has control of goods and services prior to transfer to a customer, then the Group is acting as an agent for the other party and revenue is recognised net of any related payments. The Group typically acts as an agent for digital mobile content such as music and video.

For information technology projects, revenue is recognised over time based on the cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, while invoicing is typically based on milestones. A contract asset is recognised for work performed. Any amount previously recognised as a contract asset is transferred to trade receivable upon invoicing to the customer. If the milestone payment exceeds the revenue recognised to date, then the Group recognises a contract liability for the difference.

Revenues from sale of perpetual software licences and the related hardware are recognised when title passes to the customer, generally upon delivery.

Revenues from digital advertising services and solutions are recognised when advertising services are delivered, and when digital advertising impressions are delivered or click-throughs occur. Revenue from sale of advertising space is recognised when the advertising space is filled and sold to customers. The Group is generally the principal in transactions carried out through Amobee's advertising platforms and therefore reports gross revenue based on the amount billed to customers.

Dividend income is recorded gross in the income statement when the right to receive payment is established.

Interest income is recognised on a time proportion basis using the effective interest method.

Revenue recognition for leases is described in **Note 2.24.2**.

2.24 Leases

2.24.1 Where the Group is the lessee

Operating leases

Leases where substantially all the risks and rewards of ownership are not transferred to the Group are classified as operating leases. Operating lease payments are recognised as operating expenses in the income statement on a straight-line basis over the lease term.

2.24.1 Where the Group is the lessee *(Cont'd)*

Finance leases

Finance leases are those leasing agreements which effectively transfer substantially all the risks and benefits incidental to ownership of the leased items to the Group. Assets financed under such leases are treated as if they had been purchased outright at the lower of fair value and present value of the minimum lease payments. The liabilities to the lessor are recognised as finance lease obligations in the statement of financial position. Lease payments are apportioned between finance expenses and reduction of the lease liability to achieve a constant periodic rate of interest on the remaining balance of the liability.

2.24.2 Where the Group is the lessor

Operating leases

Leases where the Group retains substantially all the risks and rewards of ownership of the assets are classified as operating leases.

Income from operating leases are recognised on a straight-line basis over the lease terms as the entitlement to the fees accrues. The leased assets are included in the statement of financial position as property, plant and equipment.

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the assets are transferred by the Group to the lessees are classified as finance leases. Receivables under finance leases are presented in the statement of financial position at an amount equal to the net investment in the leases and the leased assets are derecognised. Finance income is allocated using a constant periodic rate of return on the net investment over the lease term.

Sales of network capacity are accounted as finance leases where –

(i) the purchaser's right of use is exclusive and irrevocable;
(ii) the asset is specific and separable;
(iii) the terms of the contract are for the major part of the asset's economic useful life;
(iv) the attributable costs or carrying value can be measured reliably; and
(v) no significant risks are retained by the Group.

2.24.3 Gains or losses from sale and leaseback

Gains on sale and leaseback transactions resulting in finance leases are deferred and amortised over the lease term on a straight-line basis, while losses are recognised immediately in the income statement.

Gains and losses on sale and leaseback transactions established at fair value which resulted in operating leases are recognised immediately in the income statement.

2.25 Contract Costs

Sales commission and the costs of customer premise equipment directly attributable to obtaining and fulfilling a customer's contract are capitalised in the statement of financial position and amortised as operating expenses over the contract period or expected customer relationship period.

2.25 Contract Costs *(Cont'd)*

Costs to obtain contracts in the form of handset subsidies given to mobile customers via indirect channels are also capitalised in the statement of financial position but are amortised as a reduction of mobile service revenue over the contract period or expected customer relationship period. The contract period or expected customer relationship period typically ranges from 1 year to 2 years.

Capitalised contract costs are included in 'Other Assets' under non-current assets.

2.26 Employees' Benefits

2.26.1 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund. The Group has no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

The Group's contributions to the defined contribution plans are recognised in the income statement as expenses in the financial year to which they relate.

2.26.2 Employees' leave entitlements

Employees' entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability of annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

2.26.3 Share-based compensation

Performance shares and share options
The performance share plans of the Group are accounted for either as equity-settled share-based payments or cash-settled share-based payments. The share option plans of the subsidiaries are accounted for as equity-settled share-based payments.

Equity-settled share-based payments are measured at fair value at the date of grant, whereas cash-settled share-based payments are measured at current fair value at the end of each reporting period. The share-based payment expense is amortised and recognised in the income statement on a straight-line basis over the vesting period.

At the end of each reporting period, the Group revises its estimates of the number of equity instruments that the participants are expected to receive based on non-market vesting conditions. The difference is charged or credited to the income statement, with a corresponding adjustment to equity or liability for equity-settled and cash-settled share-based payments respectively.

The dilutive effects of the Singtel performance share plans are reflected as additional share dilution in the computation of diluted earnings per share.

2.27 Borrowing Costs

Borrowing costs comprise interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in arranging the borrowings, and finance lease charges. Borrowing costs are generally expensed as incurred, except to the extent that they are capitalised if they are directly attributable to the acquisition, construction, or production of a qualifying asset.

2.28 Pre-incorporation Expenses

Pre-incorporation expenses are expensed as incurred.

2.29 Government Grants

Grants in recognition of specific expenses are recognised in the income statement over the periods necessary to match them with the relevant expenses they are intended to compensate. Grants related to depreciable assets are deferred and recognised in the income statement over the period in which such assets are depreciated and used in the projects subsidised by the grants.

2.30 Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the income statement except to the extent that it relates to a business combination, or items recognised directly in equity or in 'Other Comprehensive Income'.

The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement as it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate, at the end of the reporting period.

Deferred taxation is provided in full, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit/ loss, it is not recognised. Deferred income tax is also not recognised for goodwill which is not deductible for tax purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates (and tax laws) enacted or substantively enacted in countries where the Company and its subsidiaries operate, at the end of the reporting period.

Deferred tax liabilities are provided on all taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and carry forward of unutilised tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carry forward of unused losses can be utilised.

2.30 Income Tax *(Cont'd)*

At the end of each reporting period, the Group re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Group recognises a previously unrecognised deferred tax asset to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered. The Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable profit will be available to allow the benefit of all or part of the deferred tax asset to be utilised.

Current and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or different period, directly to equity.

2.31 Dividends

Interim and special dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2.32 Segment Reporting

An operating segment is identified as the component of the Group that is regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

2.33 Exceptional Items

Exceptional items refer to items of income or expense within the income statement from ordinary activities that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the financial year.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom be equal to the future actual results. As accounting standards are principles-based, professional judgement is required under certain circumstances. The estimates, assumptions and judgements that bear a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

3.1 Impairment Reviews

The accounting policies for impairment of non-financial assets are stated in **Note 2.20**.

During an impairment review, the Group assesses whether the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Recoverable amount is defined as the higher of an asset's or cash-generating unit's fair value less costs to sell and its value-in-use. In making this judgement, the Group evaluates the value-in-use which is supported by the net present value of future cash flows derived from such assets or cash-generating units using cash flow projections which have been discounted at an appropriate rate. Forecasts of future cash flows are based on the Group's estimates using historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

3.1 Impairment Reviews *(Cont'd)*

Goodwill recorded by associates and joint ventures is required to be tested for impairment at least annually. The impairment assessment requires the exercise of significant judgement about future market conditions, including growth rates and discount rates applicable in a number of markets where the associates and joint ventures operate.

The assumptions used by management to determine the value-in-use calculations of goodwill on acquisition of subsidiaries are disclosed in **Note 24**. The carrying values of joint ventures and associates including goodwill capitalised are stated in **Note 22** and **Note 23** respectively.

3.2 Expected Credit Loss ("ECL") of Receivables

At each reporting date, the Group assesses whether trade and other receivables are credit-impaired. The allowance for ECL is based on management's assessment of the collectability of individual customer accounts taking into consideration the credit worthiness and financial condition of those customers. The Group also records an allowance for all other receivables based on management's collective assessment of their collectability taking into consideration multiple factors including historical experience of credit losses, forward looking information as applicable and the aging of the receivables with allowances generally increasing as the receivable ages. If there is a deterioration of customers' financial condition or if future default rates in general differ from those currently anticipated, the Group may have to adjust the allowance for credit losses, which would affect earnings in the period that adjustments are made.

The exposure to credit risk for receivables is disclosed in **Note 16.**

3.3 Estimated Useful Lives of Property, Plant and Equipment

Property, plant and equipment balances represent a significant component of the Group's assets. Property, plant and equipment are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the assets. The Group reviews the estimated useful lives of property, plant and equipment on an annual basis based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives would increase the recorded depreciation and decrease the carrying value of property, plant and equipment.

3.4 Taxation

3.4.1 Deferred tax asset

The Group reviews the carrying amount of deferred tax assets at each reporting date. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular legal entity or tax group for which the deferred tax asset has been recognised.

3.4.2 Income taxes

The Group is subject to income taxes in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business, including the tax matters disclosed in **Note 40(b)**. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.5 Fair values of derivative financial instruments

The Group uses valuation techniques to determine the fair values of financial instruments. The valuation techniques used for different financial instruments are selected to reflect how the market would be expected to price the instruments, using inputs that reasonably reflect the risk-return factors inherent in the instruments. Depending upon the characteristics of the financial instruments, observable market factors are available for use in most valuations, while others involve a greater degree of judgment and estimation.

3.6 Share-based Payments

Equity-settled share-based payments are measured at fair value at the date of grant, whereas cash-settled share-based payments are measured at current fair value at the end of each reporting period. In addition, the Group revises the estimated number of equity instruments that participants are expected to receive based on non-market vesting conditions at the end of each reporting period.

The Group uses expert valuation services to determine the fair values. The assumptions of the valuation model used to determine fair values are set out in **Note 5.3**.

3.7 Contingent Liabilities

The Group consults with its legal counsel on matters related to litigation, and other experts both within and outside the Group with respect to matters in the ordinary course of business. As at 31 March 2019, the Group was involved in various legal proceedings where it has been vigorously defending its claims as disclosed in **Note 40**. Assessment on whether the risk of loss is remote, possible or probable requires significant judgement given the complexities involved.

The Group's associates and joint ventures also report significant contingent liabilities. The significant contingent liabilities of the Group's associates and joint ventures are disclosed in **Note 41.**

3.8 Revenue Recognition

The accounting policies for revenue recognition are stated in **Note 2.23.**

The application of SFRS(I) 15 requires the Group to exercise judgement in identifying distinct or non-distinct performance obligations. For bundled telecommunications contracts, the Group is required to estimate the standalone selling prices of performance obligations, which materially impacts the allocation of revenue between performance obligations. Where the Group does not sell equivalent goods or services in similar circumstances on a standalone basis, it is necessary to estimate the standalone selling price. Changes in estimates of standalone selling prices can significantly influence the allocation of the transaction price between performance obligations. When estimating the standalone selling price, the Group maximises the use of observable inputs.

The assessment of whether the Group presents operating revenue as the principal, or net after deduction of costs as an agent, is a matter of judgement which requires an analysis of both the legal form and the substance of contracts. Depending on the conclusion reached, there may be material differences in the amounts of revenues and expenses, though there is no impact on profit.

4. OPERATING REVENUE

	Group	
	2019 S$ Mil	2018 S$ Mil
Mobile service[1]	**5,395.7**	5,737.3
Sale of equipment	**2,876.7**	2,414.5
Handset operating lease income	**140.5**	25.2
Mobile	**8,412.9**	8,177.0
Data and Internet	**3,340.9**	3,435.7
Business solutions	**604.1**	560.7
Cyber security	**548.7**	527.1
Other managed services	**1,880.8**	1,920.0
Infocomm Technology ("**ICT**")[2]	**3,033.6**	3,007.8
Digital businesses[3]	**1,245.3**	1,113.1
Fixed voice	**899.0**	1,084.3
Pay television	**372.7**	369.4
Others[4]	**67.3**	80.7
Operating revenue	**17,371.7**	17,268.0
Operating revenue	**17,371.7**	17,268.0
Other income	**224.7**	258.8
Interest and investment income (see **Note 10**)	**38.1**	45.5
Total	**17,634.5**	17,572.3

Notes:
[1] Includes revenues from subscription (prepaid/postpaid), interconnect, outbound and inbound roaming, wholesale revenue from MVNOs (Mobile Virtual Network Operators) and mobile content services such as music and video.
[2] Includes equipment sales related to ICT services.
[3] Mainly from provisions of digital marketing and advertising services and regional premium OTT video.
[4] Includes energy reselling fees.

As at 31 March 2019, the transaction price attributable to unsatisfied performance obligations for ICT services rendered by NCS Pte. Ltd. is approximately S$3 billion which will be recognised as operating revenue mostly over the next 5 years.

Service contracts with consumers typically range from a month to 2 years, and contracts with enterprises typically range from 1 to 3 years.

5. OPERATING EXPENSES

	Group	
	2019 S$ Mil	2018 S$ Mil
Cost of equipment sold[1]	**3,106.1**	2,696.7
Other cost of sales	**2,767.1**	2,499.2
Staff costs	**2,597.3**	2,760.1
Selling and administrative costs[2]	**2,472.6**	2,536.6
Traffic expenses	**1,573.4**	1,615.8
Repair and maintenance	**388.0**	367.9
	12,904.5	12,476.3

Notes:
[1] Includes equipment costs related to ICT services.
[2] Includes supplies and services, as well as rentals of properties and mobile base stations.

5.1 Staff Costs

	Group 2019 S$ Mil	2018 S$ Mil
Staff costs included the following –		
Contributions to defined contribution plans	**225.1**	237.3
Performance share and share option expenses		
- equity-settled arrangements	**38.0**	32.7
- cash-settled arrangements	**3.3**	1.9

5.2 Key Management Personnel Compensation

	Group 2019 S$ Mil	2018 S$ Mil
Key management personnel compensation(1)		
Executive director(2)	**3.5**	6.1
Other key management personnel(3)	**15.9**	22.4
	19.4	28.5
Directors' remuneration(4)	**2.7**	2.5
	22.1	31.0

Notes:

(1) Comprise base salary, bonus, contributions to defined contribution plans and other benefits, but exclude performance share and share option expenses disclosed below.

(2) The Group Chief Executive Officer, an executive director of Singtel, was awarded up to 1,030,168 (2018: 1,712,538) ordinary shares of Singtel pursuant to Singtel performance share plans, subject to certain performance criteria including other terms and conditions being met. The performance share award in the previous financial year included a one-off Special Share Award ("**SSA**"). The performance share expense computed in accordance with SFRS(I) 2, *Share-based Payment*, was S$1.5 million (2018: S$3.3 million).

(3) The other key management personnel of the Group comprise the Chief Executive Officers of Consumer Singapore, Consumer Australia, Group Enterprise, Group Digital Life and International Group, as well as the Group Chief Corporate Officer, Group Chief Financial Officer, Group Chief Human Resources Officer, Group Chief Information Officer and Group Chief Technology Officer.

The other key management personnel were awarded up to 3,537,119 (2018: 4,391,498) ordinary shares of Singtel pursuant to Singtel performance share plans, subject to certain performance criteria including other terms and conditions being met. The performance share award in the previous financial year included a one-off SSA. The performance share expense computed in accordance with SFRS(I) 2 was S$6.1 million (2018: S$8.5 million).

(4) Directors' remuneration comprises the following:

(i) Directors' fees of S$2.7 million (2018: S$2.5 million), including fees paid to certain directors in their capacities as members of the Optus Advisory Committee and the Technology Advisory Panel, and as director of Singtel Innov8 Pte. Ltd.

(ii) Car-related benefits of the Chairman of S$24,557 (2018: S$20,446).

In addition to the Directors' remuneration, Venkataraman Vishnampet Ganesan, a non-executive director of Singtel, was awarded 831,087 (2018: Nil) of share options pursuant to the Amobee Long-Term Incentive Plan during the financial year, subject to certain terms and conditions being met. The share option expense computed in accordance with SFRS(I) 2 was S$104,278 (2018: S$21,607).

5.3 Share-based Payments

5.3.1 Performance share plans

With effect from 1 April 2012, Restricted Share Awards and Performance Share Awards are given to selected employees of Singtel and its subsidiaries. The awards are conditional upon the achievement of predetermined performance targets or vesting conditions over the performance period, which is two years for the Restricted Share Awards and three years for the Performance Share Awards. Both awards are generally settled by delivery of Singtel shares, with the awards for certain senior executives to be settled by Singtel shares or cash, at the option of the recipient.

5.3.1 Performance share plans *(Cont'd)*

Additionally, early vesting of the performance shares can also occur under special circumstances approved by the Executive Resource and Compensation Committee such as retirement, redundancy, illness and death while in employment.

Though the performance shares are awarded by Singtel, the respective subsidiaries bear all costs and expenses in any way arising out of, or connected with, the grant and vesting of the awards to their employees.

The fair values of the performance shares are estimated using a Monte-Carlo simulation methodology at the measurement dates, which are the grant value dates for equity-settled awards, and at the end of the reporting period for cash-settled awards.

In recognition of the value created from the development and operation of Singapore's nationwide fibre network infrastructure and the successful IPO of NetLink NBN Trust in July 2017, Senior Management received a one-off Special Share Award in July 2018.

Restricted Share Awards

The movements of the number of performance shares for the Restricted Share Awards during the financial year were as follows –

Group and Company 2019	Outstanding as at 1 April 2018 '000	Granted '000	Awarded from targets exceeded '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2019 '000
Date of grant						
FY2016[1]						
17 June 2015	**2,187**	**-**	**-**	**(2,166)**	**(21)**	**-**
September 2015 to March 2016	**20**	**-**	**-**	**(20)**	**-**	**-**
FY2017						
20 June 2016	**4,911**	**-**	**1,748**	**(3,401)**	**(206)**	**3,052**
September 2016 to March 2017	**20**	**-**	**8**	**(14)**	**-**	**14**
FY2018						
19 June 2017	**7,293**	**-**	**-**	**(201)**	**(474)**	**6,618**
September 2017 to March 2018	**314**	**-**	**-**	**-**	**(80)**	**234**
FY2019						
19 June 2018	**-**	**9,529**	**-**	**(17)**	**(692)**	**8,820**
September 2018 to March 2019	**-**	**306**	**-**	**-**	**-**	**306**
	14,745	**9,835**	**1,756**	**(5,819)**	**(1,473)**	**19,044**

Note:
[1] "FY2016" denotes financial year ended 31 March 2016.

5.3.1 Performance share plans *(Cont'd)*

Group and Company 2018	Outstanding as at 1 April 2017 '000	Granted '000	Awarded from targets exceeded '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2018 '000
Date of grant						
FY2015						
23 June 2014	2,707	-	-	(2,690)	(17)	-
September 2014 to March 2015	9	-	-	(9)	-	-
FY2016						
17 June 2015	3,679	-	1,094	(2,406)	(180)	2,187
September 2015 to March 2016	30	-	10	(20)	-	20
FY2017						
20 June 2016	5,319	-	1	(67)	(342)	4,911
September 2016 to March 2017	87	-	-	(67)	-	20
FY2018						
19 June 2017	-	7,701	-	(15)	(393)	7,293
September 2017 to March 2018	-	314	-	-	-	314
	11,831	8,015	1,105	(5,274)	(932)	14,745

The fair values of the Restricted Share Awards and the assumptions of the fair value model for the grants were as follows –

Equity-settled	Date of grant 20 June 2016	 19 June 2017	 19 June 2018
Fair value at grant date	S$3.46	S$3.34	S$2.85
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	15.6%	14.3%	14.6%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding May 2016	36 months historical volatility preceding May 2017	36 months historical volatility preceding May 2018
Risk free interest rates			
Yield of Singapore Government Securities on	1 June 2016	7 June 2017	7 June 2018

5.3.1 Performance share plans *(Cont'd)*

Cash-settled 2019	Date of grant 20 June 2016	19 June 2017	19 June 2018
Fair value at 31 March 2019	S$3.02	S$2.93	S$2.77
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	12.1%	12.1%	12.1%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2019		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2019	31 March 2019	31 March 2019

Cash-settled 2018	Date of grant 17 June 2015	20 June 2016	19 June 2017
Fair value at 31 March 2018	S$3.37	S$3.28	S$3.10
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.4%	14.4%	14.4%
MSCI Asia Pacific Telco Index	10.2%	NA	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2018		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2018	31 March 2018	31 March 2018

"NA" denotes Not Applicable.

5.3.1 Performance share plans *(Cont'd)*

Performance Share awards

The movements of the number of performance shares for the Performance Share Awards during the financial year were as follows –

Group and Company 2019	Outstanding as at 1 April 2018 '000	Granted '000	Cancelled '000	Outstanding as at 31 March 2019 '000
Date of grant				
FY2016				
17 June 2015	**8,529**	**-**	**(8,529)**	**-**
September 2015 to March 2016	**157**	**-**	**(157)**	**-**
FY2017				
20 June 2016	**8,651**	**-**	**(376)**	**8,275**
September 2016 to March 2017	**91**	**-**	**-**	**91**
FY2018				
19 June 2017	**4,729**	**-**	**(189)**	**4,540**
September 2017 to March 2018	**156**	**-**	**(36)**	**120**
FY2019				
19 June 2018	**-**	**4,171**	**(163)**	**4,008**
September 2018 to March 2019	**-**	**36**	**-**	**36**
	22,313	**4,207**	**(9,450)**	**17,070**

5.3.1 Performance share plans *(Cont'd)*

Group and Company 2018	Outstanding as at 1 April 2017 '000	Granted '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2018 '000
Date of grant					
FY2015					
23 June 2014	7,947	-	(1,285)	(6,662)	-
September 2014 to March 2015	21	-	(3)	(18)	-
FY2016					
17 June 2015	8,976	-	-	(447)	8,529
September 2015 to March 2016	157	-	-	-	157
FY2017					
20 June 2016	9,068	-	-	(417)	8,651
September 2016 to March 2017	91	-	-	-	91
FY2018					
19 June 2017	-	4,804	-	(75)	4,729
September 2017 to March 2018	-	156	-	-	156
	26,260	4,960	(1,288)	(7,619)	22,313

The fair values of the Performance Share Awards and the assumptions of the fair value model for the grants were as follows –

Equity-settled	Date of grant 20 June 2016	19 June 2017	19 June 2018
Fair value at grant date	S$1.81	S$1.28	S$1.77
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	15.6%	14.3%	14.6%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding May 2016	36 months historical volatility preceding May 2017	36 months historical volatility preceding May 2018
Risk free interest rates			
Yield of Singapore Government Securities on	1 June 2016	7 June 2017	7 June 2018

5.3.1 Performance share plans *(Cont'd)*

Cash-settled 2019	Date of grant 20 June 2016	19 June 2017	19 June 2018
Fair value at 31 March 2019	-	S$0.07	S$1.23
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	12.1%	12.1%	12.1%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2019		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2019	31 March 2019	31 March 2019

Cash-settled 2018	Date of grant 17 June 2015	20 June 2016	19 June 2017
Fair value at 31 March 2018	-	S$0.91	S$0.80
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.4%	14.4%	14.4%
MSCI Asia Pacific Telco Index	10.2%	NA	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2018		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2018	31 March 2018	31 March 2018

Special Share Award

The movements of the number of performance shares for the Special Share Award during the financial year were as follows –

Group and Company 2019	Outstanding as at 1 April 2018 '000	Granted '000	Vested '000	Outstanding as at 31 March 2019 '000
Date of grant				
FY2019				
19 June 2018	**-**	**1,457**	**(1,457)**	**-**
	-	**1,457**	**(1,457)**	**-**

5.3.2 Amobee's share options - equity-settled arrangement

In April 2015, Amobee Group Pte. Ltd. ("**Amobee**"), a wholly-owned subsidiary of the Company, implemented the 2015 Long-Term Incentive Plan ("**Amobee LTI Plan**"). Selected employees (including executive directors) and non-executive directors of Amobee and/or its subsidiaries are granted options to purchase ordinary shares of Amobee.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of Amobee on the date of grant. Options for employees are scheduled to be fully vested in either 3 years or 3.5 years from the vesting commencement date.

The grant dates, exercise prices and fair values of the share options were as follows –

Equity-settled Date of grant	Exercise price US$	Fair value at grant/ repriced date US$
For employees		
13 April 2015	0.79	0.224 to 0.261
14 October 2015	0.54 to 0.79	0.217 to 0.287
20 January 2016, 10 May 2016, 24 August 2016, 25 January 2017	0.54	0.287
23 June 2016	0.54	0.273 to 0.287
19 July 2017, 18 August 2017, 12 September 2017, 25 January 2018	0.54	0.260 to 0.268
21 August 2018, 25 March 2019	0.55 to 0.58	0.259 to 0.266
For non-executive directors		
14 October 2015	0.54	0.203
21 August 2018	0.55	0.181

The terms of the options granted to employees and non-executive directors are 10 years and 5 years from the date of grant respectively.

The fair values for the share options granted were estimated using the Black-Scholes pricing model.

From 1 April 2018 to 31 March 2019,

(a) options in respect of an aggregate of 62.6 million of ordinary shares in Amobee have been granted to the employees and non-executive directors of Amobee and/or its subsidiaries.

(b) 10,879 ordinary shares of Amobee were issued pursuant to the exercise of options granted under the Amobee LTI Plan.

As at 31 March 2019, options in respect of an aggregate of 112.6 million of ordinary shares in Amobee are outstanding.

5.3.3 Trustwave's share options - equity-settled arrangement

In December 2015, Trustwave Holdings, Inc. ("**Trustwave**"), a wholly-owned subsidiary of the Company, implemented the Stock Option Incentive Plan ("**Trustwave ESOP**"). Selected employees (including executive directors) and non-executive directors of Trustwave and/or its subsidiaries are granted options to purchase common stock of Trustwave.

Options are exercisable at a price no less than 100% of the fair value of the common stock of Trustwave on the date of grant, and are scheduled to be fully vested 4 years from the vesting commencement date.

The grant dates, exercise prices and fair values of the stock options were as follows –

Equity-settled Date of grant	Exercise price US$	Fair value at grant date US$
1 December 2015	16.79	6.57
22 January 2016	16.79	6.28
19 May 2016	16.79	6.16 to 6.27
12 September 2016	16.79	6.03 to 6.10
20 January 2017	16.24	5.93 to 6.57
15 March 2018	15.37	6.71 to 6.92
23 May 2018	15.37	6.80 to 7.05
12 July 2018	15.37	6.97
31 August 2018	15.37	6.17

The term of each option granted is 10 years from the date of grant.

The fair values for the stock options granted were estimated using the Black-Scholes pricing model.

From 1 April 2018 to 31 March 2019, options in respect of an aggregate of 0.6 million of common stock in Trustwave have been granted. As at 31 March 2019, options in respect of an aggregate of 2.2 million of common stock in Trustwave are outstanding.

5.3.4 HOOQ's share options - equity-settled arrangement

In December 2015, HOOQ Digital Pte. Ltd. ("**HOOQ**"), a 65%-owned subsidiary of the Company, implemented the HOOQ Digital Employee Share Option Scheme (the "**Scheme**"). Selected employees (including executive directors) of HOOQ and/or its subsidiaries are granted options to purchase ordinary shares of HOOQ.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of HOOQ on the date of grant, and are scheduled to be fully vested 4 years from the vesting commencement date.

The grant dates, exercise prices and fair values of the share options were as follows –

Equity-settled Date of grant	Exercise price US$	Fair value at grant date US$
16 May 2016	0.07	0.0445 to 0.0463
24 April 2017	0.07	0.0301 to 0.0315
2 May 2017	0.07	0.0292 to 0.0313
31 July 2017	0.07	0.0313 to 0.0315
8 September 2017	0.07	0.0296 to 0.0298
23 October 2017	0.07	0.0309 to 0.0320
10 January 2018	0.07	0.0316 to 0.0318
1 April 2018	0.07	0.0360 to 0.0366
1 July 2018	0.07	0.0368 to 0.0373
19 October 2018	0.07	0.0371 to 0.0374
31 January 2019	0.07	0.0367 to 0.0369

The term of each option granted is 10 years from the date of grant.

The fair values for the share options granted were estimated using the Black-Scholes pricing model.

From 1 April 2018 to 31 March 2019, options in respect of an aggregate of 9.6 million of ordinary shares in HOOQ have been granted. As at 31 March 2019, options in respect of an aggregate of 43.3 million of ordinary shares in HOOQ are outstanding.

5.4 Structured Entity

The Trust's purpose is to purchase the Company's shares from the open market for delivery to the recipients upon vesting of the share-based payments awards.

As at the end of the reporting period, the Trust held the following assets –

	Group		Company	
	2019 S$ Mil	2018 S$ Mil	2019 S$ Mil	2018 S$ Mil
Cost of Singtel shares, net of vesting	**28.0**	29.1	**26.0**	27.2
Cash at bank	**0.5**	0.6	**0.4**	0.6
	28.5	29.7	**26.4**	27.8

5.4 Structured Entity *(Cont'd)*

The details of Singtel shares held by the Trust were as follows –

Group	Number of shares 2019 '000	Number of shares 2018 '000	Amount 2019 S$ Mil	Amount 2018 S$ Mil
Balance as at 1 April	**7,613**	7,404	**29.1**	29.0
Purchase of Singtel shares	**5,504**	4,255	**17.5**	15.9
Vesting of shares	**(4,886)**	(4,046)	**(18.6)**	(15.8)
Balance as at 31 March	**8,231**	7,613	**28.0**	29.1

Upon consolidation of the Trust in the consolidated financial statements, the weighted average cost of vested Singtel shares is taken to 'Capital Reserve' whereas the weighted average cost of unvested shares is taken to 'Treasury Shares' within equity. See **Note 2.22**.

5.5 Other Operating Expense Items

	Group 2019 S$ Mil	Group 2018 S$ Mil
Operating expenses included the following –		
Auditors' remuneration		
- KPMG LLP, Singapore	**2.4**	-
- KPMG, Australia	**1.2**	-
- Other KPMG offices	**1.3**	-
- Deloitte & Touche LLP, Singapore	**-**	1.5
- Deloitte Touche Tohmatsu, Australia	**-**	1.2
- Other Deloitte & Touche offices	**-**	2.1
Non-audit fees [(1)] paid to		
- KPMG LLP, Singapore	**0.4**	-
- KPMG, Australia	**0.4**	-
- Other KPMG offices	**0.1**	-
- Deloitte & Touche LLP, Singapore	**-**	0.3
- Deloitte Touche Tohmatsu, Australia	**-**	0.3
- Other Deloitte & Touche offices	**-**	0.2
Impairment of trade receivables	**121.8**	128.0
Allowance for inventory obsolescence	**1.1**	7.1
Operating lease payments	**437.2**	470.7

Note:
(1) The non-audit fees for the current financial year ended 31 March 2019 included S$0.4 million and S$0.2million paid to KPMG LLP, Singapore and KPMG, Australia in respect of tax services, certification and review for regulatory purposes. In the previous financial year, the non-audit fees included S$0.2 million and S$0.3 million paid to Deloitte & Touche LLP, Singapore, and Deloitte Touche Tohmatsu, Australia, respectively in respect of tax services, certification and review for regulatory purposes.

The Audit Committee had undertaken a review of the non-audit services provided by the auditors, KPMG LLP, and in the opinion of the Audit Committee, these services did not affect the independence of the auditors.

6. OTHER INCOME

Other income included the following items –

	Group 2019 S$ Mil	Group 2018 S$ Mil
Rental income	**3.3**	3.3
Net gains on disposal of property, plant and equipment	**5.3**	4.3
Net foreign exchange gains/ (losses)	**3.4**	(9.1)

7. DEPRECIATION AND AMORTISATION

	Group 2019 S$ Mil	Group 2018 S$ Mil
Depreciation of property, plant and equipment	**1,896.1**	1,951.0
Amortisation of intangible assets	**326.1**	300.5
Amortisation of deferred gain on sale of a joint venture	**-**	(1.5)
	2,222.2	2,250.0

8. EXCEPTIONAL ITEMS

	Group 2019 S$ Mil	Group 2018 S$ Mil
Exceptional gains		
Gain on disposal of property	**105.5**	-
Gain on sale and leaseback	**42.4**	-
Gain on disposal of a subsidiary	**19.2**	-
Gain on disposal of joint ventures	**0.3**	6.5
Gain on disposal of an associate	**-**	2,030.9
Disputes settlement	**-**	54.8
	167.4	2,092.2
Exceptional losses		
Staff restructuring costs	**(88.4)**	(57.7)
Provision for contingent claims and other charges	**(10.8)**	(57.1)
Impairment of non-current assets	**-**	(77.3)
Impairment of an associate	**-**	(5.0)
	(99.2)	(197.1)
	68.2	1,895.1

9. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	Group 2019 S$ Mil	Group 2018 S$ Mil
Share of ordinary results		
- joint ventures	**1,338.2**	2,213.3
- associates	**197.7**	240.3
	1,535.9	2,453.6
Share of net exceptional gains/ (losses) of associates and joint ventures (post-tax)	**301.1**	(9.5)
Share of tax of ordinary results		
- joint ventures	**(241.7)**	(602.0)
- associates	**(32.6)**	(38.1)
	(274.3)	(640.1)
	1,562.7	1,804.0

10. INTEREST AND INVESTMENT INCOME (NET)

	Group 2019 S$ Mil	Group 2018 S$ Mil
Interest income from		
- bank deposits	**7.6**	7.6
- others	**0.7**	9.0
	8.3	16.6
Dividends from joint ventures	**13.0**	30.3
Gross dividends from FVOCI investments	**0.5**	2.3
	21.8	49.2
Other foreign exchange gains/ (losses)	**5.9**	(11.1)
Other fair value gains	**10.3**	6.9
Fair value (losses)/ gains on fair value hedges		
- hedged items	**(35.0)**	65.4
- hedging instruments	**35.1**	(64.9)
	0.1	0.5
Fair value (losses)/ gains on cash flow hedges		
- hedged items	**(122.4)**	35.0
- hedging instruments	**122.4**	(35.0)
	-	-
	38.1	45.5

11. FINANCE COSTS

	Group	
	2019 S$ Mil	**2018 S$ Mil**
Interest expense on		
- bonds	**308.4**	302.8
- bank loans	**56.5**	49.7
- finance leases	**8.2**	10.3
	373.1	362.8
Financing related costs	**17.0**	20.6
Effects of hedging using interest rate swaps	**2.7**	6.8
	392.8	390.2

12. TAXATION

12.1 Tax Expense

	Group	
	2019 S$ Mil	**2018 S$ Mil**
Current income tax		
- Singapore	**223.5**	237.6
- Overseas	**223.7**	318.4
	447.2	556.0
Deferred tax expense/ (credit)	**36.2**	(49.7)
Tax expense attributable to current year's profit	**483.4**	506.3
Adjustments in respect of prior years –		
Current income tax	**5.0**	(17.9)
Deferred income tax	**12.4**	36.5
Withholding and dividend distribution taxes on dividend income from associates and joint ventures	**174.0**	178.1
	674.8	703.0

12.1 Tax Expense *(Cont'd)*

The tax expense on profits was different from the amount that would arise using the Singapore standard rate of income tax due to the following –

	Group	
	2019 S$ Mil	**2018 S$ Mil**
Profit before tax	**3,745.9**	6,154.9
Less: Share of results of associates and joint ventures	**(1,562.7)**	(1,804.0)
	2,183.2	4,350.9
Tax calculated at tax rate of 17 per cent (2018: 17 per cent)	**371.1**	739.7
Effects of –		
Different tax rates of other countries	**36.3**	79.4
Income not subject to tax	**(29.5)**	(342.7)
Expenses not deductible for tax purposes	**29.4**	33.7
Deferred tax asset not recognised	**79.1**	39.6
Change in tax rate of other country	**-**	(27.5)
Others	**(3.0)**	(15.9)
Tax expense attributable to current year's profit	**483.4**	506.3

12.2 Deferred Taxes

The movements of the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year were as follows –

Group - 2019 Deferred tax assets	**Provisions S$ Mil**	**TWDV (1) in excess of NBV (2) of depreciable assets S$ Mil**	**Tax losses and unutilised capital allowances S$ Mil**	**Others S$ Mil**	**Total S$ Mil**
Balance as at 1 April 2018, previously reported	**43.1**	**79.2**	**22.8**	**237.2**	**382.3**
Effects of adoption of SFRS(I) 1, 9 and 15	**-**	**-**	**(4.4)**	**(2.7)**	**(7.1)**
Balance as at 1 April 2018, restated	**43.1**	**79.2**	**18.4**	**234.5**	**375.2**
Credited/ (Charged) to income statement	**2.3**	**(25.6)**	**(19.0)**	**(9.6)**	**(51.9)**
Charged to other comprehensive income	**-**	**-**	**-**	**(5.9)**	**(5.9)**
Transfer to current tax	**(5.3)**	**-**	**-**	**-**	**(5.3)**
Translation differences	**(2.7)**	**(2.9)**	**0.6**	**(5.7)**	**(10.7)**
Balance as at 31 March 2019	**37.4**	**50.7**	**-**	**213.3**	**301.4**

12.2 Deferred Taxes *(Cont'd)*

Group - 2019 Deferred tax liabilities	Accelerated tax depreciation S$ Mil	Offshore interest and dividend not remitted S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 April 2018, previously reported	(470.9)	(5.2)	(66.5)	(542.6)
Effects of adoption of SFRS(I) 1 and 15	59.0	-	(74.2)	(15.2)
Balance as at 1 April 2018, restated	(411.9)	(5.2)	(140.7)	(557.8)
(Charged)/ Credited to income statement	(47.2)	(0.1)	47.6	0.3
Transfer to current tax	-	-	19.7	19.7
Disposal of subsidiary	(0.1)	-	-	(0.1)
Translation differences	(0.7)	-	(1.3)	(2.0)
Balance as at 31 March 2019	(459.9)	(5.3)	(74.7)	(539.9)

Group - 2018 Deferred tax assets	Provisions S$ Mil	TWDV [(1)] in excess of NBV [(2)] of depreciable assets S$ Mil	Tax losses and unutilised capital allowances S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 April 2017, previously reported	40.3	137.8	21.7	469.6	669.4
Effects of adoption of SFRS(I) 1, 9 and 15	-	-	(2.1)	(20.8)	(22.9)
Balance as at 1 April 2017, restated	40.3	137.8	19.6	448.8	646.5
Credited/ (Charged) to income statement	5.2	(53.1)	-	(198.5)	(246.4)
Charged to other comprehensive income	-	-	-	(8.4)	(8.4)
Transfer from current tax	1.0	-	-	-	1.0
Translation differences	(3.4)	(5.5)	(1.2)	(7.4)	(17.5)
Balance as at 31 March 2018	43.1	79.2	18.4	234.5	375.2

Notes to the Financial Statements

For the financial year ended 31 March 2019

12.2 Deferred Taxes *(Cont'd)*

Group - 2018 Deferred tax liabilities	Accelerated tax depreciation S$ Mil	Offshore interest and dividend not remitted S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 April 2017, previously reported	(457.8)	(5.1)	(123.3)	(586.2)
Effects of adoption of SFRS(I) 1 and 15	74.3	-	(72.5)	1.8
Balance as at 1 April 2017, restated	(383.5)	(5.1)	(195.8)	(584.4)
Acquisition of a subsidiary	-	-	(21.4)	(21.4)
(Charged)/ Credited to income statement	(29.2)	(0.1)	71.7	42.4
Transfer to current tax	0.5	-	1.3	1.8
Translation differences	0.3	-	3.5	3.8
Balance as at 31 March 2018	(411.9)	(5.2)	(140.7)	(557.8)

Company - 2019 Deferred tax assets	Provisions S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 April 2018	**0.5**	**11.0**	**11.5**
Effects of adoption of SFRS(I) 15	**-**	**(0.2)**	**(0.2)**
Balance as at 1 April 2018, restated	**0.5**	**10.8**	**11.3**
(Charged)/ Credited to income statement	**(0.1)**	**1.1**	**1.0**
Balance as at 31 March 2019	**0.4**	**11.9**	**12.3**

Company - 2019 Deferred tax liabilities	Accelerated tax depreciation S$ Mil	Total S$ Mil
Balance as at 1 April 2018	**(287.1)**	**(287.1)**
Effects of adoption of SFRS(I) 1	**7.6**	**7.6**
Balance as at 1 April 2018, restated	**(279.5)**	**(279.5)**
Charged to income statement	**(7.3)**	**(7.3)**
Balance as at 31 March 2019	**(286.8)**	**(286.8)**

12.2 Deferred Taxes *(Cont'd)*

Company - 2018 Deferred tax assets	Provisions S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 April 2017	0.3	2.8	3.1
Effects of adoption of SFRS(I) 15	–	(1.0)	(1.0)
Balance as at 1 April 2017, restated	0.3	1.8	2.1
Credited to income statement	0.2	9.0	9.2
Balance as at 31 March 2018	0.5	10.8	11.3

Company - 2018 Deferred tax liabilities	Accelerated tax depreciation S$ Mil	Total S$ Mil
Balance as at 1 April 2017	(285.3)	(285.3)
Effects of adoption of SFRS(I) 1	10.2	10.2
Balance as at 1 April 2017, restated	(275.1)	(275.1)
Charged to income statement	(4.4)	(4.4)
Balance as at 31 March 2018	(279.5)	(279.5)

Notes:
(1) TWDV – Tax written down value
(2) NBV – Net book value

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities, and when deferred income taxes relate to the same fiscal authority.

The amounts, determined after appropriate offsetting, are shown in the statements of financial position as follows –

	Group			Company		
	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Deferred tax assets	**276.6**	353.0	634.9	**-**	-	-
Deferred tax liabilities	**(515.1)**	(535.6)	(572.8)	**(274.5)**	(268.2)	(273.0)
	(238.5)	(182.6)	62.1	**(274.5)**	(268.2)	(273.0)

Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.

As at 31 March 2019, the subsidiaries of the Group had estimated unutilised income tax losses of approximately S$1.65 billion (31 March 2018: $1.35 billion), of which S$25 million (31 March 2018: S$16 million) will expire in the next five years and S$960 million (31 March 2018: S$700 million) will expire from 2024 to 2037.

12.2 Deferred Taxes *(Cont'd)*

As at 31 March 2019, the subsidiaries of the Group also had estimated unutilised investment allowances of S$46 million (31 March 2018: S$48 million), unutilised capital tax losses of S$69 million (31 March 2018: S$91 million) and unabsorbed capital allowances of approximately S$19 million (31 March 2018: S$10 million).

These unutilised income tax losses and investment allowances, and unabsorbed capital allowances are available for set-off against future taxable profits, subject to the agreement of the relevant tax authorities and compliance with certain provisions of the income tax regulations of the respective countries in which the subsidiaries operate. The unutilised capital tax losses are available for set-off against future capital gains of a similar nature subject to compliance with certain statutory tests in Australia.

As at the end of the reporting period, the potential tax benefits arising from the following items were not recognised in the financial statements due to uncertainty on their recoverability –

	Group	
	2019 S$ Mil	**2018 S$ Mil**
Unutilised income tax losses and investment allowances, and unabsorbed capital allowances	**1,711.8**	1,405.1
Unutilised capital tax losses	**69.3**	90.9

13. EARNINGS PER SHARE

	Group	
	2019 '000	**2018 '000**
Weighted average number of ordinary shares in issue for calculation of basic earnings per share [(1)]	**16,322,339**	16,322,581
Adjustment for dilutive effects of performance share plans	**19,963**	21,748
Weighted average number of ordinary shares for calculation of diluted earnings per share	**16,342,302**	16,344,329

Note:
(1) Adjusted to exclude the number of performance shares held by the Trust and the Company.

'Basic earnings per share' is calculated by dividing the Group's profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the financial year.

For 'Diluted earnings per share', the weighted average number of ordinary shares in issue includes the number of additional shares outstanding if the potential dilutive ordinary shares arising from the performance shares granted by the Group were issued. Adjustment is made to earnings for the dilutive effect arising from the associates and joint ventures' dilutive shares.

14. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Group had the following significant transactions and balances with related parties –

	Group	
	2019 S$ Mil	2018 S$ Mil
Income		
Subsidiaries of ultimate holding company		
Telecommunications	**100.3**	93.7
Rental and maintenance	**28.8**	29.0
Associates		
Telecommunications	**8.8**	19.8
Interest on loan	**-**	8.2
Joint ventures		
Telecommunications	**48.3**	45.8
Expenses		
Subsidiaries of ultimate holding company		
Telecommunications	**35.2**	34.6
Utilities	**80.9**	68.7
Associates		
Telecommunications	**149.3**	144.0
Postal	**7.8**	7.9
Rental	**6.5**	6.3
Joint ventures		
Telecommunications	**32.8**	32.0
Transmission capacity	**7.5**	4.6
Others		
Associates		
Sale and leaseback gain from associate	**42.4**	-
Proceeds from sale of property, plant and equipment	**2.4**	137.8
Joint ventures		
Acquisition of shares in a joint venture	**-**	539.4
Proceeds from disposal of a joint venture	**-**	15.0
Proceeds from disposal of FVOCI investments	**-**	27.0
Due from subsidiaries of ultimate holding company	**37.1**	28.0
Due to subsidiaries of ultimate holding company	**11.0**	1.6

All the above transactions were on normal commercial terms and conditions and at market rates.

Please refer to **Note 5.2** for information on key management personnel compensation.

15. CASH AND CASH EQUIVALENTS

	Group			Company		
	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Fixed deposits	**153.5**	122.7	164.1	**42.4**	28.0	27.6
Cash and bank balances	**359.2**	402.2	369.7	**39.2**	64.0	61.6
	512.7	524.9	533.8	**81.6**	92.0	89.2

The carrying amounts of the cash and cash equivalents approximate their fair values.

Cash and cash equivalents denominated in currencies other than the respective functional currencies of the Group's entities were as follows –

	Group			Company		
	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
USD	**106.5**	87.5	140.7	**48.6**	30.3	34.6
HKD	**22.3**	15.6	8.0	**0.1**	0.3	0.3
AUD	**17.9**	14.8	16.9	**6.0**	0.3	8.1

The maturities of the fixed deposits were as follows –

	Group			Company		
	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Less than three months	**142.9**	105.7	147.8	**42.4**	28.0	27.6
Over three months	**10.6**	17.0	16.3	**-**	-	-
	153.5	122.7	164.1	**42.4**	28.0	27.6

As at 31 March 2019, the weighted average effective interest rate of the fixed deposits of the Group and the Company were 2.1 per cent (31 March 2018: 1.6 per cent) per annum and 2.2 per cent (31 March 2018: 1.7 per cent) per annum respectively.

The exposure of cash and cash equivalents to interest rate risks is disclosed in **Note 36.3**.

16. TRADE AND OTHER RECEIVABLES

	Group			Company		
Current	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Trade receivables	**2,341.3**	2,247.6	2,084.7	**422.2**	452.7	459.3
Contract assets	**2,591.0**	2,601.3	2,603.7	**22.0**	34.9	33.0
	4,932.3	4,848.9	4,688.4	**444.2**	487.6	492.3
Less: Allowance for ECL	**(259.7)**	(263.8)	(248.9)	**(94.3)**	(96.4)	(90.7)
	4,672.6	4,585.1	4,439.5	**349.9**	391.2	401.6
Other receivables	**421.9**	430.0	525.0	**22.8**	20.6	18.9
Loans to subsidiaries	**-**	-	-	**122.4**	120.6	127.6
Less: Allowance for ECL	**-**	-	-	**(9.3)**	(9.3)	(12.7)
	-	-	-	**113.1**	111.3	114.9
Amount due from subsidiaries						
- trade	**-**	-	-	**828.8**	722.3	717.0
- non-trade	**-**	-	-	**585.6**	1,029.0	363.3
Less: Allowance for ECL	**-**	-	-	**(45.4)**	(45.4)	(45.4)
	-	-	-	**1,369.0**	1,705.9	1,034.9
Amount due from associates and joint ventures						
- trade	**30.3**	16.6	13.6	**1.3**	1.9	4.4
- non-trade	**98.9**	140.9	155.2	**2.0**	4.0	4.0
	129.2	157.5	168.8	**3.3**	5.9	8.4
Prepayments	**685.0**	552.3	540.3	**73.5**	57.6	60.2
Interest receivable	**70.3**	73.4	74.9	**29.3**	31.4	34.4
Others	**13.7**	15.4	13.9	**-**	-	-
	5,992.7	5,813.7	5,762.4	**1,960.9**	2,323.9	1,673.3

"ECL" denotes expected credit loss.

Trade receivables are non-interest bearing and are generally on 14-day or 30-day terms, while balances due from carriers are on 60-day terms. There was no significant change in contract assets during the year.

As at 31 March 2019, the effective interest rate of an amount due from a subsidiary of S$331.0 million (31 March 2018: S$824.5 million) was 0.33 per cent (31 March 2018: 0.12 per cent) per annum. The loans to subsidiaries and amounts due from other subsidiaries, associates and joint ventures were unsecured, interest-free and repayable on demand.

An amount of S$6.8 million (31 March 2018: S$18.8 million) under other receivables of the Group is guaranteed by a third party and repayable by 31 March 2020.

16. TRADE AND OTHER RECEIVABLES *(Cont'd)*

The age analysis of trade receivables and contract assets (before allowance for expected credit loss) was as follows –

	Group			Company		
	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Less than 60 days	**4,344.5**	4,324.2	4,263.6	**297.1**	327.4	332.9
61 to 120 days	**222.2**	198.7	114.4	**61.2**	45.1	32.4
More than 120 days	**365.6**	326.0	310.4	**85.9**	115.1	127.0
	4,932.3	4,848.9	4,688.4	**444.2**	487.6	492.3

The movements in the allowance for expected credit losses of trade receivables and contract assets were as follows –

	Group		Company	
	2019 S$ Mil	2018 S$ Mil	2019 S$ Mil	2018 S$ Mil
Balance as at 1 April	**263.8**	248.9	**96.4**	90.7
Acquisition of a subsidiary	**0.9**	2.2	**-**	-
Allowance	**146.4**	141.2	**30.5**	35.3
Utilisation of allowance	**(120.3)**	(103.9)	**(26.6)**	(29.3)
Write-back of allowance	**(24.6)**	(13.2)	**(6.0)**	(0.3)
Translation differences	**(6.5)**	(11.4)	**-**	-
Balance as at 31 March	**259.7**	263.8	**94.3**	96.4

The maximum exposure to credit risk for trade receivables and contract assets were as follows –

	Group			Company		
	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Individuals	**2,269.4**	2,366.8	2,409.4	**131.8**	141.8	145.9
Corporations and others	**2,403.2**	2,218.3	2,030.1	**218.1**	249.4	255.7
	4,672.6	4,585.1	4,439.5	**349.9**	391.2	401.6

The expected credit losses for debts which are collectively assessed are estimated based on a provision matrix by reference to historical credit loss experience of the different segments, adjusted as appropriate to reflect current conditions and estimates of future economic conditions as applicable. The expected credit losses for debts which are individually assessed are based on an analysis of the debtor's current financial position and are adjusted for factors that are specific to the debtors.

17. INVENTORIES

	Group			Company		
	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Equipment held for resale	**379.1**	374.1	320.1	**0.1**	0.1	0.2
Maintenance and capital works' inventories	**38.5**	23.3	32.1	**37.1**	21.7	23.6
	417.6	397.4	352.2	**37.2**	21.8	23.8

18. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	2019 S$ Mil	2018 S$ Mil	2019 S$ Mil	2018 S$ Mil
Balance as at 1 April, previously reported	**60.6**	243.6	**(159.7)**	(88.0)
Effects of adoption of SFRS(I) 9	**4.0**	1.7	**24.6**	24.6
Balance as at 1 April, restated	**64.6**	245.3	**(135.1)**	(63.4)
Fair value gains/ (losses)				
- included in income statement	**163.5**	(97.5)	**50.1**	(63.5)
- included in 'Hedging Reserve'	**59.6**	(10.3)	**19.3**	(8.2)
Settlement of swaps for bonds repaid	**6.2**	(61.4)	**-**	-
Translation differences	**(13.9)**	(11.5)	**-**	-
Balance as at 31 March	**280.0**	64.6	**(65.7)**	(135.1)

	Group			Company		
	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Disclosed as –						
Current asset	**155.1**	22.6	106.1	**0.7**	70.1	105.9
Non-current asset	**283.6**	388.3	434.4	**125.9**	130.6	283.5
Current liability	**(9.2)**	(69.3)	(15.8)	**(0.5)**	(84.9)	(108.8)
Non-current liability	**(149.5)**	(277.0)	(279.4)	**(191.8)**	(250.9)	(344.0)
	280.0	64.6	245.3	**(65.7)**	(135.1)	(63.4)

18.1 Fair Values

The fair values of the currency and interest rate swap contracts exclude accrued interest of S$16.3 million (31 March 2018: S$16.8 million). The accrued interest is separately disclosed in **Note 16** and **Note 27**.

The fair values of the derivative financial instruments were as follows –

	Group		Company	
	Fair values		Fair values	
2019	Assets S$ Mil	Liabilities S$ Mil	Assets S$ Mil	Liabilities S$ Mil
Fair value and cash flow hedges				
Cross currency swaps	414.6	95.5	1.0	60.2
Interest rate swaps	11.1	59.8	-	8.9
Forward foreign exchange contracts	12.9	1.5	3.3	1.0
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	-	-	104.7	104.7
Interest rate swaps	-	1.9	17.5	17.5
Forward foreign exchange contracts	0.1	-	0.1	-
	438.7	158.7	126.6	192.3
Disclosed as –				
Current	155.1	9.2	0.7	0.5
Non-current	283.6	149.5	125.9	191.8
	438.7	158.7	126.6	192.3

18.1 Fair Values *(Cont'd)*

2018	Group Fair values Assets S$ Mil	Group Fair values Liabilities S$ Mil	Company Fair values Assets S$ Mil	Company Fair values Liabilities S$ Mil
Fair value and cash flow hedges				
Cross currency swaps	397.3	228.4	–	111.1
Interest rate swaps	13.5	88.3	–	7.2
Forward foreign exchange contracts	0.1	25.2	–	16.8
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	–	–	182.5	182.5
Interest rate swaps	–	4.4	18.2	18.2
	410.9	346.3	200.7	335.8
Disclosed as –				
Current	22.6	69.3	70.1	84.9
Non-current	388.3	277.0	130.6	250.9
	410.9	346.3	200.7	335.8

2017	Group Fair values Assets S$ Mil	Group Fair values Liabilities S$ Mil	Company Fair values Assets S$ Mil	Company Fair values Liabilities S$ Mil
Fair value and cash flow hedges				
Cross currency swaps	509.1	129.0	2.5	50.3
Interest rate swaps	29.1	131.5	–	7.5
Forward foreign exchange contracts	2.1	27.1	2.1	10.2
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	–	–	346.5	346.5
Interest rate swaps	–	7.6	38.3	38.3
Forward foreign exchange contracts	0.2	–	–	–
	540.5	295.2	389.4	452.8
Disclosed as –				
Current	106.1	15.8	105.9	108.8
Non-current	434.4	279.4	283.5	344.0
	540.5	295.2	389.4	452.8

18.1 Fair Values *(Cont'd)*

The cash flow hedges are designated for foreign currency commitments and repayments of principal and interest of foreign currency denominated bonds.

The forecast transactions for the foreign currency commitments are expected to occur in the financial year ending 31 March 2020, while the forecast transactions for the repayment of principal and interest of the foreign currency denominated bonds will occur according to the timing disclosed in **Note 28**.

As at 31 March 2019, the details of the outstanding derivative financial instruments were as follows –

	Group			Company		
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
Interest rate swaps						
Notional principal (S$ million equivalent)	**2,557.4**	2,702.5	3,680.9	**2,663.4**	2,838.4	4,639.6
Fixed interest rates	**2.0% - 6.2%**	2.0% - 6.2%	1.2% - 6.2%	**2.0% - 4.5%**	2.0% - 4.5%	1.2% - 4.5%
Floating interest rates	**1.8% - 3.6%**	2.0% - 3.2%	1.8% - 2.3%	**1.8% - 3.6%**	1.1% - 3.2%	1.1% - 2.3%
Cross currency swaps						
Notional principal (S$ million equivalent)	**4,600.2**	4,794.9	6,073.3	**5,014.4**	5,256.8	7,543.6
Fixed interest rates	**2.6% - 7.5%**	1.9% - 7.5%	1.9% - 7.5%	**2.4% - 5.2%**	0.9% - 5.2%	0.9% - 5.2%
Floating interest rates	**2.3% - 4.0%**	1.5% - 3.5%	1.5% - 3.3%	**2.3% - 4.0%**	1.5% - 3.3%	1.5% - 3.2%
Forward foreign exchange						
Notional principal (S$ million equivalent)	**705.7**	846.5	1,358.2	**306.3**	304.1	713.3

The interest rate swaps entered into by the Group are re-priced at intervals ranging from monthly to six-monthly periods. The interest rate swaps entered by the Company are re-priced every six months.

19. PROPERTY, PLANT AND EQUIPMENT

Group - 2019	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2018, previously reported	21.2	264.7	911.1	20,740.2	2,781.1	7,252.5	1,569.1	33,539.9
Effects of adoption of SFRS(I) 1	-	-	-	(807.4)	(163.2)	-	(1.6)	(972.2)
Balance as at 1 April 2018, restated	21.2	264.7	911.1	19,932.8	2,617.9	7,252.5	1,567.5	32,567.7
Additions (net of rebates)	-	4.6	0.4	50.3	18.8	139.2	1,729.2	1,942.5
Disposals/ Write-offs	-	(3.4)	(4.0)	(45.0)	(138.8)	(196.6)	(2.1)	(389.9)
Acquisition of a subsidiary	-	-	-	-	-	0.1	-	0.1
Disposal of a subsidiary	-	(13.9)	-	(18.9)	-	(0.1)	-	(32.9)
Reclassifications/ Adjustments	-	-	17.0	855.3	73.3	538.9	(1,589.9)	(105.4)
Translation differences	(0.9)	0.5	(14.3)	(737.1)	(48.4)	(197.0)	(42.7)	(1,039.9)
Balance as at 31 March 2019	20.3	252.5	910.2	20,037.4	2,522.8	7,537.0	1,662.0	32,942.2
Accumulated depreciation								
Balance as at 1 April 2018, previously reported	-	81.8	360.7	14,007.0	2,120.4	5,133.8	-	21,703.7
Effects of adoption of SFRS(I) 1	-	-	-	(491.4)	(134.1)	-	-	(625.5)
Balance as at 1 April 2018, restated	-	81.8	360.7	13,515.6	1,986.3	5,133.8	-	21,078.2
Depreciation charge for the year	-	4.3	24.0	1,044.8	134.7	688.3	-	1,896.1
Disposals/ Write-offs	-	(0.5)	(3.4)	(32.3)	(138.8)	(188.6)	-	(363.6)
Disposal of a subsidiary	-	(13.9)	-	(18.1)	-	(0.1)	-	(32.1)
Reclassifications/ Adjustments	-	-	-	-	-	(38.6)	-	(38.6)
Translation differences	-	0.5	(0.6)	(504.4)	(30.8)	(147.7)	-	(683.0)
Balance as at 31 March 2019	-	72.2	380.7	14,005.6	1,951.4	5,447.1	-	21,857.0
Accumulated impairment								
Balance as at 1 April 2018	-	2.0	7.3	5.4	0.3	20.4	-	35.4
Translation differences	-	-	-	-	-	(0.6)	-	(0.6)
Balance as at 31 March 2019	-	2.0	7.3	5.4	0.3	19.8	-	34.8
Net Book Value as at 31 March 2019	20.3	178.3	522.2	6,026.4	571.1	2,070.1	1,662.0	11,050.4

19. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Group - 2018	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2017, previously reported	22.5	265.7	819.5	20,533.2	2,927.8	6,679.6	1,616.2	32,864.5
Effects of adoption of SFRS(I) 1	-	-	-	(807.4)	(163.2)	-	(1.6)	(972.2)
Balance as at 1 April 2017, restated	22.5	265.7	819.5	19,725.8	2,764.6	6,679.6	1,614.6	31,892.3
Additions (net of rebates)	-	-	1.0	102.4	34.5	229.2	2,101.1	2,468.2
Disposals/ Write-offs	-	-	-	(82.5)	(215.9)	(140.7)	-	(439.1)
Acquisition of a subsidiary	-	-	-	-	-	10.6	-	10.6
Reclassifications/ Adjustments	-	-	109.1	1,139.2	100.1	739.5	(2,092.6)	(4.7)
Translation differences	(1.3)	(1.0)	(18.5)	(952.1)	(65.4)	(265.7)	(55.6)	(1,359.6)
Balance as at 31 March 2018	21.2	264.7	911.1	19,932.8	2,617.9	7,252.5	1,567.5	32,567.7
Accumulated depreciation								
Balance as at 1 April 2017, previously reported	-	78.7	335.9	13,505.7	2,223.4	4,793.2	-	20,936.9
Effects of adoption of SFRS(I) 1	-	-	-	(422.2)	(113.2)	-	-	(535.4)
Balance as at 1 April 2017, restated	-	78.7	335.9	13,083.5	2,110.2	4,793.2	-	20,401.5
Depreciation charge for the year	-	4.1	22.8	1,124.9	138.8	660.4	-	1,951.0
Disposals/ Write-offs	-	-	-	(61.4)	(215.9)	(120.6)	-	(397.9)
Reclassifications/ Adjustments	-	-	2.5	2.7	(6.1)	(3.8)	-	(4.7)
Translation differences	-	(1.0)	(0.5)	(634.1)	(40.7)	(195.4)	-	(871.7)
Balance as at 31 March 2018	-	81.8	360.7	13,515.6	1,986.3	5,133.8	-	21,078.2
Accumulated impairment								
Balance as at 1 April 2017	-	2.0	7.3	5.4	0.3	19.7	-	34.7
Impairment charge for the year	-	-	-	-	-	1.5	-	1.5
Translation differences	-	-	-	-	-	(0.8)	-	(0.8)
Balance as at 31 March 2018	-	2.0	7.3	5.4	0.3	20.4	-	35.4
Net Book Value as at 31 March 2018	21.2	180.9	543.1	6,411.8	631.3	2,098.3	1,567.5	11,454.1

19. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Company - 2019	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2018, previously reported	**0.4**	**228.2**	**523.1**	**3,301.4**	**792.3**	**1,937.2**	**404.6**	**7,187.2**
Effects of adoption of SFRS(I) 1	**-**	**-**	**-**	**(221.8)**	**(24.1)**	**-**	**(1.6)**	**(247.5)**
Balance as at 1 April 2018, restated	**0.4**	**228.2**	**523.1**	**3,079.6**	**768.2**	**1,937.2**	**403.0**	**6,939.7**
Additions (net of rebates)	**-**	**4.6**	**0.4**	**22.6**	**1.8**	**23.0**	**287.2**	**339.6**
Disposals/ Write-offs	**-**	**(3.4)**	**(4.0)**	**(32.1)**	**(100.1)**	**(73.4)**	**(2.1)**	**(215.1)**
Reclassifications	**-**	**-**	**4.9**	**50.3**	**18.3**	**85.3**	**(158.8)**	**-**
Balance as at 31 March 2019	**0.4**	**229.4**	**524.4**	**3,120.4**	**688.2**	**1,972.1**	**529.3**	**7,064.2**
Accumulated depreciation								
Balance as at 1 April 2018, previously reported	**-**	**59.2**	**293.0**	**2,531.2**	**700.1**	**1,286.5**	**-**	**4,870.0**
Effects of adoption of SFRS(I) 1	**-**	**-**	**-**	**(185.1)**	**(17.9)**	**-**	**-**	**(203.0)**
Balance as at 1 April 2018, restated	**-**	**59.2**	**293.0**	**2,346.1**	**682.2**	**1,286.5**	**-**	**4,667.0**
Depreciation charge for the year	**-**	**4.0**	**20.8**	**103.2**	**37.4**	**154.8**	**-**	**320.2**
Disposals/ Write-offs	**-**	**(0.5)**	**(3.4)**	**(19.5)**	**(100.1)**	**(62.8)**	**-**	**(186.3)**
Balance as at 31 March 2019	**-**	**62.7**	**310.4**	**2,429.8**	**619.5**	**1,378.5**	**-**	**4,800.9**
Accumulated impairment								
Balance as at 1 April 2018 and 31 March 2019	**-**	**2.0**	**7.2**	**4.1**	**-**	**-**	**-**	**13.3**
Net Book Value as at 31 March 2019	**0.4**	**164.7**	**206.8**	**686.5**	**68.7**	**593.6**	**529.3**	**2,250.0**

19. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Company - 2018	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2017, previously reported	0.4	228.2	433.0	3,299.1	931.0	1,812.7	502.6	7,207.0
Effects of adoption of SFRS(I) 1	-	-	-	(221.8)	(24.1)	-	(1.6)	(247.5)
Balance as at 1 April 2017, restated	0.4	228.2	433.0	3,077.3	906.9	1,812.7	501.0	6,959.5
Additions (net of rebates)	-	-	-	43.2	19.8	84.6	209.5	357.1
Disposals/ Write-offs	-	-	-	(77.6)	(194.7)	(104.6)	-	(376.9)
Reclassifications	-	-	90.1	36.7	36.2	144.5	(307.5)	-
Balance as at 31 March 2018	0.4	228.2	523.1	3,079.6	768.2	1,937.2	403.0	6,939.7
Accumulated depreciation								
Balance as at 1 April 2017, previously reported	-	56.5	281.8	2,468.4	852.8	1,207.7	-	4,867.2
Effects of adoption of SFRS(I) 1	-	-	-	(175.9)	(11.7)	-	-	(187.6)
Balance as at 1 April 2017, restated	-	56.5	281.8	2,292.5	841.1	1,207.7	-	4,679.6
Depreciation charge for the year	-	2.7	8.7	110.2	35.8	166.1	-	323.5
Disposals/ Write-offs	-	-	-	(56.6)	(194.7)	(84.8)	-	(336.1)
Reclassifications	-	-	2.5	-	-	(2.5)	-	-
Balance as at 31 March 2018	-	59.2	293.0	2,346.1	682.2	1,286.5	-	4,667.0
Accumulated impairment								
Balance as at 1 April 2017 and 31 March 2018	-	2.0	7.2	4.1	-	-	-	13.3
Net Book Value as at 31 March 2018	0.4	167.0	222.9	729.4	86.0	650.7	403.0	2,259.4

19. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Property, plant and equipment included the following –

	Group			Company		
	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Net book value of property, plant and equipment						
Assets acquired under finance leases	**14.4**	37.0	78.6	**6.9**	10.8	29.2
Staff costs capitalised	**188.3**	204.6	235.4	**25.9**	31.2	35.6

20. INTANGIBLE ASSETS

	Group		
	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Goodwill on acquisition of subsidiaries	**11,538.3**	11,372.2	11,164.6
Telecommunications and spectrum licences	**2,116.2**	2,355.5	1,565.5
Technology and brand	**183.9**	204.6	302.5
Customer relationships and others	**178.3**	36.8	40.2
	14,016.7	13,969.1	13,072.8

20.1 Goodwill on Acquisition of Subsidiaries

	Group	
	2019 S$ Mil	2018 S$ Mil
Balance as at 1 April	**11,372.2**	11,164.6
Acquisition of subsidiaries	**109.9**	347.5
Translation differences	**56.2**	(139.9)
Balance as at 31 March	**11,538.3**	11,372.2

20.2 Telecommunications and Spectrum Licences

	Group		Company	
	2019 S$ Mil	2018 S$ Mil	2019 S$ Mil	2018 S$ Mil
Balance as at 1 April	**2,355.5**	1,565.5	**-**	-
Additions	**130.2**	1,118.3	**-**	-
Amortisation for the year	**(210.0)**	(221.6)	**-**	-
Reclassification	**(71.8)**	-	**-**	-
Translation differences	**(87.7)**	(106.7)	**-**	-
Balance as at 31 March	**2,116.2**	2,355.5	**-**	-
Cost	**3,622.9**	3,817.1	**-**	8.4
Accumulated amortisation	**(1,500.5)**	(1,455.4)	**-**	(8.4)
Accumulated impairment	**(6.2)**	(6.2)	**-**	-
Net book value as at 31 March	**2,116.2**	2,355.5	**-**	-

20.3 Technology and Brand

	Group	
	2019 S$ Mil	2018 S$ Mil
Balance as at 1 April	**204.6**	302.5
Acquisition of a subsidiary	**18.8**	53.3
Amortisation for the year	**(46.5)**	(58.5)
Impairment charge for the year	**-**	(75.8)
Translation differences	**7.0**	(16.9)
Balance as at 31 March	**183.9**	204.6
Cost	**611.7**	586.3
Accumulated amortisation	**(334.8)**	(288.6)
Accumulated impairment	**(93.0)**	(93.1)
Net book value as at 31 March	**183.9**	204.6

20.4 Customer Relationships and Others

	Group	
	2019 S$ Mil	2018 S$ Mil
Balance as at 1 April	**36.8**	40.2
Additions	**86.6**	17.9
Amortisation for the year	**(69.6)**	(20.4)
Disposals	**(0.1)**	-
Reclassification/ adjustment	**125.3**	-
Translation differences	**(0.7)**	(0.9)
Balance as at 31 March	**178.3**	36.8
Cost	**437.1**	135.8
Accumulated amortisation	**(258.8)**	(99.0)
Net book value as at 31 March	**178.3**	36.8

21. SUBSIDIARIES

	Company		
	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Unquoted equity shares, at cost	**14,259.7**	13,676.4	11,001.2
Shareholders' advances	**5,733.0**	5,733.0	6,423.3
Deemed investment in a subsidiary	**32.5**	32.5	32.5
	20,025.2	19,441.9	17,457.0
Less: Allowance for impairment losses	**(16.0)**	(16.0)	(16.0)
	20,009.2	19,425.9	17,441.0

The advances given to subsidiaries were interest-free and unsecured with settlement neither planned nor likely to occur in the foreseeable future.

The deemed investment in a subsidiary, Singtel Group Treasury Pte. Ltd. ("**SGT**"), arose from financial guarantees provided by the Company for loans drawn down by SGT prior to 1 April 2010.

The significant subsidiaries of the Group are set out in **Note 44.1** to **Note 44.3**.

22. JOINT VENTURES

	Group			Company		
	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Quoted equity shares, at cost	**2,798.4**	2,798.4	2,798.4	**-**	-	-
Unquoted equity shares, at cost	**5,777.9**	5,778.7	5,240.8	**22.8**	22.8	23.0
	8,576.3	8,577.1	8,039.2	**22.8**	22.8	23.0
Goodwill on consolidation adjusted against shareholders' equity	**(1,225.9)**	(1,225.9)	(1,225.9)	**-**	-	-
Share of post-acquisition reserves (net of dividends, and accumulated amortisation of goodwill)	**9,635.7**	9,414.8	8,717.6	**-**	-	-
Translation differences	**(4,098.2)**	(3,949.5)	(3,215.6)	**-**	-	-
	4,311.6	4,239.4	4,276.1	**-**	-	-
Less: Allowance for impairment losses	**(30.0)**	(30.0)	(30.0)	**-**	-	-
	12,857.9	12,786.5	12,285.3	**22.8**	22.8	23.0

As at 31 March 2019,

(i) The market value of the quoted equity shares in joint ventures held by the Group was S$18.89 billion (31 March 2018: S$21.29 billion).

(ii) The Group's proportionate interest in the capital commitments of joint ventures was S$1.97 billion (31 March 2018: S$2.14 billion).

The details of joint ventures are set out in **Note 44.5**.

Optus has an interest in an unincorporated joint operation to share certain 4G network sites and radio infrastructure across Australia whereby it holds an interest of 50% (31 March 2018: 50%) in the assets, with access to the shared network and shares 50% (31 March 2018: 50%) of the cost of building and operating the network.

The Group's property, plant and equipment included the Group's interest in the property, plant and equipment employed in the unincorporated joint operation was S$1.10 billion (31 March 2018: S$1.08 billion).

22. JOINT VENTURES *(Cont'd)*

The summarised financial information of the Group's significant joint ventures namely Bharti Airtel Limited ("**Airtel**"), PT Telekomunikasi Selular ("**Telkomsel**"), Globe Telecom, Inc. ("**Globe**") and Advanced Info Service Public Company Limited ("**AIS**"), based on their financial statements and a reconciliation with the carrying amounts of the investments in the consolidated financial statements were as follows –

Group - 2019	Airtel S$ Mil	Telkomsel S$ Mil	Globe S$ Mil	AIS S$ Mil
Statement of comprehensive income				
Revenue	15,671.4	8,461.0	3,980.2	7,146.6
Depreciation and amortisation	(4,141.4)	(1,265.9)	(793.7)	(1,455.6)
Interest income	276.3	50.1	13.6	6.8
Interest expense	(2,123.0)	(99.3)	(166.6)	(141.0)
Income tax credit/ (expense)	663.3	(816.1)	(249.4)	(243.5)
Profit after tax	183.5	2,407.6	532.5	1,228.3
Other comprehensive (loss)/ income	(202.3)	36.0	5.3	-
Total comprehensive (loss)/ income	(18.8)	2,443.6	537.8	1,228.3
Statement of financial position				
Current assets	6,448.6	2,614.3	1,724.0	1,965.8
Non-current assets	47,339.4	5,893.0	5,838.9	10,700.0
Current liabilities	(18,236.1)	(2,138.8)	(1,981.4)	(3,388.7)
Non-current liabilities	(19,113.3)	(913.0)	(3,606.5)	(6,853.1)
Net assets	16,438.6	5,455.5	1,975.0	2,424.0
Less: Non-controlling interests	(2,558.1)	*	0.6	(5.4)
Net assets attributable to equity holders	13,880.5	5,455.5	1,975.6	2,418.6
Proportion of the Group's ownership	39.5%	35.0%	47.1%	23.3% (1)
Group's share of net assets	5,484.2	1,909.4	930.1	564.0
Goodwill capitalised	1,508.4	1,403.6	375.1	308.1
Others (2)	427.8	-	(129.5)	(8.1)
Carrying amount of the investment	7,420.4	3,313.0	1,175.7	864.0
Other items				
Cash and cash equivalents	1,588.5	1,267.3	427.0	960.5
Non-current financial liabilities excluding trade and other payables	(18,359.7)	(560.9)	(3,352.2)	(482.1)
Current financial liabilities excluding trade and other payables	(7,732.5)	(78.8)	(224.8)	(3,929.1)
Group's share of market value	10,309.9	NA	3,130.5	5,447.4
Dividends received during the year	58.7	954.4	144.1	211.2

"NA" denotes Not Applicable.
"" denotes amount of less than S$0.05 million*

Notes:
(1) Based on the Group's direct equity interest in AIS.
(2) Others include adjustments to align the respective local accounting standards to SFRS(I).

Notes to the Financial Statements

For the financial year ended 31 March 2019

22. JOINT VENTURES *(Cont'd)*

Group - 2018	Airtel S$ Mil	Telkomsel S$ Mil	Globe S$ Mil	AIS S$ Mil
Statement of comprehensive income				
Revenue	17,574.5	9,384.0	3,724.4	6,564.2
Depreciation and amortisation	(4,041.1)	(1,399.4)	(757.2)	(1,286.7)
Interest income	283.5	81.5	4.4	7.4
Interest expense	(1,958.4)	(55.8)	(172.4)	(137.7)
Income tax expense	(227.5)	(974.5)	(184.9)	(239.7)
Profit after tax	191.4	2,946.4	420.6	1,249.8
Other comprehensive (loss)/ income	(234.8)	(39.6)	29.5	33.6
Total comprehensive (loss)/ income	(43.4)	2,906.8	450.1	1,283.4
Statement of financial position				
Current assets	6,746.1	2,979.5	1,446.2	1,499.3
Non-current assets	43,560.9	5,759.2	5,543.2	10,597.9
Current liabilities	(15,756.0)	(2,295.3)	(2,112.2)	(3,107.5)
Non-current liabilities	(19,002.1)	(693.3)	(3,165.0)	(6,916.1)
Net assets	15,548.9	5,750.1	1,712.2	2,073.6
Less: Non-controlling interests	(1,684.8)	-	0.9	(13.6)
Net assets attributable to equity holders	13,864.1	5,750.1	1,713.1	2,060.0
Proportion of the Group's ownership	39.5%	35.0%	47.1%	23.3% [1]
Group's share of net assets	5,477.7	2,012.5	807.4	480.4
Goodwill capitalised	1,548.8	1,403.6	373.4	303.0
Others [2]	426.6	-	(126.4)	(7.7)
Carrying amount of the investment	7,453.1	3,416.1	1,054.4	775.7
Other items				
Cash and cash equivalents	964.3	1,634.3	158.3	457.7
Non-current financial liabilities excluding trade and other payables	(18,146.6)	(354.5)	(2,619.5)	(4,207.4)
Current financial liabilities excluding trade and other payables	(5,320.4)	(168.5)	(281.5)	(29.2)
Group's share of market value	12,680.9	NA	2,551.3	6,054.8
Dividends received during the year	47.9	1,017.8	152.8	217.1

"NA" denotes Not Applicable.

Notes:

(1) Based on the Group's direct equity interest in AIS.

(2) Others include adjustments to align the respective local accounting standards to SFRS(I).

22. JOINT VENTURES *(Cont'd)*

Group - 2017	Airtel S$ Mil	Telkomsel S$ Mil	Globe S$ Mil	AIS S$ Mil
Statement of financial position				
Current assets	4,378.4	3,546.3	1,481.6	1,368.4
Non-current assets	45,611.2	6,169.6	5,548.1	10,027.2
Current liabilities	(13,568.3)	(2,547.9)	(2,344.3)	(2,994.1)
Non-current liabilities	(20,676.7)	(886.5)	(2,909.5)	(6,816.6)
Net assets	15,744.6	6,281.5	1,775.9	1,584.9
Less: Non-controlling interests	(1,399.0)	-	0.4	(5.7)
Net assets attributable to equity holders	14,345.6	6,281.5	1,776.3	1,579.2
Proportion of the Group's ownership	36.5%	35.0%	47.1%	23.3% [1]
Group's share of net assets	5,230.4	2,198.5	837.4	368.2
Goodwill capitalised	1,229.0	1,403.6	381.7	293.3
Others [2]	387.6	-	(139.9)	(2.4)
Carrying amount of the investment	6,847.0	3,602.1	1,079.2	659.1
Other items				
Cash and cash equivalents	348.7	2,371.9	229.1	522.0
Non-current financial liabilities excluding trade and other payables	(19,774.0)	(570.2)	(2,658.7)	(3,690.1)
Current financial liabilities excluding trade and other payables	(3,884.7)	(76.6)	(353.6)	(187.4)
Group's share of market value	10,995.3	NA	3,544.1	5,013.9

"NA" denotes Not Applicable.

Notes:
(1) Based on the Group's direct equity interest in AIS.
(2) Others include adjustments to align the respective local accounting standards to SFRS(I).

The aggregate information of the Group's investments in joint ventures which are not individually significant were as follows –

	Group	
	2019 S$ Mil	2018 S$ Mil
Share of profit after tax	**9.3**	12.2
Share of other comprehensive loss	*	*
Share of total comprehensive income	**9.3**	12.2
Aggregate carrying value	**84.8**	87.2

"" denotes amount of less than S$0.05 million*

23. ASSOCIATES

	Group			Company		
	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Quoted equity shares, at cost	**1,733.4**	1,733.4	1,589.9	**24.7**	24.7	24.7
Unquoted equity shares, at cost	**79.2**	77.2	742.6	**-**	-	578.8
Shareholder's loan (unsecured)	**-**	-	1.7	**-**	-	-
	1,812.6	1,810.6	2,334.2	**24.7**	24.7	603.5
Goodwill on consolidation adjusted against shareholders' equity	**29.4**	29.4	(28.3)	**-**	-	-
Share of post-acquisition reserves (net of dividends, and accumulated amortisation of goodwill)	**135.1**	135.5	(159.2)	**-**	-	-
Translation differences	**138.6**	104.6	65.0	**-**	-	-
	303.1	269.5	(122.5)	**-**	-	-
Less: Allowance for impairment losses	**(5.0)**	(5.0)	-	**-**	-	-
Reclassification to 'Net deferred gain' (see **Note 31**)	**(50.5)**	(74.9)	(265.0)	**-**	-	-
	2,060.2	2,000.2	1,946.7	**24.7**	24.7	603.5

As at 31 March 2019,

(i) The market values of the quoted equity shares in associates held by the Group and the Company were S$2.98 billion (31 March 2018: S$3.13 billion) and S$494.0 million (31 March 2018: S$676.8 million) respectively.

(ii) The Group's proportionate interest in the capital commitments of the associates was S$139.9 million (31 March 2018: S$166.6 million).

The details of associates are set out in **Note 44.4**.

23. ASSOCIATES *(Cont'd)*

The summarised financial information of the Group's significant associate namely Intouch Holdings Public Company Limited ("**Intouch**"), based on its financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements was as follows –

	2019 S$ Mil	2018 S$ Mil	2017 S$ Mil
Statement of comprehensive income			
Revenue	**250.1**	353.9	144.1
Profit after tax	**451.7**	488.2	166.1
Other comprehensive (loss)/ income	**(0.9)**	10.9	(1.6)
Total comprehensive income	**450.8**	499.1	164.5
Statement of financial position			
Current assets	**743.1**	720.0	701.9
Non-current assets	**1,532.5**	1,554.3	1,629.3
Current liabilities	**(305.1)**	(444.4)	(483.6)
Non-current liabilities	**(205.5)**	(313.4)	(395.3)
Net assets	**1,765.0**	1,516.5	1,452.3
Less: Non-controlling interests	**(304.6)**	(342.2)	(411.6)
Net assets attributable to equity holders	**1,460.4**	1,174.3	1,040.7
Proportion of the Group's ownership	**21.0%**	21.0%	21.0%
Group's share of net assets	**306.7**	246.6	218.5
Goodwill and other identifiable intangible assets	**1,441.7**	1,417.6	1,371.7
Others [1]	**(46.8)**	(23.0)	(8.4)
Carrying amount of the investment	**1,701.6**	1,641.2	1,581.8
Other items			
Group's share of market value	**1,653.2**	1,639.6	1,525.0
Dividends received during the year	**78.5**	77.8	-

Note:
[1] Others include adjustments to align the respective local accounting standards to SFRS(I).

The aggregate information of the Group's investments in associates which are not individually significant were as follows –

	Group 2019 S$ Mil	Group 2018 S$ Mil
Share of profit after tax	**49.7**	90.2
Share of other comprehensive income/ (loss)	**0.4**	(2.2)
Share of total comprehensive income	**50.1**	88.0

24. IMPAIRMENT REVIEWS

Goodwill arising on acquisition of subsidiaries

The carrying values of the Group's goodwill on acquisition of subsidiaries as at 31 March 2019 were assessed for impairment during the financial year.

Goodwill is allocated for impairment testing purposes to the individual entity which is also the cash-generating unit ("**CGU**").

The Group is structured into three business segments, Group Consumer, Group Enterprise and Group Digital Life. Based on the relative fair value approach, the goodwill of Optus was fully allocated to Consumer Australia included in the Group Consumer segment for the purpose of goodwill impairment testing.

The recoverable values of cash-generating units including goodwill are determined based on value-in-use calculations.

The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management. The Group has used cash flow projections of five years except for Amobee and the Global Cyber Security business which were based on cash flow projections of thirteen years and ten years respectively to better reflect their stages of growth. Cash flows beyond the terminal year are extrapolated using the estimated growth rates stated in the table below. Key assumptions used in the calculation of value-in-use are growth rates, operating margins, capital expenditure and discount rates.

The terminal growth rates used do not exceed the long term average growth rates of the respective industry and country in which the entity operates and are consistent with forecasts included in industry reports.

The discount rates applied to the cash flow projections are based on Weighted Average Cost of Capital (WACC) where the cost of a company's debt and equity capital are weighted to reflect its capital structure.

The details of other subsidiaries are shown in the table below:

				Terminal growth rate [1]		Pre-tax discount rate	
Group	**31 March 2019 S$ Mil**	**31 March 2018 S$ Mil**	**1 April 2017 S$ Mil**	**31 March 2019**	**31 March 2018**	**31 March 2019**	**31 March 2018**
Carrying value of goodwill in –							
Optus Group	**9,272.2**	9,279.1	9,288.4	**3.0%**	3.0%	**8.4%**	9.0%
Global Cyber Security business [2]	**1,046.6**	999.1	1,064.2	**4.0%**	4.0%	**12.0%**	11.9%
Amobee, Inc.	**1,137.3**	1,011.8	729.8	**3.0%**	3.5%	**14.3%**	14.1%
SCS Computer Systems Pte. Ltd.	**82.2**	82.2	82.2	**2.0%**	2.0%	**7.8%**	7.4%

Notes:

[1] Weighted average growth rate used to extrapolate cash flows beyond the terminal year.

[2] Global Cyber Security business, which comprises the cyber security businesses across the Group including Trustwave, is considered a single CGU for the purpose of goodwill impairment testing.

24. IMPAIRMENT REVIEWS *(Cont'd)*

As at 31 March 2019, no impairment charge was required for goodwill arising from acquisition of subsidiaries, with any reasonably possible change to the key assumptions applied not likely to cause the recoverable values to be below their carrying values.

25. FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI") INVESTMENTS

	Group		Company	
	2019 S$ Mil	**2018 S$ Mil**	**2019 S$ Mil**	**2018 S$ Mil**
Balance as at 1 April	**197.9**	192.9	**5.5**	37.4
Additions	**437.1**	59.6	**-**	-
Disposals/ Write-offs	**(9.6)**	(68.3)	**-**	(31.4)
Net fair value gains/ (losses) included in 'Other Comprehensive Income'	**13.2**	9.6	**(0.2)**	(0.5)
Translation differences	**8.3**	4.1	**-**	-
Balance as at 31 March	**646.9**	197.9	**5.3**	5.5

	Group			Company		
	31 March 2019 S$ Mil	**31 March 2018 S$ Mil**	**1 April 2017 S$ Mil**	**31 March 2019 S$ Mil**	**31 March 2018 S$ Mil**	**1 April 2017 S$ Mil**
Cost	**646.5**	214.9	182.8	**3.3**	3.3	9.7
Fair value changes	**0.4**	(17.0)	10.1	**2.0**	2.2	27.7
	646.9	197.9	192.9	**5.3**	5.5	37.4

FVOCI investments included the following –

	Group			Company		
	31 March 2019 S$ Mil	**31 March 2018 S$ Mil**	**1 April 2017 S$ Mil**	**31 March 2019 S$ Mil**	**31 March 2018 S$ Mil**	**1 April 2017 S$ Mil**
Quoted equity securities						
- Singapore	**5.3**	5.5	7.7	**5.3**	5.5	7.7
- United States of America	**16.6**	4.5	4.2	**-**	-	-
- Thailand	**-**	-	21.4	**-**	-	21.4
	21.9	10.0	33.3	**5.3**	5.5	29.1
Unquoted						
Equity securities	**600.8**	168.2	149.4	**-**	-	8.3
Others	**24.2**	19.7	10.2	**-**	-	-
	625.0	187.9	159.6	**-**	-	8.3
	646.9	197.9	192.9	**5.3**	5.5	37.4

26. OTHER ASSETS

	Group			Company		
Non-current	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Capitalised contract costs (net)	**273.4**	235.0	239.5	**0.1**	1.2	5.9
Prepayments	**157.8**	198.3	194.5	**130.6**	143.7	155.1
Tax recoverable from ATO [1]	**128.5**	134.9	143.2	**-**	-	-
Other receivables	**84.7**	19.6	14.8	**-**	-	-
	644.4	587.8	592.0	**130.7**	144.9	161.0

Note:
[1] In November 2016, the Group paid A$134 million to the Australian Taxation Office ("**ATO**") for amended tax assessments received in respect of the acquisition financing of Optus. This payment has been recorded as a tax recoverable from the ATO pending outcome of its objections to the ATO (see **Note 40(b)**).

The movements in capitalised contract costs (net) were as follows –

	Group		Company	
	2019 S$ Mil	2018 S$ Mil	2019 S$ Mil	2018 S$ Mil
Balance as at 1 April	**235.0**	239.5	**1.2**	5.9
Contract costs incurred	**296.4**	252.7	**0.2**	0.2
Amortisation to operating expenses	**(132.9)**	(145.0)	**(1.3)**	(4.9)
Amortisation to mobile service revenue	**(121.4)**	(108.0)	**-**	-
Translation differences	**(3.7)**	(4.2)	**-**	-
Balance as at 31 March	**273.4**	235.0	**0.1**	1.2

27. TRADE AND OTHER PAYABLES

	Group			Company		
	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Trade payables	**4,393.8**	3,994.0	3,590.7	**657.2**	585.5	592.9
Accruals	**844.3**	877.0	985.9	**226.0**	245.9	160.4
Interest payable on borrowings and swaps	**132.1**	137.9	142.7	**40.3**	41.7	43.6
Contract liabilities (handset sales)	**111.7**	136.4	129.9	**-**	-	-
Deferred income	**54.5**	38.3	31.3	**26.6**	12.6	11.5
Customers' deposits	**33.6**	26.6	26.2	**19.3**	15.3	15.8
Due to associates and joint ventures						
- trade	**47.7**	31.0	27.9	**21.5**	23.9	22.3
- non-trade	**0.1**	*	*	**-**	-	-
	47.8	31.0	27.9	**21.5**	23.9	22.3
Due to subsidiaries						
- trade	**-**	-	-	**371.9**	294.3	263.8
- non-trade	**-**	-	-	**340.4**	214.4	458.2
	-	-	-	**712.3**	508.7	722.0
Other payables	**199.3**	129.8	120.2	**34.3**	34.8	33.5
	5,817.1	5,371.0	5,054.8	**1,737.5**	1,468.4	1,602.0

"*" denotes amount of less than S$0.05 million.

The trade payables are non-interest bearing and are generally settled on 30 or 60 days terms, with some payables relating to handset and network investments having payment terms of up to a year.

The interest payable on borrowings and swaps are mainly settled on a quarterly or semi-annual basis.

The amounts due to subsidiaries are unsecured, repayable on demand and interest-free.

28. BORROWINGS (UNSECURED)

	Group			Company		
	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Current						
Bonds	**678.5**	1,129.0	978.4	**-**	-	-
Bank loans	**1,167.7**	671.5	2,068.2	**-**	-	-
	1,846.2	1,800.5	3,046.6	**-**	-	-
Non-current						
Bonds	**7,267.5**	6,755.9	7,748.2	**786.5**	739.5	802.7
Bank loans	**1,466.9**	1,830.2	150.0	**-**	-	-
	8,734.4	8,586.1	7,898.2	**786.5**	739.5	802.7
Total unsecured borrowings	**10,580.6**	10,386.6	10,944.8	**786.5**	739.5	802.7

28.1 Bonds

	Group			Company		
Principal amount	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
US$2,100 million[1] (31 March 2018: US$1,600 million 31 March 2017: US$2,300 million)	**2,832.0**	2,088.8	3,201.4	**-**	-	-
US$500 million[1]	**786.5**	739.5	802.7	**786.5**	739.5	802.7
US$500 million[1][2]	**678.5**	659.5	711.2	**-**	-	-
US$400 million	**-**	525.1	559.2	**-**	-	-
€700 million[1][2]	**1,076.8**	1,150.2	1,071.0	**-**	-	-
A$1,150 million[2] (31 March 2018: A$1,025 million 31 March 2017: A$625 million)	**1,100.1**	1,028.2	665.0	**-**	-	-
S$600 million[1]	**599.8**	600.0	600.0	**-**	-	-
S$550 million	**549.8**	550.0	550.0	**-**	-	-
S$150 million[2]	**149.9**	149.9	149.9	**-**	-	-
¥10,000 million	**-**	123.0	124.9	**-**	-	-
HK$1,000 million[2]	**172.6**	167.1	179.8	**-**	-	-
HK$620 million	**-**	103.6	111.5	**-**	-	-
	7,946.0	7,884.9	8,726.6	**786.5**	739.5	802.7
Classified as –						
Current	**678.5**	1,129.0	978.4	**-**	-	-
Non-current	**7,267.5**	6,755.9	7,748.2	**786.5**	739.5	802.7
	7,946.0	7,884.9	8,726.6	**786.5**	739.5	802.7

Notes:

(1) The bonds are listed on the Singapore Exchange.

(2) The bonds, issued by Optus Group, are subject to a negative pledge that limits the amount of secured indebtedness of certain subsidiaries of Optus.

28.2 Bank Loans

	Group		
	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Current	**1,167.7**	671.5	2,068.2
Non-current	**1,466.9**	1,830.2	150.0
	2,634.6	2,501.7	2,218.2

28.3 Maturity

The maturity periods of the non-current unsecured borrowings at the end of the reporting period were as follows –

	Group			Company		
	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Between one and two years	**3,116.0**	1,009.5	1,346.0	**-**	-	-
Between two and five years	**2,811.3**	5,533.9	3,698.2	**-**	-	-
Over five years	**2,807.1**	2,042.7	2,854.0	**786.5**	739.5	802.7
	8,734.4	8,586.1	7,898.2	**786.5**	739.5	802.7

28.4 Interest Rates

The weighted average effective interest rates at the end of the reporting period were as follows –

	Group		Company	
	31 March 2019 %	31 March 2018 %	31 March 2019 %	31 March 2018 %
Bonds (fixed rate)	**3.9**	3.9	**7.4**	7.4
Bonds (floating rate)	**-**	3.0	**-**	-
Bank loans (floating rate)	**2.5**	1.9	**-**	-

28.5 The tables below set out the maturity profile of borrowings and related swaps based on expected contractual undiscounted cash flows.

Group	Less than 1 year S$ Mil	Between 1 and 2 years S$ Mil	Between 2 and 5 years S$ Mil	Over 5 years S$ Mil
As at 31 March 2019				
Net-settled interest rate swaps	**36.3**	**13.4**	**3.3**	**9.0**
Cross currency interest rate swaps (gross-settled)				
- Inflow	**(339.4)**	**(307.8)**	**(570.2)**	**(881.4)**
- Outflow	**289.9**	**250.7**	**509.5**	**746.5**
	(13.2)	**(43.7)**	**(57.4)**	**(125.9)**
Borrowings	**2,033.8**	**3,237.8**	**3,220.7**	**3,524.0**
	2,020.6	**3,194.1**	**3,163.3**	**3,398.1**
As at 31 March 2018				
Net-settled interest rate swaps	45.3	37.2	20.3	17.3
Cross currency interest rate swaps (gross-settled)				
- Inflow	(301.3)	(252.5)	(458.5)	(624.9)
- Outflow	259.4	210.8	363.4	464.4
	3.4	(4.5)	(74.8)	(143.2)
Borrowings	2,143.8	1,185.6	5,846.2	2,768.7
	2,147.2	1,181.1	5,771.4	2,625.5

Company	Less than 1 year S$ Mil	Between 1 and 2 years S$ Mil	Between 2 and 5 years S$ Mil	Over 5 years S$ Mil
As at 31 March 2019				
Net-settled interest rate swaps	**1.0**	**1.0**	**2.9**	**7.8**
Cross currency interest rate swaps (gross-settled)				
- Inflow	**(183.6)**	**(183.6)**	**(419.2)**	**(715.0)**
- Outflow	**168.8**	**168.9**	**375.2**	**597.8**
	(13.8)	**(13.7)**	**(41.1)**	**(109.4)**
Borrowings	**50.0**	**50.0**	**149.9**	**1,281.1**
	36.2	**36.3**	**108.8**	**1,171.7**
As at 31 March 2018				
Net-settled interest rate swaps	1.3	1.3	4.0	12.0
Cross currency interest rate swaps (gross-settled)				
- Inflow	(157.1)	(125.4)	(308.2)	(562.6)
- Outflow	139.2	107.2	253.9	399.7
	(16.6)	(16.9)	(50.3)	(150.9)
Borrowings	48.4	48.4	145.2	1,316.9
	31.8	31.5	94.9	1,166.0

29. BORROWINGS (SECURED)

	Group			Company		
	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Current						
Finance lease	**34.0**	23.1	29.4	**4.8**	7.4	1.5
Bank loans	**-**	-	57.3	**-**	-	-
	34.0	23.1	86.7	**4.8**	7.4	1.5
Non-current						
Finance lease	**49.5**	81.5	168.8	**7.7**	68.5	157.2
Bank loans	**-**	-	30.8	**-**	-	-
	49.5	81.5	199.6	**7.7**	68.5	157.2
Total secured borrowings	**83.5**	104.6	286.3	**12.5**	75.9	158.7

Finance lease liabilities included lease liabilities in respect of certain assets leased from NetLink Trust.

29.1 Finance Lease Liabilities

The minimum lease payments under the finance lease liabilities were payable as follows –

	Group		Company	
	31 March 2019 S$ Mil	31 March 2018 S$ Mil	31 March 2019 S$ Mil	31 March 2018 S$ Mil
Not later than one year	**38.2**	28.8	**5.5**	11.9
Later than one but not later than five years	**52.6**	58.4	**8.0**	44.9
Later than five years	**-**	268.0	**-**	268.0
	90.8	355.2	**13.5**	324.8
Less: Future finance charges	**(7.3)**	(250.6)	**(1.0)**	(248.9)
	83.5	104.6	**12.5**	75.9

Notes to the Financial Statements

For the financial year ended 31 March 2019

29.2 Maturity

The maturity periods of the non-current secured borrowings at the end of the reporting period were as follows –

	Group			Company		
	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Between one and two years	**37.3**	18.3	11.0	**5.1**	7.9	0.9
Between two and five years	**12.2**	29.0	33.2	**2.6**	26.4	0.9
Over five years	**-**	34.2	155.4	**-**	34.2	155.4
	49.5	81.5	199.6	**7.7**	68.5	157.2

29.3 Interest Rates

The weighted average effective interest rates per annum at the end of the reporting period were as follows –

	Group		Company	
	31 March 2019 %	31 March 2018 %	31 March 2019 %	31 March 2018 %
Finance lease liabilities	**7.1**	7.2	**7.3**	7.3

30. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

Group - 2019	Bonds S$ Mil	Bank loans S$ Mil	Finance lease liabilities S$ Mil	Interest payable S$ Mil	Derivative financial instruments S$ Mil
As at 1 April 2018	**7,884.9**	**2,501.7**	**104.6**	**137.9**	**(64.6)**
Financing cash flows[1]	**38.5**	**174.0**	**9.8**	**(385.1)**	**(6.2)**
Non-cash changes:					
Fair value adjustments	**35.0**	**-**	**-**	**-**	**(223.1)**
Amortisation of bond discount	**2.0**	**-**	**-**	**-**	**-**
Foreign exchange movements	**(7.2)**	**(41.1)**	**-**	**(8.2)**	**13.9**
Additions of finance lease	**-**	**-**	**25.5**	**-**	**-**
Interest expense	**-**	**-**	**-**	**387.5**	**-**
Adjustment	**(7.2)**	**-**	**(56.4)**	**-**	**-**
	22.6	**(41.1)**	**(30.9)**	**379.3**	**(209.2)**
As at 31 March 2019	**7,946.0**	**2,634.6**	**83.5**	**132.1**	**(280.0)**

Note:

(1) The cash flows comprise the net amount of proceeds from borrowings and repayments of borrowings, net interest paid on borrowings, and settlement of swaps for bonds repaid in the statement of cash flows.

30. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES *(Cont'd)*

Group - 2018	Bonds S$ Mil	Bank loans S$ Mil	Finance lease liabilities S$ Mil	Interest payable S$ Mil	Derivative financial instruments S$ Mil
As at 1 April 2017	8,726.6	2,306.3	198.2	142.7	(245.3)
Financing cash flows[1]	(506.2)	222.6	(28.3)	(379.9)	61.4
Non-cash changes:					
Fair value adjustments	(65.4)	-	-	-	107.8
Amortisation of bond discount	3.2	-	-	-	-
Foreign exchange movements	(273.3)	(58.5)	(0.5)	(8.5)	11.5
Acquisition of subsidiary	-	31.3	8.7	-	
Additions of finance lease	-	-	4.8	-	-
Interest expense	-	-	-	383.6	-
Adjustment	-	-	(78.3)	-	-
	(335.5)	(27.2)	(65.3)	375.1	119.3
As at 31 March 2018	7,884.9	2,501.7	104.6	137.9	(64.6)

Note:
[1] The cash flows comprise the net amount of proceeds from borrowings and repayments of borrowings, net interest paid on borrowings, and settlement of swaps for bonds repaid in the statement of cash flows.

31. NET DEFERRED GAIN

	Group		
	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Unamortised deferred gain	**446.3**	452.7	1,616.5
Reclassification from 'Associates' (see **Note 23**)	**(50.5)**	(74.9)	(265.0)
Net deferred gain	**395.8**	377.8	1,351.5
Classified as –			
Current	**20.8**	20.1	68.8
Non-current	**375.0**	357.7	1,282.7
	395.8	377.8	1,351.5

31. NET DEFERRED GAIN *(Cont'd)*

NetLink Trust ("**NLT**") is a business trust established as part of the Info-communications Media Development Authority of Singapore's effective open access requirements under Singapore's Next Generation Nationwide Broadband Network.

In prior years, Singtel had sold certain infrastructure assets, namely ducts, manholes and exchange buildings ("**Assets**") to NLT. At the consolidated level, the gain on disposal of Assets recognised by Singtel is deferred in the Group's statement of financial position and amortised over the useful lives of the Assets. The unamortised deferred gain is released to the Group's income statement when NLT is partially or fully sold, based on the proportionate equity interest disposed.

Singtel sold its 100% interest in NLT to NetLink NBN Trust (the "**Trust**") in July 2017 for cash as well as a 24.8% interest in the Trust. Net deferred gains of S$1.10 billion were correspondingly released to the Group's income statement in the previous financial year upon this sale. Following the divestment, Singtel ceased to own units in NLT but continues to have an interest of 24.8% in the Trust which owns all the units in NLT.

32. OTHER NON-CURRENT LIABILITIES

	Group			Company		
	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil	31 March 2019 S$ Mil	31 March 2018 S$ Mil	1 April 2017 S$ Mil
Performance share liability	**5.4**	7.0	7.0	**5.4**	7.0	7.0
Other payables	**284.4**	288.1	317.2	**21.1**	24.4	16.7
	289.8	295.1	324.2	**26.5**	31.4	23.7

Other payables mainly relate to accruals of rental for certain network sites, long-term employee entitlements and asset retirement obligations.

33. SHARE CAPITAL

Group and Company	Number of shares Mil	Share capital S$ Mil
Balance as at 31 March 2019, 31 March 2018 and 1 April 2017	16,329.1	4,127.3

All issued shares are fully paid and have no par value. The issued shares carry one vote per share and a right to dividends as and when declared by the Company.

33. SHARE CAPITAL *(Cont'd)*

Capital Management

The Group is committed to delivering dividends that increase over time with growth in underlying earnings, while maintaining an optimal capital structure and investment grade credit ratings. The Group monitors capital based on gross and net gearing ratios. In order to achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or reduce its borrowings.

From time to time, the Group purchases its own shares from the market. The shares purchased are primarily for delivery to employees upon vesting of performance shares awarded under Singtel performance share plans. The Group can also cancel the shares which are repurchased from the market.

There were no changes in the Group's approach to capital management during the financial year.

34. DIVIDENDS

	Group		Company	
	2019 S$ Mil	2018 S$ Mil	2019 S$ Mil	2018 S$ Mil
Final dividend of 10.7 cents (2018: 10.7 cents) per share, paid	**1,746.7**	1,746.6	**1,747.2**	1,747.2
Interim dividend of 6.8 cents (2018: 6.8 cents) per share, paid	**1,109.9**	1,110.0	**1,110.4**	1,110.4
Special dividend of nil (2018: 3.0 cents) per share, paid	**-**	489.7	**-**	489.9
	2,856.6	3,346.3	**2,857.6**	3,347.5

During the financial year, a final one-tier tax exempt ordinary dividend of 10.7 cents per share, totalling S$1.75 billion was paid in respect of the previous financial year ended 31 March 2018. In addition, an interim one-tier tax exempt ordinary dividend of 6.8 cents per share totalling S$1.11 billion was paid in respect of the current financial year ended 31 March 2019.

The amount paid by the Group differed from that paid by the Company due to dividends on performance shares held by the Trust that were eliminated on consolidation of the Trust.

The Directors have proposed a final one-tier tax exempt ordinary dividend of 10.7 cents per share, totalling approximately S$1.75 billion in respect of the current financial year ended 31 March 2019 for approval at the forthcoming Annual General Meeting.

These financial statements do not reflect the above final dividend payable of approximately S$1.75 billion, which will be accounted for in the 'Shareholders' Equity' as an appropriation of 'Retained Earnings' in the next financial year ending 31 March 2020.

35. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The Group classifies fair value measurements using a fair value hierarchy which reflects the significance of the inputs used in determining the measurements. The fair value hierarchy has the following levels –

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**);

(b) inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (**Level 2**); and

(c) inputs for the asset or liability which are not based on observable market data (unobservable inputs) (**Level 3**).

35.1 Financial assets and liabilities measured at fair value

Group 31 March 2019	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
FVOCI investments (**Note 25**)				
- Quoted equity securities	**21.9**	**-**	**-**	**21.9**
- Unquoted investments	**-**	**-**	**625.0**	**625.0**
	21.9	**-**	**625.0**	**646.9**
Derivative financial instruments (**Note 18**)	**-**	**438.7**	**-**	**438.7**
	21.9	**438.7**	**625.0**	**1,085.6**
Financial liabilities				
Derivative financial instruments (**Note 18**)	**-**	**158.7**	**-**	**158.7**
	-	**158.7**	**-**	**158.7**

Group 31 March 2018	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
FVOCI investments (**Note 25**)				
- Quoted equity securities	10.0	-	-	10.0
- Unquoted investments	-	-	187.9	187.9
	10.0	-	187.9	197.9
Derivative financial instruments (**Note 18**)	-	410.9	-	410.9
	10.0	410.9	187.9	608.8
Financial liabilities				
Derivative financial instruments (**Note 18**)	-	346.3	-	346.3
	-	346.3	-	346.3

35.1 Financial assets and liabilities measured at fair value *(Cont'd)*

Group 1 April 2017	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
FVOCI investments (**Note 25**)				
- Quoted equity securities	33.3	–	–	33.3
- Unquoted investments	–	–	159.6	159.6
	33.3	–	159.6	192.9
Derivative financial instruments (**Note 18**)	–	540.5	–	540.5
	33.3	540.5	159.6	733.4
Financial liabilities				
Derivative financial instruments (**Note 18**)	–	295.2	–	295.2
	–	295.2	–	295.2

Company 31 March 2019	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
FVOCI investments (**Note 25**)				
- Quoted equity securities	**5.3**	**–**	**–**	**5.3**
Derivative financial instruments (**Note 18**)	**–**	**126.6**	**–**	**126.6**
	5.3	**126.6**	**–**	**131.9**
Financial liabilities				
Derivative financial instruments (**Note 18**)	**–**	**192.3**	**–**	**192.3**
	–	**192.3**	**–**	**192.3**

Company 31 March 2018	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
FVOCI investments (**Note 25**)				
- Quoted equity securities	5.5	–	–	5.5
Derivative financial instruments (**Note 18**)	–	200.7	–	200.7
	5.5	200.7	–	206.2
Financial liabilities				
Derivative financial instruments (**Note 18**)	–	335.8	–	335.8
	–	335.8	–	335.8

35.1 Financial assets and liabilities measured at fair value *(Cont'd)*

Company **1 April 2017**	**Level 1** **S$ Mil**	**Level 2** **S$ Mil**	**Level 3** **S$ Mil**	**Total** **S$ Mil**
Financial assets				
FVOCI investments (**Note 25**)				
- Quoted equity securities	29.1	-	-	29.1
- Unquoted investments	-	-	8.3	8.3
	29.1	-	8.3	37.4
Derivative financial instruments (**Note 18**)	-	389.4	-	389.4
	29.1	389.4	8.3	426.8
Financial liabilities				
Derivative financial instruments (**Note 18**)	-	452.8	-	452.8
	-	452.8	-	452.8

See **Note 2.16** for the policies on fair value estimation of the financial assets and liabilities.

The following table presents the reconciliation for the unquoted FVOCI investments measured at fair value based on unobservable inputs (**Level 3**) –

	Group		**Company**	
	2019 **S$ Mil**	**2018** **S$ Mil**	**2019** **S$ Mil**	**2018** **S$ Mil**
FVOCI investments - unquoted				
Balance as at 1 April, previously reported	**86.1**	90.3	**-**	8.3
Effects of adoption of SFRS(I) 9	**101.8**	69.3	**-**	-
Balance as at 1 April, restated	**187.9**	159.6	**-**	8.3
Total gains/ (losses) included in 'Fair Value Reserve'	**4.1**	(6.3)	**-**	0.3
Additions	**437.1**	59.6	**-**	-
Disposals	**(2.3)**	(24.2)	**-**	(8.6)
Transfer out from Level 3	**(10.1)**	-	**-**	-
Translation differences	**8.3**	(0.8)	**-**	-
Balance as at 31 March	**625.0**	187.9	**-**	-

35.2 Financial assets and liabilities not measured at fair value (but with fair value disclosed)

	Carrying Value	Fair value			
	S$ Mil	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
<u>**As at 31 March 2019**</u>					
Financial liabilities					
Group					
Bonds (**Note 28.1**)	**7,946.0**	**6,235.4**	**2,013.0**	**-**	**8,248.4**
Company					
Bonds (**Note 28.1**)	**786.5**	**936.4**	**-**	**-**	**936.4**
<u>**As at 31 March 2018**</u>					
Financial liabilities					
Group					
Bonds (**Note 28.1**)	7,884.9	5,459.8	2,680.4	-	8,140.2
Company					
Bonds (**Note 28.1**)	739.5	879.1	-	-	879.1
<u>**As at 1 April 2017**</u>					
Financial liabilities					
Group					
Bonds (**Note 28.1**)	8,726.6	6,722.9	2,402.9	-	9,125.8
Company					
Bonds (**Note 28.1**)	802.7	957.0	-	-	957.0

See **Note 2.16** on the basis of estimating the fair values and **Note 18** for information on the derivative financial instruments used for hedging the risks associated with the borrowings.

Except as disclosed in the above tables, the carrying values of other financial assets and liabilities approximate their fair values.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

36.1 Financial Risk Factors

The Group's activities are exposed to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk, liquidity risk and market risk. The Group's overall risk management seeks to minimise the potential adverse effects of these risks on the financial performance of the Group.

The Group uses financial instruments such as currency forwards, cross currency and interest rate swaps, and foreign currency borrowings to hedge certain financial risk exposures. No financial derivatives are held or sold for speculative purposes.

The Directors assume responsibility for the overall financial risk management of the Group. For the financial year ended 31 March 2019, the Risk Committee and Finance and Investment Committee ("**FIC**"), which are committees of the Board, assisted the Directors in reviewing and establishing policies relating to financial risk management in accordance with the policies and directives of the Directors.

36.2 Foreign Exchange Risk

The foreign exchange risk of the Group arises from subsidiaries, associates and joint ventures operating in foreign countries, mainly Australia, India, Indonesia, the Philippines, Thailand and the United States of America. Additionally, the Group's joint venture in India, Bharti Airtel Limited, is primarily exposed to foreign exchange risks from its operations in Sri Lanka and 14 countries across Africa. Translation risks of overseas net investments are not hedged unless approved by the FIC.

The Group has borrowings denominated in foreign currencies that have primarily been hedged into the functional currency of the respective borrowing entities using cross currency swaps in order to reduce the foreign currency exposure on these borrowings. As the hedges are intended to be perfect, any change in the fair value of the cross currency swaps has minimal impact on profit and equity.

The Group Treasury Policy, as approved by the FIC, is to substantially hedge all known transactional currency exposures. The Group generates revenue, receives foreign dividends and incurs costs in currencies which are other than the functional currencies of the operating units, thus giving rise to foreign exchange risk. The currency exposures are primarily for the Australian Dollar, Euro, Hong Kong Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Pound Sterling, Thai Baht, United States Dollar and Japanese Yen.

Foreign currency purchases and forward currency contracts are used to reduce the Group's transactional exposure to foreign currency exchange rate fluctuations. The foreign exchange difference on trade balances is disclosed under **Note 6** and the foreign exchange difference on non-trade balances is disclosed under **Note 10**.

36.2 Foreign Exchange Risk *(Cont'd)*

The critical terms (i.e. the notional amount, maturity and underlying) of the derivative financial instruments and their corresponding hedged items are the same. The Group performs a qualitative assessment of effectiveness and it is expected that derivative financial instruments and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying exchange rates.

The main source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the derivative financial instruments, which is not reflected in the fair value of the hedged items attributable to changes in foreign currency rates. No other source of ineffectiveness emerged from these hedging relationships.

All hedge relationships remain effective and there is no hedge relationship in which hedge accounting is no longer applied.

36.3 Interest Rate Risk

The Group has cash balances placed with reputable banks and financial institutions which generate interest income for the Group. The Group manages its interest rate risks on its interest income by placing the cash balances on varying maturities and interest rate terms.

The Group's borrowings include bank borrowings and bonds. The borrowings expose the Group to interest rate risk. The Group seeks to minimise its exposure to these risks by entering into interest rate swaps over the duration of its borrowings. Interest rate swaps entail the Group agreeing to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. As at 31 March 2019, after taking into account the effect of interest rate swaps, approximately 66% (31 March 2018: 67%) of the Group's borrowings were at fixed rates of interest.

As at 31 March 2019, assuming that the market interest rate is 50 basis points higher or lower and with no change to the other variables, the annualised interest expense on borrowings would be higher or lower by S$15.4 million (2018: S$15.5 million).

The critical terms (i.e. the notional amount, maturity and underlying) of the derivative financial instruments and their corresponding hedged items are the same. The Group performs a qualitative assessment of effectiveness and it is expected that derivative financial instruments and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates.

The main source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the interest rate swaps, which is not reflected in the fair value of the hedge items attributable to changes in interest rates. No other source of ineffectiveness emerged from these hedging relationships.

Interest rate swap contracts paying fixed rate interest amounts are designated and effective as cash flow hedges in reducing the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the borrowings occur simultaneously and the amount accumulated in equity is reclassified to the income statement over the period that the floating rate interest payments on borrowings affect the income statement.

36.3 Interest Rate Risk *(Cont'd)*

Interest rate swap contracts paying floating rate interest amounts are designated and effective as fair value hedges of interest rate movements. During the year, the hedge was fully effective in hedging the fair value exposure to interest rate movements. The carrying amount of the bond decreased by S$23.5 million which was included in the income statement at the same time that the fair value of the interest rate swap was included in the income statement.

As at 31 March 2019, S$2.54 billion of borrowings was designated in fair value hedge relationships. All hedge relationships remained effective and there was no hedge relationship in which hedge accounting could no longer be applied.

36.4 Credit Risk

Financial assets that potentially subject the Group to concentrations of credit risk consist primarily of trade receivables, contract assets, cash and cash equivalents and financial instruments used in hedging activities.

The Group has no significant concentration of credit risk from trade receivables and contract assets due to its diverse customer base. Credit risk is managed through the application of credit assessment and approvals, credit limits and monitoring procedures. Where appropriate, the Group obtains deposits or bank guarantees from customers or enters into credit insurance arrangements. The Group's exposure to credit risk and the measurement bases used to determine expected credit losses is disclosed in **Note 16**.

The Group places its cash and cash equivalents with a number of major commercial banks and other financial institutions with high credit ratings. Derivative counter-parties are limited to high credit rating commercial banks and other financial institutions. The Group has policies that limit the financial exposure to any one financial institution.

36.5 Liquidity Risk

To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Group aims at maintaining funding flexibility with adequate committed and uncommitted credit lines available to ensure that the Group is able to meet the short-term obligations of the Group as they fall due.

The maturity profile of the Group's borrowings and related swaps based on expected contractual undiscounted cash flows is disclosed in **Note 28.5**.

36.6 Market Risk

The Group has investments in quoted equity shares. The market value of these investments will fluctuate with market conditions.

37. SEGMENT INFORMATION

Segment information is presented based on the information reviewed by senior management for performance measurement and resource allocation.

Singtel Group is organised by three business segments, Group Consumer, Group Enterprise and Group Digital Life.

Group Consumer comprises the consumer businesses across Singapore and Australia, as well as the Group's investments, mainly AIS and Intouch (which has an equity interest of 40.5% in AIS) in Thailand, Airtel in India, Africa and Sri Lanka, Globe in the Philippines, and Telkomsel in Indonesia. It focuses on driving greater value and performance from the core carriage business including mobile, pay TV, fixed broadband and voice, as well as equipment sales.

Group Enterprise comprises the business groups across Singapore, Australia, the United States of America, Europe and the region, and focuses on growing the Group's position in the enterprise markets. Key services include mobile, equipment sales, fixed voice and data, managed services, cloud computing, cyber security, IT services and professional consulting.

Group Digital Life ("**GDL**") focuses on using the latest Internet technologies and assets of the Group's operating companies to develop new revenue and growth engines by entering into adjacent businesses where it has a competitive advantage. It focuses on three key businesses in digital life – digital marketing (Amobee), regional premium over-the-top video (HOOQ) and advanced analytics and intelligence capabilities (DataSpark), in addition to strengthening its role as Singtel's digital innovation engine through Innov8.

Corporate comprises the costs of Group functions not allocated to the business segments.

The measurement of segment results which is before exceptional items, is in line with the basis of information presented to management for internal management reporting purposes.

The costs of shared and common infrastructure are allocated to the business segments using established methodologies.

Notes to the Financial Statements

For the financial year ended 31 March 2019

37. SEGMENT INFORMATION *(Cont'd)*

The Group's reportable segments by the three business segments for the financial years ended 31 March 2019 and 31 March 2018 were as follows –

Group - 2019	Group Consumer S$ Mil	Group Enterprise S$ Mil	Group Digital Life S$ Mil	Corporate S$ Mil	Group Total S$ Mil
Operating revenue	9,818.6	6,329.3	1,223.8	-	17,371.7
Operating expenses	(6,803.9)	(4,701.7)	(1,315.2)	(83.7)	(12,904.5)
Other income/ (expense)	151.6	67.6	(0.3)	5.8	224.7
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	3,166.3	1,695.2	(91.7)	(77.9)	4,691.9
Share of pre-tax results of associates and joint ventures					
- Airtel	(511.2)	-	-	-	(511.2)
- Telkomsel	1,128.3	-	-	-	1,128.3
- Globe	367.8	-	-	-	367.8
- AIS	343.2	-	-	-	343.2
- Intouch	96.1	-	-	-	96.1
- Others	1.0	-	-	110.7	111.7
	1,425.2	-	-	110.7	1,535.9
EBITDA and share of pre-tax results of associates and joint ventures	4,591.5	1,695.2	(91.7)	32.8	6,227.8
Depreciation and amortisation	(1,544.5)	(614.8)	(60.3)	(2.6)	(2,222.2)
Earnings before interest and tax ("EBIT")	3,047.0	1,080.4	(152.0)	30.2	4,005.6
Segment assets					
Investment in associates and joint ventures					
- Airtel	7,420.4	-	-	-	7,420.4
- Telkomsel	3,313.0	-	-	-	3,313.0
- Globe	1,175.7	-	-	-	1,175.7
- AIS	864.0	-	-	-	864.0
- Intouch	1,701.6	-	-	-	1,701.6
- Others	24.3	-	-	419.1	443.4
	14,499.0	-	-	419.1	14,918.1
Goodwill on acquisition of subsidiaries	9,190.0	1,211.0	1,137.3	-	11,538.3
Other assets	13,512.4	5,705.6	949.0	2,291.4	22,458.4
	37,201.4	6,916.6	2,086.3	2,710.5	48,914.8

Notes to the Financial Statements
For the financial year ended 31 March 2019

37. SEGMENT INFORMATION *(Cont'd)*

Group - 2018	Group Consumer S$ Mil	Group Enterprise S$ Mil	Group Digital Life S$ Mil	Corporate S$ Mil	Group Total S$ Mil
Operating revenue	9,711.0	6,476.7	1,080.3	-	17,268.0
Operating expenses	(6,595.5)	(4,658.1)	(1,133.4)	(89.3)	(12,476.3)
Other income	206.9	44.8	1.8	5.3	258.8
EBITDA	3,322.4	1,863.4	(51.3)	(84.0)	5,050.5
Share of pre-tax results of associates and joint ventures					
- Airtel	199.3	-	-	-	199.3
- Telkomsel	1,372.4	-	-	-	1,372.4
- Globe	289.1	-	-	-	289.1
- AIS	347.4	-	-	-	347.4
- Intouch	103.0	-	-	-	103.0
- Others	0.9	-	-	148.7	149.6
	2,312.1	-	-	148.7	2,460.8
EBITDA and share of pre-tax results of associates and joint ventures	5,634.5	1,863.4	(51.3)	64.7	7,511.3
Depreciation and amortisation	(1,571.9)	(607.8)	(69.1)	(1.2)	(2,250.0)
EBIT	4,062.6	1,255.6	(120.4)	63.5	5,261.3
Segment assets					
Investment in associates and joint ventures					
- Airtel	7,453.1	-	-	-	7,453.1
- Telkomsel	3,416.1	-	-	-	3,416.1
- Globe	1,054.4	-	-	-	1,054.4
- AIS	775.7	-	-	-	775.7
- Intouch	1,641.2	-	-	-	1,641.2
- Others	23.6	-	-	422.6	446.2
	14,364.1	-	-	422.6	14,786.7
Goodwill on acquisition of subsidiaries	9,192.9	1,167.5	1,011.8	-	11,372.2
Other assets	13,742.3	5,844.7	725.6	2,024.0	22,336.6
	37,299.3	7,012.2	1,737.4	2,446.6	48,495.5

37. SEGMENT INFORMATION *(Cont'd)*

A reconciliation of the total reportable segments' EBIT to the Group's profit before tax was as follows –

	Group	
	2019 S$ Mil	2018 S$ Mil
EBIT	**4,005.6**	5,261.3
Share of exceptional items of associates and joint ventures (post-tax)	**301.1**	(16.7)
Share of tax expense of associates and joint ventures	**(274.3)**	(640.1)
Exceptional items	**68.2**	1,895.1
Profit before interest, investment income (net) and tax	**4,100.6**	6,499.6
Interest and investment income (net)	**38.1**	45.5
Finance costs	**(392.8)**	(390.2)
Profit before tax	**3,745.9**	6,154.9

The Group's revenue from its major products and services are disclosed in **Note 4**.

The Group's revenue is mainly derived from Singapore and Australia which respectively accounted for approximately 38% (2018: 38%) and 52% (2018: 52%) of the total revenue for the financial year ended 31 March 2019, with the remaining 10% (2018: 10%) from the United States of America and other countries where the Group operates in. The geographical information on the Group's non-current assets is not presented as it is not used for segmental reporting purposes.

The Group has a large and diversified customer base which consists of individuals and corporations. There was no single customer that contributed 10% or more of the Group's revenue for the financial years ended 31 March 2019 and 31 March 2018.

38. OPERATING LEASE COMMITMENTS

As at 31 March 2019, the future aggregate lease payments for the remaining lease periods (including renewal periods where the Group is reasonably certain to exercise the renewals) under operating leases but not recognised as liabilities, were as follows:

	Group S$ Mil	Company S$ Mil
Not later than one year	**430.2**	**82.5**
Later than one but not later than five years	**1,517.0**	**308.5**
Later than five years	**1,471.1**	**495.6**
	3,418.3	**886.6**

39. COMMITMENTS

39.1 The commitments for capital and operating expenditures, and investments which had not been recognised in the financial statements, excluding the commitments shown under **Note 39.2** and **Note 39.3**, were as follows –

	Group		Company	
	31 March 2019 S$ Mil	**31 March 2018 S$ Mil**	**31 March 2019 S$ Mil**	**31 March 2018 S$ Mil**
Authorised and contracted for	**1,334.7**	865.3	**250.3**	87.5

39.2 As at 31 March 2019, the Group's commitments for the purchase of broadcasting programme rights were S$926 million (31 March 2018: S$693 million). The commitments included only the minimum guaranteed amounts payable under the respective contracts and did not include amounts that may be payable based on revenue share arrangement which cannot be reliably determined as at the end of the reporting period.

39.3 On 7 March 2019, Singtel announced that it will subscribe to Airtel's rights issue based on its rights entitlement for its direct stake of 15%. The total consideration for the subscription is approximately S$735 million. The rights issue will close on 17 May 2019 and is expected to complete in early June 2019.

40. CONTINGENT LIABILITIES OF SINGTEL AND ITS SUBSIDIARIES

(a) **Guarantees**

As at 31 March 2019,

(i) The Group and Company provided bankers' and other guarantees, and insurance bonds of S$592.4 million and S$109.1 million (31 March 2018: S$570.4 million and S$146.4 million) respectively.

(ii) The Company provided guarantees for loans of S$1.24 billion (31 March 2018: S$1.18 billion) drawn down under various loan facilities entered into by Singtel Group Treasury Pte. Ltd. ("**SGT**"), a wholly-owned subsidiary, with maturities between December 2019 and September 2021.

(iii) The Company provided guarantees for SGT's notes issue of an aggregate equivalent amount of S$3.95 billion (31 March 2018: S$4.04 billion) due between April 2020 and August 2028.

(b) In 2016 and 2017, Singapore Telecom Australia Investments Pty Limited ("**STAI**") received amended assessments from the Australian Taxation Office ("**ATO**") in connection with the acquisition financing of Optus. The assessments comprised primary tax of A$268 million, interest of A$58 million and penalties of A$67 million. STAI's holding company, Singtel Australia Investment Ltd, would be entitled to refund of withholding tax estimated at A$89 million. STAI has objected to the amended assessments. In accordance with the ATO administrative practice, STAI paid a minimum amount of 50% of the assessed primary tax on 21 November 2016. This payment continued to be recognised as a receivable as at 31 March 2019.

In December 2018, Singtel Group received additional assessments amounting to S$120 million from the Inland Revenue Authority of Singapore for reduction in group relief claims in Year of Assessment 2014. Singtel has objected to the additional assessments. The final payment due date has not been indicated by the Inland Revenue Authority of Singapore.

The Group has received advice from external experts in relation to the above matters and will vigorously defend its position. Accordingly, no provision has been made as at 31 March 2019.

40. CONTINGENT LIABILITIES OF SINGTEL AND ITS SUBSIDIARIES *(Cont'd)*

(c) The Group is contingently liable for claims arising in the ordinary course of business and from certain tax assessments which are being contested, the outcome of which are not presently determinable. The Group is vigorously defending all these claims.

41. SIGNIFICANT CONTINGENT LIABILITIES OF ASSOCIATES AND JOINT VENTURES

(a) Airtel, a joint venture of the Group, has disputes with various government authorities in the respective jurisdictions where its operations are based, as well as with third parties regarding certain transactions entered into in the ordinary course of business.

On 8 January 2013, the local regulator, Department of Telecommunications ("**DOT**") issued a demand on Airtel Group for Rs. 52.01 billion (S$1.02 billion) towards levy of one time spectrum charge, which was further revised on 27 June 2018 to Rs. 84.14 billion (S$1.65 billion).

In the opinion of Airtel, inter-alia, the above demand amounts to alteration of the terms of the licences issued in the past. Airtel believes, based on independent legal opinion and its evaluation, that it is not probable that any material part of the claim will be awarded against Airtel and therefore, pending outcome of this matter, no provision has been recognised.

As at 31 March 2019, other taxes, custom duties and demands under adjudication, appeal or disputes amounted to approximately Rs. 166 billion (S$3.25 billion). In respect of some of the tax issues, pending final decisions, Airtel had deposited amounts with statutory authorities.

(b) AIS, a joint venture of the Group, has various commercial disputes and significant litigations.

In 2008, CAT Telecom Public Company Limited ("**CAT**") demanded that AIS' subsidiary, Digital Phone Company Limited ("**DPC**") pay additional revenue share of THB 3.4 billion (S$146 million) arising from the abolishment of excise tax. CAT's claim is still pending appeal before the Supreme Administrative Court.

In 2015, TOT Public Company Limited ("**TOT**") demanded that AIS pays additional revenue share of THB 62.8 billion (S$2.68 billion) arising from what TOT claims to be an illegality of two amendments made to the Concession Agreement, namely, Amendment 6 (regarding reduction in prepaid revenue share rate) made in 2001 and Amendment 7 (regarding deduction of roaming expense from revenue share) made in 2002, which have resulted in lower revenue share. This case is pending arbitration.

Between 2011 and 2016, TOT demanded that AIS pays additional revenue share based on gross interconnection income from 2007 to 2015 amounting to THB 36.2 billion (S$1.55 billion) plus interest. On 17 August 2018, the Arbitration Institute awarded in favour of AIS in deciding that TOT has no right to claim for revenue share on gross interconnection income for the period from 2007 to 2010 amounting to THB 17.8 billion (S$760 million). The claims for the remaining period from 2011 to 2015 amounting to THB 18.4 billion (S$784 million) are pending arbitration.

Between 2014 to 2016, TOT demanded that AIS pays THB 41.1 billion (S$1.76 billion) plus interest for the porting of subscribers from 900 MHz to 2100 MHz network. In February 2019, the Arbitration Institute resolved the dispute in favour of AIS. TOT is eligible to file a petition within 90 days.

41. SIGNIFICANT CONTINGENT LIABILITIES OF ASSOCIATES AND JOINT VENTURES *(Cont'd)*

In March 2018, CAT demanded DPC to transfer the telecommunications systems which would have been supplied under the Concession Agreement between CAT and DPC of THB 13.4 billion (S$573 million) or to pay the same amount plus interest. This case is pending arbitration.

In September 2018, TOT demanded that AIS pays additional revenue share from disputes on roaming rates from July 2013 to September 2015, amounting to THB 16.3 billion (S$694 million).

As at 31 March 2019, there are a number of other claims against AIS and its subsidiaries amounting to THB 30.1 billion (S$1.28 billion) which are pending adjudication.

AIS believes that the above claims will be settled in favour of AIS and will have no material impact to its financial statements.

(c) In October 2017, Intouch and its subsidiary, Thaicom Public Company Limited ("**Thaicom**") received letters from the Ministry of Digital Economy and Society (the "**Ministry**") stating that Thaicom 7 and Thaicom 8 satellites (the "**Satellites**") are governed under the terms of a 1991 satellite operating agreement between Intouch and the Ministry which entails the transfer of asset ownership, procurement of backup satellites, payment of revenue share, and procurement of property insurance. Intouch and Thaicom have obtained legal advice and are of the opinion that the Satellites are not covered under the Agreement but instead under the licence from the National Broadcasting and Telecommunications Commission. This case is pending arbitration.

(d) Globe, a joint venture of the Group, is contingently liable for various claims arising in the ordinary conduct of business and certain tax assessments which are either pending decision by the Courts or are being contested, the outcome of which are not presently determinable. In the opinion of Globe's management and legal counsel, the eventual liability under these claims, if any, will not have a material or adverse effect on Globe's financial position and results of operations.

In June 2016, the Philippine Competition Commission ("**PCC**") claimed that the Joint Notice of Acquisition filed by Globe, PLDT Inc. ("**PLDT**") and San Miguel Corporation ("**SMC**") on the acquisition of SMC's telecommunications business was deficient and cannot be claimed to be deemed approved. In July 2016, Globe filed a petition with the Court of Appeals of the Philippines ("**CA**") to stop the PCC from reviewing the acquisition. In October 2017, the CA ruled in favour of Globe and PLDT, and declared the acquisition as valid and deemed approved. PCC subsequently elevated the case to the Supreme Court to review the CA's rulings.

(e) As at 31 March 2019, Telkomsel, a joint venture of the Group, has filed appeals and cross-appeals amounting to approximately IDR 71 billion (S$7 million) for various tax claims arising in certain tax assessments which are pending final decisions, the outcome of which is not presently determinable.

42. RECONCILIATIONS OF PROFIT, COMPREHENSIVE INCOME AND EQUITY

The adoption of SFRS(I) had no material effect on the financial statements prepared under FRS, except as described below:

SFRS(I) 1, *First-time Adoption of Singapore Financial Reporting Standards (International)*

The Group has made the following adjustments to the opening statement of financial position as at 1 April 2017 arising from the transition options:

(a) The cumulative currency translation loss of the Group has been transferred to retained earnings.

(b) Fair value has been used as the 'deemed cost' for certain property, plant and equipment.

SFRS(I) 9, *Financial Instruments*

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets and financial liabilities, general hedge accounting and impairment requirements for financial assets. Equity investments previously accounted for as 'Available-For-Sale' (AFS) investments are accounted for as 'Fair Value through Other Comprehensive Income' (FVOCI) investments. Lifetime expected credit losses are recognised for trade receivables and contract assets.

SFRS(I) 15, *Revenue from Contracts with Customers*

SFRS(I) 15 establishes a single comprehensive model of accounting for revenue arising from contracts with customers. The standard requires companies to apportion revenue earned from contracts to performance obligations based on a five-step model on a relative standalone selling price basis. It also introduces new contract cost guidance and requires certain additional disclosures.

The Group has applied the retrospective method in the initial application of SFRS(I) 15, including the use of practical expedients. Contracts that ended before 1 April 2017 (the first comparative reporting period) were not restated. The adoption of SFRS(I) 15 resulted in the following key effects at the consolidated level:

(a) An increase in revenue allocated to sales of equipment, which are based on their relative standalone selling prices, and a reduction in mobile service revenue over the customer contract term.

(b) An increase in cost of sales and a reduction in mobile customer acquisition costs.

(c) Commission paid to dealers and own sales force are capitalised and amortised as operating expenses over the customer contract term in the income statement. Capitalised contract costs are included in 'Other assets' under non-current assets.

(d) An increase in contract assets, comprising mainly unbilled equipment receivables arising from upfront recognition of revenue from sales of equipment. Contract assets are included in 'Trade and other receivables' under current assets as they are expected to be realised in the normal operating cycle.

(e) An increase in contract liabilities, comprising mainly deferred revenue in respect of mobile price plan discount vouchers given. Contract liabilities are included in 'Trade and other payables' under current liabilities.

There are no material differences between the consolidated statement of cash flows presented under SFRS(I) and FRS.

Notes to the Financial Statements

For the financial year ended 31 March 2019

42. RECONCILIATIONS OF PROFIT, COMPREHENSIVE INCOME AND EQUITY *(Cont'd)*

The tables below summarised the impact of adopting SFRS(I) 1, SFRS(I) 9 and SFRS(I) 15 for the previous financial year ended, and as at 31 March 2018 and 1 April 2017.

Income statement for the financial year ended 31 March 2018

Group	Previously reported S$ Mil	Adjustments S$ Mil	Restated S$ Mil
Operating revenue	17,531.8	(263.8)	17,268.0
Operating expenses	(12,701.5)	225.2	(12,476.3)
Other income	258.8	-	258.8
	5,089.1	(38.6)	5,050.5
Depreciation and amortisation	(2,340.1)	90.1	(2,250.0)
	2,749.0	51.5	2,800.5
Exceptional items	1,940.4	(45.3)	1,895.1
Profit on operating activities	4,689.4	6.2	4,695.6
Share of results of associates and joint ventures	1,786.7	17.3	1,804.0
Profit before interest, investment income (net) and tax	6,476.1	23.5	6,499.6
Interest and investment income (net)	45.6	(0.1)	45.5
Finance costs	(390.2)	-	(390.2)
Profit before tax	6,131.5	23.4	6,154.9
Tax expense	(701.2)	(1.8)	(703.0)
Profit after tax	5,430.3	21.6	5,451.9
Attributable to:			
Shareholders of the Company	5,451.4	21.6	5,473.0
Non-controlling interests	(21.1)	-	(21.1)
	5,430.3	21.6	5,451.9
Earnings per share attributable to shareholders of the Company			
- basic	33.40¢		33.53¢
- diluted	33.35¢		33.48¢

Statement of comprehensive income for the financial year ended 31 March 2018

Group	Previously reported S$ Mil	Adjustments S$ Mil	Restated S$ Mil
Profit after tax	5,430.3	21.6	5,451.9
Other comprehensive loss, net of tax	(652.1)	8.7	(643.4)
Total comprehensive income	4,778.2	30.3	4,808.5
Attributable to:			
Shareholders of the Company	4,798.6	30.3	4,828.9
Non-controlling interests	(20.4)	-	(20.4)
	4,778.2	30.3	4,808.5

42. RECONCILIATIONS OF PROFIT, COMPREHENSIVE INCOME AND EQUITY *(Cont'd)*

Statement of Financial Position as at 31 March 2018

Group	Previously reported S$ Mil	Adjustments S$ Mil	Restated S$ Mil
Current assets			
Cash and cash equivalents	524.9	–	524.9
Trade and other receivables	5,035.4	778.3	5,813.7
Inventories	397.4	–	397.4
Derivative financial instruments	23.2	(0.6)	22.6
	5,980.9	777.7	6,758.6
Non-current assets			
Property, plant and equipment	11,800.8	(346.7)	11,454.1
Intangible assets	13,969.1	–	13,969.1
Joint ventures	12,782.6	3.9	12,786.5
Associates	2,005.5	(5.3)	2,000.2
Available-for-sale investments	197.9	(197.9)	–
Fair value through other comprehensive income investments	–	197.9	197.9
Derivative financial instruments	409.6	(21.3)	388.3
Deferred tax assets	360.1	(7.1)	353.0
Trade and other receivables	747.2	(747.2)	–
Other assets	–	587.8	587.8
	42,272.8	(535.9)	41,736.9
Total assets	48,253.7	241.8	48,495.5
Current liabilities			
Trade and other payables	5,233.9	137.1	5,371.0
Advance billings	794.1	–	794.1
Current tax liabilities	351.3	–	351.3
Borrowings (unsecured)	1,800.5	–	1,800.5
Borrowings (secured)	23.1	–	23.1
Derivative financial instruments	70.0	(0.7)	69.3
Net deferred gain	20.1	–	20.1
	8,293.0	136.4	8,429.4
Non-current liabilities			
Advance billings	225.1	(3.5)	221.6
Borrowings (unsecured)	8,525.1	61.0	8,586.1
Borrowings (secured)	81.5	–	81.5
Derivative financial instruments	302.2	(25.2)	277.0
Net deferred gain	357.7	–	357.7
Deferred tax liabilities	520.4	15.2	535.6
Other non-current liabilities	295.1	–	295.1
	10,307.1	47.5	10,354.6
Total liabilities	18,600.1	183.9	18,784.0
Net assets	29,653.6	57.9	29,711.5
Share capital and reserves			
Share capital	4,127.3	–	4,127.3
Reserves	25,551.9	57.9	25,609.8
Equity attributable to shareholders of the Company	29,679.2	57.9	29,737.1
Non-controlling interests	(3.2)	–	(3.2)
Other reserve	(22.4)	–	(22.4)
Total equity	29,653.6	57.9	29,711.5

42. RECONCILIATIONS OF PROFIT, COMPREHENSIVE INCOME AND EQUITY *(Cont'd)*

Statement of Financial Position as at 31 March 2018

Company	Previously reported S$ Mil	Adjustments S$ Mil	Restated S$ Mil
Current assets			
Cash and cash equivalents	92.0	–	92.0
Trade and other receivables	2,323.9	–	2,323.9
Inventories	21.8	–	21.8
Derivative financial instruments	70.1	–	70.1
	2,507.8	–	2,507.8
Non-current assets			
Property, plant and equipment	2,303.9	(44.5)	2,259.4
Subsidiaries	19,425.9	–	19,425.9
Joint ventures	22.8	–	22.8
Associates	24.7	–	24.7
Available-for-sale investments	5.5	(5.5)	–
Fair value through other comprehensive income investments	–	5.5	5.5
Derivative financial instruments	134.1	(3.5)	130.6
Trade and other receivables	143.7	(143.7)	–
Other assets	–	144.9	144.9
	22,060.6	(46.8)	22,013.8
Total assets	24,568.4	(46.8)	24,521.6
Current liabilities			
Trade and other payables	1,468.4	–	1,468.4
Advance billings	80.1	–	80.1
Current tax liabilities	101.5	–	101.5
Borrowings (secured)	7.4	–	7.4
Derivative financial instruments	84.9	–	84.9
	1,742.3	–	1,742.3
Non-current liabilities			
Advance billings	136.7	–	136.7
Borrowings (unsecured)	673.2	66.3	739.5
Borrowings (secured)	68.5	–	68.5
Derivative financial instruments	279.0	(28.1)	250.9
Deferred tax liabilities	275.6	(7.4)	268.2
Other non-current liabilities	31.4	–	31.4
	1,464.4	30.8	1,495.2
Total liabilities	3,206.7	30.8	3,237.5
Net assets	21,361.7	(77.6)	21,284.1
Share capital and reserves			
Share capital	4,127.3	–	4,127.3
Reserves	17,234.4	(77.6)	17,156.8
Total equity	21,361.7	(77.6)	21,284.1

42. RECONCILIATIONS OF PROFIT, COMPREHENSIVE INCOME AND EQUITY *(Cont'd)*

Statement of Financial Position as at 1 April 2017

Group	Previously reported S$ Mil	Adjustments S$ Mil	Restated S$ Mil
Current assets			
Cash and cash equivalents	533.8	–	533.8
Trade and other receivables	4,924.2	838.2	5,762.4
Inventories	352.2	–	352.2
Derivative financial instruments	107.3	(1.2)	106.1
	5,917.5	837.0	6,754.5
Non-current assets			
Property, plant and equipment	11,892.9	(436.8)	11,456.1
Intangible assets	13,072.8	–	13,072.8
Joint ventures	12,282.9	2.4	12,285.3
Associates	1,952.2	(5.5)	1,946.7
Available-for-sale investments	192.9	(192.9)	–
Fair value through other comprehensive income investments	–	192.9	192.9
Derivative financial instruments	455.2	(20.8)	434.4
Deferred tax assets	657.8	(22.9)	634.9
Trade and other receivables	769.5	(769.5)	–
Other assets	–	592.0	592.0
Loan to an associate	1,100.5	–	1,100.5
	42,376.7	(661.1)	41,715.6
Total assets	48,294.2	175.9	48,470.1
Current liabilities			
Trade and other payables	4,922.4	132.4	5,054.8
Advance billings	835.4	25.7	861.1
Current tax liabilities	296.3	–	296.3
Borrowings (unsecured)	3,046.9	(0.3)	3,046.6
Borrowings (secured)	86.7	–	86.7
Derivative financial instruments	15.8	–	15.8
Net deferred gain	68.8	–	68.8
	9,272.3	157.8	9,430.1
Non-current liabilities			
Advance billings	245.7	(3.8)	241.9
Borrowings (unsecured)	7,852.7	45.5	7,898.2
Borrowings (secured)	199.6	–	199.6
Derivative financial instruments	303.1	(23.7)	279.4
Net deferred gain	1,282.7	–	1,282.7
Deferred tax liabilities	574.6	(1.8)	572.8
Other non-current liabilities	349.9	(25.7)	324.2
	10,808.3	(9.5)	10,798.8
Total liabilities	20,080.6	148.3	20,228.9
Net assets	28,213.6	27.6	28,241.2
Share capital and reserves			
Share capital	4,127.3	–	4,127.3
Reserves	24,086.3	27.6	24,113.9
Equity attributable to shareholders of the Company	28,213.6	27.6	28,241.2
Non-controlling interests	22.4	–	22.4
Other reserve	(22.4)	–	(22.4)
Total equity	28,213.6	27.6	28,241.2

42. RECONCILIATIONS OF PROFIT, COMPREHENSIVE INCOME AND EQUITY *(Cont'd)*

Statement of Financial Position as at 1 April 2017

Company	Previously reported S$ Mil	Adjustments S$ Mil	Restated S$ Mil
Current assets			
Cash and cash equivalents	89.2	–	89.2
Trade and other receivables	1,673.3	–	1,673.3
Inventories	23.8	–	23.8
Derivative financial instruments	107.1	(1.2)	105.9
	1,893.4	(1.2)	1,892.2
Non-current assets			
Property, plant and equipment	2,326.5	(59.9)	2,266.6
Subsidiaries	17,441.0	–	17,441.0
Joint ventures	23.0	–	23.0
Associates	603.5	–	603.5
Available-for-sale investments	37.4	(37.4)	–
Fair value through other comprehensive income investments	–	37.4	37.4
Derivative financial instruments	284.9	(1.4)	283.5
Trade and other receivables	155.1	(155.1)	–
Other assets	–	161.0	161.0
Loan to an associate	1,100.5	–	1,100.5
	21,971.9	(55.4)	21,916.5
Total assets	23,865.3	(56.6)	23,808.7
Current liabilities			
Trade and other payables	1,602.0	–	1,602.0
Advance billings	74.8	–	74.8
Current tax liabilities	100.6	–	100.6
Borrowings (secured)	1.5	–	1.5
Derivative financial instruments	110.0	(1.2)	108.8
	1,888.9	(1.2)	1,887.7
Non-current liabilities			
Advance billings	138.3	–	138.3
Borrowings (unsecured)	746.2	56.5	802.7
Borrowings (secured)	157.2	–	157.2
Derivative financial instruments	370.0	(26.0)	344.0
Deferred tax liabilities	282.2	(9.2)	273.0
Other non-current liabilities	23.7	–	23.7
	1,717.6	21.3	1,738.9
Total liabilities	3,606.5	20.1	3,626.6
Net assets	20,258.8	(76.7)	20,182.1
Share capital and reserves			
Share capital	4,127.3	–	4,127.3
Reserves	16,131.5	(76.7)	16,054.8
Total equity	20,258.8	(76.7)	20,182.1

43. EFFECTS OF ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

The new and revised accounting standards effective from 1 April 2019 are not expected to have a significant impact on the financial statements of the Group in the next financial year ending 31 March 2020 except for SFRS(I) 16, *Leases*.

SFRS(I) 16 requires lessees to adopt a single lease accounting model with leases recognised as lease liabilities in the statement of financial position, with corresponding "right-of-use" assets. In the income statement, depreciation charges on the "right-of-use" assets and interest expense on the lease liability will be recorded. In the statement of cash flows, lease payments will be classified as financing cash flows. The new standard also specifies new accounting rules for sales and leaseback of assets, as well as for subleases of leased assets under certain circumstances. The standard continues to adopt a dual accounting lease model for lessor accounting.

The Group will apply SFRS(I) 16 using the modified retrospective approach where the cumulative effect of initial application will be reflected as an adjustment to the opening statement of financial position as at 1 April 2019. The standard will be applied prospectively with no restatement of financial statements for the comparative periods.

On transition, the Group will elect the practical expedients permitted by the new standard, including carrying forward the historical lease classification, as well as excluding all leases with original maturities of one year or less, and leases of low value assets.

The Group is a lessee mainly for operating leases of facilities such as central offices, data centres, corporate offices, retail stores, network equipment, ducts and manholes.

In Australia, the Group sells and leases back handsets (as a lessee) from a bank for subleasing to its customers (as an intermediate lessor). Before the adoption of SFRS(I) 16, the profit on sale of handset is accounted in full upon delivery, the lease payments made (as a lessee) are accounted as operating lease expenses over the contract period, and the lease income received (as an intermediate lessor) are recognised as operating lease income over the contract period. Under SFRS(I) 16, however, the profit on sale and leaseback of handset to be recognised is subject to the proportion attributable to the bank and an upfront gain or loss on finance lease of leased handsets will be recognised.

The Group is still in the process of quantifying the impact of SFRS(I) 16 on the financial statements.

44. COMPANIES IN THE GROUP

The Company's immediate and ultimate holding company is Temasek Holdings (Private) Limited, a company incorporated in Singapore. The following were the significant subsidiaries as well as associates and joint ventures as at 31 March 2019 and 31 March 2018.

44. COMPANIES IN THE GROUP *(Cont'd)*

44.1 Significant subsidiaries incorporated in Singapore

			Percentage of effective equity interest held by the Group	
	Name of subsidiary	**Principal activities**	**2019 %**	**2018 %**
1.	Amobee Asia Pte. Ltd.	Provision of internet advertising solutions	100	100
2.	DataSpark Pte. Ltd.	Develop and market data analytics and insights products and services	100	100
3.	Group Enterprise Pte. Ltd.	Telecommunications resellers and third party telecommunications providers	100	100
4.	HOOQ Digital Pte. Ltd.	Provision of regional premium over-the-top video services	65	65
5.	NCS Communications Engineering Pte. Ltd.	Provision of facilities management and consultancy services, and distributor of specialised telecommunications and data communication products	100	100
6.	NCS Pte. Ltd.	Provision of information technology and consultancy services	100	100
7.	NCSI Solutions Pte. Ltd.	Provision of information technology services	100	100
8.	SCS Computer Systems Pte. Ltd.	Provision of information technology services	100	100
9.	Singapore Telecom International Pte Ltd	Holding of strategic investments and provision of technical and management consultancy services	100	100
10.	SingNet Pte Ltd	Provision of internet access and pay television services	100	100
11.	Singtel Cyber Security (Singapore) Pte. Ltd.	Provision of information security services and products	100	100
12.	Singtel Innov8 Ventures Pte. Ltd.	Provision of fund management services	100	100
13.	Singtel Mobile Singapore Pte. Ltd.	Operation and provision of cellular mobile telecommunications systems and services, and sale of telecommunications equipment	100	100
14.	ST-2 Satellite Ventures Private Limited	Provision of satellite capacity for telecommunications and video broadcasting services	61.9	61.9
15.	Sembawang Cable Depot Pte Ltd	Provision of storage facilities for submarine telecommunication cables and related equipment	60	60

44.1 Significant subsidiaries incorporated in Singapore *(Cont'd)*

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2019 %	2018 %
16.	Singtel Digital Media Pte Ltd	Development and management of on-line internet portal	100	100
17.	SingtelSat Pte Ltd	Provision of satellite capacity for telecommunications and video broadcasting services	100	100
18.	Telecom Equipment Pte Ltd	Engaged in the sale and maintenance of telecommunications equipment, and mobile finance services	100	100
19.	Trustwave Pte. Ltd.	Provision of information security services and products	100	98

All companies are audited by KPMG LLP.

44.2 Significant subsidiaries incorporated in Australia

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2019 %	2018 %
1.	Amobee ANZ Pty Ltd	Provision of internet advertising solutions	100	100
2.	Alphawest Services Pty Ltd (1)	Provision of information technology services	100	100
3.	Ensyst Pty Limited	Provision of cloud services	100	100
4.	Hivint Pty Limited	Provision of information security services and products	100	-
5.	NCSI (Australia) Pty Limited	Provision of information technology services	100	100
6.	Optus Administration Pty Limited (1)	Provision of management services to the Optus Group	100	100
7.	Optus ADSL Pty Limited (1)	Provision of carriage services	100	100
8.	Optus Billing Services Pty Limited (*) (1)	Provision of billing services to the Optus Group	100	100
9.	Optus C1 Satellite Pty Limited (1)	C1 Satellite contracting party	100	100
10.	Optus Content Pty Limited (1)	Provision of digital content acquisition	100	100
11.	Optus Data Centres Pty Limited (1)	Provision of data communication services	100	100

44.2 Significant subsidiaries incorporated in Australia *(Cont'd)*

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2019 %	2018 %
12.	Optus Fixed Infrastructure Pty Limited [(1)]	Provision of telecommunications services	100	100
13.	Optus Insurance Services Pty Limited	Provision of handset insurance and related services	100	100
14.	Optus Internet Pty Limited [(1)]	Provision of services over Hybrid Fibre Co-Axial network and National Broadband Network	100	100
15.	Optus Mobile Pty Limited [(1)]	Provision of mobile phone services	100	100
16.	Optus Networks Pty Limited [(1)]	Provision of telecommunications services	100	100
17.	Optus Satellite Pty Limited [(1)]	Provision of satellite services	100	100
18.	Optus Systems Pty Limited [(1)]	Provision of information technology services to the Optus Group	100	100
19.	Optus Vision Media Pty Limited [(*)(2)]	Provision of broadcasting related services	20	20
20.	Optus Vision Pty Limited [(1)]	Provision of telecommunications services	100	100
21.	Optus Wholesale Pty Limited [(1)]	Provision of services to wholesale customers	100	100
22.	Prepaid Services Pty Limited [(1)]	Distribution of prepaid mobile products	100	100
23.	Reef Networks Pty Ltd [(1)]	Operation and maintenance of fibre optic network between Brisbane and Cairns	100	100
24.	TWH Australia Pty. Ltd.	Provision of information security services and products	100	98
25.	Uecomm Operations Pty Limited [(1)]	Provision of data communication services	100	100
26.	Virgin Mobile (Australia) Pty Limited [(1)]	Provision of mobile phone services	100	100
27.	Vividwireless Group Limited [(1)]	Provision of wireless broadband services	100	100

All companies are audited by KPMG, Australia, except for those companies denoted (*) where no statutory audit is required.

Notes:

(1) These entities are relieved from the Australian Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports pursuant to ASIC Class Order 2016/785 (as amended) dated 30 March 2007.

(2) Optus Vision Media Pty Limited is deemed to be a subsidiary by virtue of control.

44.3 Significant subsidiaries incorporated outside Singapore and Australia

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2019 %	2018 %
1.	Amobee EMEA Limited	Provision of internet advertising solutions	United Kingdom	100	100
2.	Amobee, Inc.	Provision of internet advertising solutions	USA	100	100
3.	Amobee Ltd	Research and development centre	Israel	100	100
4.	Breach Security, Ltd.	Provision of information security services and products	Israel	100	98
5.	GB21 (Hong Kong) Limited (2)	Provision of telecommunications services and products	Hong Kong	–	100
6.	Global Enterprise International Malaysia Sdn. Bhd.	Provision of data communication and value added network services	Malaysia	100	100
7.	HOOQ Digital (India) Private Limited	Provision of over-the-top video services and related activities and services	India	65	65
8.	HOOQ Digital Mauritius Private Limited	Content operations and procurement	Mauritius	65	65
9.	HOOQ Digital (Philippines) Inc.	Provision of market research, sales and marketing support services	Philippines	65	65
10.	HOOQ Digital (Thailand) Company Limited	Provision of market research, sales and marketing support services	Thailand	65	65
11.	Lanka Communication Services (Pvt) Limited	Provision of telecommunications services	Sri Lanka	82.9	82.9
12.	M86 Security International, Ltd.	Provision of information security services and products	United Kingdom	100	98
13.	M86 Security Israel, Ltd.	Provision of information security services and products	Israel	100	98
14.	NCS Information Technology (Suzhou) Co., Ltd. (3)	Software development and provision of information technology services	People's Republic of China	100	100
15.	NCSI (Chengdu) Co., Ltd (3)	Provision of information technology research and development, and other information technology related services	People's Republic of China	100	100

44.3 Significant subsidiaries incorporated outside Singapore and Australia *(Cont'd)*

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2019 %	2018 %
16.	NCSI (HK) Limited	Provision of information technology services	Hong Kong	100	100
17.	NCSI (Malaysia) Sdn Bhd	Provision of information technology services	Malaysia	100	100
18.	NCSI (Philippines) Inc.	Provision of information technology and communication engineering services	Philippines	100	100
19.	NCSI (Shanghai), Co. Ltd [(3)]	Provision of system integration, software research and development and other information technology related services	People's Republic of China	100	100
20.	SCS Information Technology Sdn Bhd	Consultancy, sale of computer equipment and software including provision of marketing, maintenance and other related services	Brunei	100	100
21.	Singtel Global Private Limited	Provision of infotainment products and services, and investment holding	Mauritius	100	100
22.	Singtel Global India Private Limited	Provision of telecommunications services and all related activities	India	100	100
23.	Singtel Innov8 Ventures LLC	Provision of investment consulting services	USA	100	100
24.	Singapore Telecom Hong Kong Limited	Provision of telecommunications services and all related activities	Hong Kong	100	100
25.	Singapore Telecom Japan Co Ltd	Provision of telecommunications services and all related activities	Japan	100	100
26.	Singapore Telecom Korea Limited	Provision of telecommunications services and all related activities	South Korea	100	100
27.	Singapore Telecom USA, Inc.	Provision of telecommunications, engineering and marketing services	USA	100	100
28.	Singtel (Europe) Limited	Provision of telecommunications services and all related activities	United Kingdom	100	100
29.	Singtel Taiwan Limited	Provision of telecommunications services and all related activities	Taiwan	100	100
30.	STI Solutions (Shanghai) Co., Ltd	Provision of telecommunications services and all related activities	People's Republic of China	100	100

44.3 Significant subsidiaries incorporated outside Singapore and Australia *(Cont'd)*

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2019 %	2018 %
31.	Sudong Sdn. Bhd.	Management, provision and operations of a call centre for telecommunications services	Malaysia	100	100
32.	Trustwave Canada, Inc.	Provision of information security services and products	Canada	100	98
33.	Trustwave Government Solutions, LLC	Provision of information security services and products	USA	100	98
34.	Trustwave Holdings, Inc.	Provision of information security services and products	USA	100	98
35.	Trustwave Limited	Provision of information security services and products	United Kingdom	100	98
36.	Trustwave SecureConnect Inc.	Provision of information security services and products	USA	100	98
37.	Turn Europe (UK) Limited	Provision of internet advertising solutions	United Kingdom	100	100

All companies are audited by a member firm of KPMG.

Notes:
(1) The place of business of the subsidiaries are the same as their country of incorporation.
(2) The company has been disposed during the year.
(3) Subsidiary's financial year-end is 31 December.

44.4 Associates of the Group

	Name of associate	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2019 %	2018 %
1.	2359 Media Pte. Ltd.	Development and design of mobile-based advertising	Singapore	28.3	28.3
2.	APT Satellite Holdings Limited (2)	Investment holding	Bermuda	20.3	20.3
3.	APT Satellite International Company Limited (2)	Investment holding	British Virgin Islands	28.6	28.6
4.	HOPE Technik Pte Ltd	Provision of high performance unique engineering solutions	Singapore	21.3	21.3

44.4 Associates of the Group *(Cont'd)*

	Name of associate	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2019 %	2018 %
5.	Intouch Holdings Public Company Limited [3]	Investment holding	Thailand	21.0	21.0
6.	Kai Square	Provision of next generation cloud-based video surveillance services, monitoring and analytics based on unified platform	Singapore	39.2	39.2
7.	MassiveImpact International Ltd	Provision of performance based mobile advertising platform	British Virgin Islands	48.9	48.9
8.	NetLink Trust [4]	To own, install, operate and maintain the passive infrastructure for Singapore's Next Generation Nationwide Broadband Network	Singapore	24.8	24.8
9.	NetLink NBN Trust [4]	Investment holding	Singapore	24.8	24.8
10.	Sentilla Corporation	Provision of energy management services for data centres	USA	31.0	31.0
11.	Singapore Post Limited [4]	Operation and provision of postal, eCommerce logistics and retail services	Singapore	21.7	21.7
12.	SESTO Robotics Pte Ltd	Provision of autonomous mobile robots	Singapore	28.5	-
13.	Viewers Choice Pte Ltd	Provision of services relating to motor vehicle rental and retail of general merchandise	Singapore	49.2	49.2

Notes:

(1) The place of business of the associates are the same as their country of incorporation.
(2) The company has been equity accounted for in the consolidated financial statements based on results ended, or as at, 31 December 2018, the financial year-end of the company.
(3) Audited by Deloitte Touche Tohmatsu Jaiyos Audit Co. Ltd, Bangkok.
(4) Audited by Deloitte & Touche LLP, Singapore.

44.5 Joint ventures of the Group

	Name of joint venture	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2019 %	2018 %
1.	Acasia Communications Sdn Bhd [3]	Provision of networking services to business customers operating within and outside Malaysia	Malaysia	14.3	14.3
2.	ACPL Marine Pte Ltd	To own, operate and manage maintenance-cum-laying cableships	Singapore	16.7	16.7

Notes to the Financial Statements

For the financial year ended 31 March 2019

44.5 Joint ventures of the Group *(Cont'd)*

	Name of joint venture	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2019 %	2018 %
3.	Advanced Info Service Public Company Limited [4][5]	Provision of mobile, broadband, international telecommunications services, call centre and data transmission	Thailand	23.3	23.3
4.	ASEAN Cableship Pte Ltd	Operation of cableships for laying, repair and maintenance of submarine telecommunication cables	Singapore	16.7	16.7
5.	ASEAN Telecom Holdings Sdn Bhd [3]	Investment holding	Malaysia	14.3	14.3
6.	Asiacom Philippines, Inc. [3]	Investment holding	Philippines	40.0	40.0
7.	Bharti Airtel Limited [6]	Provision of mobile, long distance broadband and telephony telecommunications services, enterprise solutions, pay television and passive infrastructure	India	39.5	39.5
8.	Bharti Telecom Limited [6]	Investment holding	India	48.9	48.9
9.	Bridge Mobile Pte. Ltd.	Provision of regional mobile services	Singapore	34.5	34.5
10.	Globe Telecom, Inc. [7][8]	Provision of mobile, broadband, international and fixed line telecommunications services	Philippines	21.5	21.5
11.	Grid Communications Pte. Ltd. [3]	Provision of public trunk radio services	Singapore	50.0	50.0
12.	Indian Ocean Cableship Pte. Ltd.	Leasing, operating and managing of maintenance-cum-laying cableship	Singapore	50.0	50.0
13.	International Cableship Pte Ltd	Ownership and chartering of cableships	Singapore	45.0	45.0
14.	Main Event Television Pty Limited	Provision of cable television programmes	Australia	33.3	33.3
15.	Pacific Bangladesh Telecom Limited	Provision of mobile telecommunications, broadband and data transmission services	Bangladesh	45.0	45.0
16.	Pacific Carriage Holdings Limited [9]	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	39.99	39.99

44.5 Joint ventures of the Group *(Cont'd)*

	Name of joint venture	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2019 %	2018 %
17.	PT Telekomunikasi Selular[(10)]	Provision of mobile telecommunications and related services	Indonesia	35.0	35.0
18.	Radiance Communications Pte Ltd[(3)]	Sale, distribution, installation and maintenance of telecommunications equipment	Singapore	50.0	50.0
19.	Southern Cross Cables Holdings Limited[(9)(11)]	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	39.99	39.99
20.	Telescience Singapore Pte Ltd[(12)]	Sale, distribution and installation of telecommunications and information technology equipment and services	Singapore	-	50.0
21.	VA Dynamics Sdn. Bhd.[(3)]	Distribution of networking cables and related products	Malaysia	49.0	49.0

Notes:

(1) The place of business of the joint ventures are the same as their country of incorporation, unless otherwise specified.
(2) The Group holds substantive participating rights over the significant financial and operating decisions of the above joint ventures, which enables the Group to exercise joint control with the other shareholders.
(3) The company has been equity accounted for in the consolidated financial statements based on the results ended, or as at, 31 December 2018, the financial year-end of the company.
(4) Audited by Deloitte Touche Tohmatsu Jaiyos Audit Co. Ltd, Bangkok.
(5) This represents the Group's direct interest in AIS.
(6) Audited by Deloitte Haskins & Sells LLP, New Delhi. Bharti Airtel Limited has business operations in India, Sri Lanka, and 14 countries across Africa.
(7) Audited by Navarro Amper & Co. (a member firm of Deloitte Touche Tohmatsu Limited).
(8) The Group has a 47.1% effective economic interest in Globe.
(9) The Southern Cross Cable Consortium operates through two separate companies. Southern Cross Cables Holdings Limited owns a cable network between Australia and the USA, with operations outside the USA. Pacific Carriage Holdings Limited has operations within the USA.
(10) Audited by Purwantono, Sungkoro & Surja (a member firm of Ernst & Young).
(11) Audited by KPMG, Bermuda.
(12) The company has been disposed during the year.

AUDITED FINANCIAL STATEMENTS OF THE SINGTEL GROUP FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

The information in this section has been reproduced from the audited financial statements of the Singtel Group for the financial year ended 31 March 2018 and has not been specifically prepared for inclusion in this Offering Circular.

Directors' Statement

For the financial year ended 31 March 2018

The Directors present their statement to the members together with the audited financial statements of the Company ("**Singtel**") and its subsidiaries (the "**Group**") for the financial year ended 31 March 2018.

In the opinion of the Directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 145 to 249 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2018, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. DIRECTORS

The Directors of the Company in office at the date of this statement are -

Simon Claude Israel (Chairman)
Chua Sock Koong (Group Chief Executive Officer)
Gautam Banerjee (appointed on 1 March 2018)
Bobby Chin Yoke Choong
Venkataraman Vishnampet Ganesan
Christina Hon Kwee Fong (Christina Ong)
Low Check Kian
Peter Edward Mason AM [1]
Peter Ong Boon Kwee
Teo Swee Lian

Note:
(1) Member of the Order of Australia

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except for performance shares granted under the Singtel Performance Share Plan 2012 (the "**Singtel PSP 2012**") and share options granted by Amobee Group Pte. Ltd. ("**Amobee**").

Directors' Statement

For the financial year ended 31 March 2018

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The interests of the Directors holding office at the end of the financial year in the share capital of the Company and related corporations according to the register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act were as follows –

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 31 March 2018	At 1 April 2017 or date of appointment, if later	At 31 March 2018	At 1 April 2017 or date of appointment, if later
The Company				
Singapore Telecommunications Limited				
(Ordinary shares)				
Simon Claude Israel	**919,961** (1)	836,275	**1,360** (2)	1,360
Chua Sock Koong	**7,540,668** (3)	7,034,926	**4,852,449** (4)	5,156,191
Gautam Banerjee	**-**	-	**-**	-
Bobby Chin Yoke Choong	**-**	-	**-**	-
Low Check Kian	**1,490**	1,490	**-**	-
Peter Edward Mason AM	**50,000** (5)	50,000	**-**	-
Christina Ong	**-**	-	**-**	-
Peter Ong Boon Kwee	**870**	870	**1,537** (2)	1,537
Teo Swee Lian	**1,550**	1,550	**-**	-
(American Depositary Shares)				
Venkataraman Vishnampet Ganesan	**3,341.45** (6)	3,341.45	**-**	-
Subsidiary Corporations				
Amobee Group Pte. Ltd.				
(Options to subscribe for ordinary shares)				
Venkataraman Vishnampet Ganesan	**750,718**	750,718	**-**	-
Optus Finance Pty Limited				
(A$250,000,000 4% fixed rate notes due 2022)				
Simon Claude Israel	**A$1,600,000** (7) **(principal amount)**	A$1,600,000 (principal amount)	**-**	-

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES *(Cont'd)*

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 31 March 2018	At 1 April 2017 or date of appointment, if later	At 31 March 2018	At 1 April 2017 or date of appointment, if later
Related Corporations				
Ascendas Funds Management (S) Limited				
(Unit holdings in Ascendas Real Estate Investment Trust)				
Simon Claude Israel	**1,000,000** (8)	1,000,000	**-**	-
Chua Sock Koong	**142,000**	142,000	**-**	-
Gautam Banerjee	**20,000**	20,000	**-**	-
Ascendas Property Fund Trustee Pte. Ltd.				
(Unit holdings in Ascendas India Trust)				
Gautam Banerjee	**120,000**	120,000	**-**	-
Mapletree Commercial Trust Management Ltd.				
(Unit holdings in Mapletree Commercial Trust)				
Simon Claude Israel	**4,043,520** (7)	4,043,520	**-**	-
Bobby Chin Yoke Choong	**-**	-	**117,000** (2)	117,000
Mapletree Greater China Commercial Trust Management Ltd.				
(Unit holdings in Mapletree Greater China Commercial Trust)				
Simon Claude Israel	**1,000,000** (7)	1,000,000	**-**	-
Chua Sock Koong	**430,000**	430,000	**50,000** (2)	50,000
Peter Ong Boon Kwee	**-**	-	**32,000** (2)	32,000
Mapletree Industrial Trust Management Ltd.				
(Unit holdings in Mapletree Industrial Trust)				
Simon Claude Israel	**990,160** (7)	990,160	**-**	-
Chua Sock Koong	**11,000**	11,000	**-**	-
Bobby Chin Yoke Choong	**129,600**	129,600	**-**	-
Mapletree Logistics Trust Management Ltd.				
(Unit holdings in Mapletree Logistics Trust)				
Simon Claude Israel	**1,100,000** (7)	1,000,000	**-**	-
Mapletree Treasury Services Limited				
(S$625,500,000 4.5% perpetual capital securities)				
Simon Claude Israel	**S$500,000 (principal amount)**	S$500,000 (principal amount)	**-**	-

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES *(Cont'd)*

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 31 March 2018	At 1 April 2017 or date of appointment, if later	At 31 March 2018	At 1 April 2017 or date of appointment, if later
Olam International Limited				
(Ordinary shares)				
Low Check Kian	**500,000**	-	**2,074,518** [9]	-
Singapore Airlines Limited				
(Ordinary shares)				
Simon Claude Israel	**9,000** [10]	9,000	**-**	-
Chua Sock Koong	**2,000**	2,000	**-**	-
Bobby Chin Yoke Choong	**-**	-	**2,000** [2]	2,000
Low Check Kian	**5,600**	77,550	**-**	-
Singapore Technologies Engineering Limited				
(Ordinary shares)				
Christina Ong	**1**	1	**-**	-

Notes:

[1] 915,550 ordinary shares held in the name of Citibank Nominees Singapore Pte Ltd and 4,411 ordinary shares held in the name of DBS Nominees (Private) Limited.

[2] Held by Director's spouse.

[3] 688,750 ordinary shares held in the name of DBS Nominees (Private) Limited.

[4] Ms Chua Sock Koong's deemed interest of 4,852,449 shares included:
(a) 28,137 ordinary shares held by Ms Chua's spouse; and
(b) An aggregate of up to 4,824,312 ordinary shares in Singtel awarded to Ms Chua pursuant to the Singtel PSP 2012, subject to certain performance criteria being met and other terms and conditions. Depending on the extent of the satisfaction of the relevant minimum performance criteria, up to an aggregate of 7,209,150 ordinary shares may be released pursuant to the conditional awards granted.

According to the Register of Directors' Shareholdings, Ms Chua had a deemed interest in 10,836,742 shares held by DBS Trustee Limited, the trustee of a trust established for the purposes of the Singtel Performance Share Plan and the Singtel PSP 2012 for the benefit of eligible employees of the Group, as at 19 November 2012, being the date on which the Securities and Futures (Disclosure of Interests) Regulations 2012 (the "**SFA (DOI) Regulations**") came into operation. Under regulation 6 of the SFA (DOI) Regulations, Ms Chua is exempted from reporting interests, and changes in interests, in shares held by the trust, with effect from 19 November 2012.

[5] Held (through custodians) by Burgoyne Investments Pty Ltd as trustee for Burgoyne Superannuation Fund. Both Mr Peter Edward Mason AM and spouse are directors of Burgoyne Investments Pty Ltd and beneficiaries of Burgoyne Superannuation Fund.

[6] 1 American Depositary Share represents 10 ordinary shares in Singtel.

[7] Held in the name of Citibank Nominees Singapore Pte Ltd.

[8] 100,000 units held jointly by Mr Israel and his spouse, and 900,000 units held in the name of Citibank Nominees Singapore Pte Ltd.

[9] Held by Cluny Capital Limited. Mr Low Check Kian is the sole shareholder of Cluny Capital Limited.

[10] 6,200 ordinary shares held in the name of Citibank Nominees Singapore Pte Ltd and 2,800 ordinary shares held in the name of DBS Nominees (Private) Limited.

According to the register of Directors' shareholdings, there were no changes to any of the above-mentioned interests between the end of the financial year and 21 April 2018.

4. PERFORMANCE SHARES

The Executive Resource and Compensation Committee ("**ERCC**") is responsible for administering the Singtel PSP 2012. At the date of this statement, the members of the ERCC are Peter Edward Mason AM (Chairman of the ERCC), Simon Claude Israel and Teo Swee Lian.

At the Extraordinary General Meeting held on 27 July 2012, the shareholders approved the adoption of the Singtel PSP 2012. The duration of the Singtel PSP 2012 is 10 years commencing 27 July 2012. This plan gives the flexibility to either allot and issue and deliver new Singtel shares or purchase and deliver existing Singtel shares upon the vesting of awards.

The participants of the Singtel PSP 2012 will receive fully paid Singtel shares free of charge, the equivalent in cash, or combinations thereof, provided that certain prescribed performance targets are met within a prescribed performance period. The performance period for the awards granted is three years, except for Restricted Share Awards which have a performance period of two years. The number of Singtel shares that will vest for each participant or category of participants will be determined at the end of the performance period based on the level of attainment of the performance targets.

Awards comprising an aggregate of 70.6 million shares have been granted under the Singtel PSP 2012 from its commencement to 31 March 2018.

Performance share awards granted, vested and cancelled during the financial year, and share awards outstanding at the end of the financial year, were as follows –

Date of grant	Balance as at 1 April 2017 ('000)	Share awards granted ('000)	Additional share awards from targets exceeded ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 March 2018 ('000)
<u>Share award for Chairman</u>						
(Simon Claude Israel)						
16.08.17	**-**	**84**	**-**	**(84)**	**-**	**-**
<u>Performance shares</u>						
<u>(Restricted Share Awards)</u>						
For Group Chief Executive Officer						
(Chua Sock Koong)						
23.06.14	66	-	-	(66)	-	-
17.06.15	84	-	26	(55)	-	55
20.06.16	201	-	-	-	-	201
19.06.17	-	383	-	-	-	383
	351	383	26	(121)	-	639

4. **PERFORMANCE SHARES** *(Cont'd)*

Date of grant	Balance as at 1 April 2017 ('000)	Share awards granted ('000)	Additional share awards from targets exceeded ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 March 2018 ('000)
For other staff						
23.06.14	2,641	-	-	(2,624)	(17)	-
17.09.14	7	-	-	(7)	-	-
23.12.14	2	-	-	(2)	-	-
17.06.15	3,595	-	1,068	(2,351)	(180)	2,132
28.09.15	23	-	7	(15)	-	15
05.01.16	7	-	3	(5)	-	5
20.06.16	5,118	-	1	(67)	(342)	4,710
20.03.17	87	-	-	(67)	-	20
19.06.17	-	7,318	-	(15)	(393)	6,910
21.09.17	-	87	-	-	-	87
18.12.17	-	77	-	-	-	77
14.03.18	-	150	-	-	-	150
	11,480	7,632	1,079	(5,153)	(932)	14,106
Sub-total	**11,831**	**8,015**	**1,105**	**(5,274)**	**(932)**	**14,745**
Performance shares (Performance Share Awards)						
For Group Chief Executive Officer (Chua Sock Koong)						
23.06.14	1,423	-	-	(235)	(1,188)	-
17.06.15	1,659	-	-	-	-	1,659
20.06.16	1,695	-	-	-	-	1,695
19.06.17	-	832	-	-	-	832
	4,777	832	-	(235)	(1,188)	4,186

4. PERFORMANCE SHARES *(Cont'd)*

Date of grant	Balance as at 1 April 2017 ('000)	Share awards granted ('000)	Additional share awards from targets exceeded ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 March 2018 ('000)
For other staff						
23.06.14	6,524	-	-	(1,050)	(5,474)	-
17.09.14	15	-	-	(2)	(13)	-
23.12.14	6	-	-	(1)	(5)	-
17.06.15	7,317	-	-	-	(447)	6,870
28.09.15	125	-	-	-	-	125
05.01.16	32	-	-	-	-	32
20.06.16	7,373	-	-	-	(417)	6,956
20.03.17	91	-	-	-	-	91
19.06.17	-	3,972	-	-	(75)	3,897
21.09.17	-	24	-	-	-	24
18.12.17	-	53	-	-	-	53
14.03.18	-	79	-	-	-	79
	21,483	4,128	-	(1,053)	(6,431)	18,127
Sub-total	**26,260**	**4,960**	**-**	**(1,288)**	**(7,619)**	**22,313**
Total	**38,091**	**13,059**	**1,105**	**(6,646)**	**(8,551)**	**37,058**

During the financial year, awards in respect of an aggregate of 6.6 million shares granted under the Singtel PSP 2012 were vested. The awards were satisfied in part by the delivery of existing shares purchased from the market and in part by the payment of cash in lieu of delivery of shares, as permitted under the Singtel PSP 2012.

As at 31 March 2018, no participant has received shares pursuant to the vesting of awards granted under the Singtel PSP 2012 which, in aggregate, represents five per cent or more of the aggregate of -

(i) the total number of new shares available under the Singtel PSP 2012; and

(ii) the total number of existing shares purchased for delivery of awards released under the Singtel PSP 2012.

5. SHARE OPTION PLANS

During the financial year, there were:

(a) no options granted by the Company to any person to take up unissued shares of the Company; and

(b) no shares issued by virtue of any exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

The particulars of the share option plans of subsidiary corporations of the Company are as follows:

Amobee Group Pte. Ltd.

In April 2015, Amobee, a wholly-owned subsidiary corporation of the Company, implemented the 2015 Long-Term Incentive Plan ("**Amobee LTI Plan**"). Under the terms of Amobee LTI Plan, options to purchase ordinary shares of Amobee may be granted to employees (including executive directors) and non-executive directors of Amobee and/or any of its subsidiaries.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of Amobee on the date of grant.

From 1 April 2017 to 31 March 2018, options in respect of an aggregate of 43.8 million of ordinary shares in Amobee have been granted to the employees and non-executive directors of Amobee and/or its subsidiaries. As at 31 March 2018, options in respect of an aggregate of 63.1 million of ordinary shares in Amobee are outstanding.

The grant dates and exercise prices of the share options were as follows –

Date of grant	Exercise price
For employees	
13 April 2015, 14 October 2015	US$0.54 to US$0.79
20 January 2016, 10 May 2016, 23 June 2016, 24 August 2016, 25 January 2017, 19 July 2017, 18 August 2017, 12 September 2017, 25 January 2018	US$0.54
For non-executive directors	
14 October 2015	US$0.54

The options granted to employees and non-executive directors expire 10 years and 5 years from the date of grant respectively.

No ordinary shares of Amobee were issued during the financial year pursuant to the exercise of options granted under the Amobee LTI Plan. The persons to whom the options have been granted do not have the right to participate, by virtue of the options, in any share issue of any other company.

Trustwave Holdings, Inc.

In December 2015, Trustwave Holdings, Inc. ("**Trustwave**"), a 98%-owned subsidiary corporation of the Company, implemented the Stock Option Incentive Plan ("**Trustwave ESOP**"). Under the terms of the Trustwave ESOP, options to purchase common stock of Trustwave may be granted to employees (including executive directors) and non-executive directors of Trustwave and/or any of its subsidiaries.

Options are exercisable at a price no less than 100% of the fair value of the common stock of Trustwave on the date of grant.

5. SHARE OPTION PLANS *(Cont'd)*

From 1 April 2017 to 31 March 2018, options in respect of an aggregate of 0.4 million of common stock in Trustwave have been granted to the employees of Trustwave and/or its subsidiaries. As at 31 March 2018, options in respect of an aggregate of 2.4 million of common stock in Trustwave are outstanding.

The grant dates and exercise prices of the stock options were as follows –

Date of grant	Exercise price
1 December 2015, 22 January 2016, 19 May 2016, 12 September 2016	US$16.79
20 January 2017	US$16.24
15 March 2018	US$15.37

The options granted expire 10 years from the date of grant.

No common stock of Trustwave was issued during the financial year pursuant to the exercise of options granted under the Trustwave ESOP. The persons to whom the options have been granted do not have the right to participate, by virtue of the options, in any share issue of any other company.

HOOQ

In December 2015, HOOQ Digital Pte. Ltd. ("**HOOQ**"), a 65%-owned subsidiary corporation of the Company, implemented the HOOQ Digital Employee Share Option Scheme ("the **Scheme**"). Under the terms of the Scheme, options to purchase ordinary shares of HOOQ may be granted to employees (including executive directors) of HOOQ and/or any of its subsidiaries.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of HOOQ on the date of grant.

From 1 April 2017 to 31 March 2018, options in respect of an aggregate of 14.0 million of ordinary shares in HOOQ have been granted to the employees of HOOQ and/or its subsidiaries. As at 31 March 2018, options in respect of an aggregate of 42.8 million of ordinary shares in HOOQ are outstanding.

The grant dates and exercise prices of the stock options were as follows –

Date of grant	Exercise price
16 May 2016, 24 April 2017, 2 May 2017, 31 July 2017, 8 September 2017, 23 October 2017, 10 January 2018	US$0.07

The options granted expire 10 years from the date of grant.

No ordinary shares of HOOQ were issued during the financial year pursuant to the exercise of options granted under the Scheme. The persons to whom the options have been granted do not have the right to participate, by virtue of the options, in any share issue of any other company.

Directors' Statement

For the financial year ended 31 March 2018

6. AUDIT COMMITTEE

At the date of this statement, the Audit Committee comprises the following members, all of whom are non-executive and the majority of whom, including the Chairman, are independent -

Bobby Chin Yoke Choong (Chairman of the Audit Committee)
Gautam Banerjee (appointed on 1 March 2018)
Christina Hon Kwee Fong (Christina Ong)
Peter Ong Boon Kwee

Teo Swee Lian, who served during the financial year, stepped down as a member of the Audit Committee on 1 March 2018.

The Audit Committee carried out its functions in accordance with Section 201B of the Singapore Companies Act, Chapter 50.

In performing its functions, the Committee reviewed the overall scope and results of both internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal auditors to discuss the results of the respective examinations and their evaluation of the Company's system of internal accounting controls. The Committee also held discussions with the internal and external auditors and is satisfied that the processes put in place by management provide reasonable assurance on mitigation of fraud risk exposure to the Group.

The Committee also reviewed the financial statements of the Company and the Group, as well as the Independent Auditor's Report thereon. In the review of the financial statements of the Company and the Group, the Committee had discussed with management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements.

In addition, the Committee had, with the assistance of the internal auditors, reviewed the procedures set up by the Company and the Group to identify and report, and where necessary, sought appropriate approval for interested person transactions.

The Committee has full access to and has the co-operation of management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Committee has made its recommendations to the Board of Directors and the Board of Directors is satisfied with the proposed appointment of KPMG LLP as external auditor of the Company in place of the retiring auditor, Deloitte & Touche LLP, at the forthcoming 2018 Annual General Meeting.

7. AUDITOR

The retiring auditor, Deloitte & Touche LLP, will not be seeking re-appointment at the forthcoming Annual General Meeting. KPMG LLP has expressed its willingness to accept appointment as auditor.

On behalf of the Directors

Simon Claude Israel
Chairman

Chua Sock Koong
Director

Singapore
16 May 2018

Independent Auditor's Report

To the Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2018

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Singapore Telecommunications Limited (the "**Company**") and its subsidiaries (the "**Group**") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2018, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 145 to 249.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "**Act**") and Financial Reporting Standards in Singapore ("**FRSs**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2018, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("**SSAs**"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("**ACRA**") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters

Revenue recognition

We have identified three critical areas in relation to revenue set out below that we consider significant either because of the complexity of the operation of billing systems or because of the required exercise of judgement:

- accounting for long-term contracts, particularly with respect to Group Enterprise Infocomm Technology ("**ICT**") projects;
- accounting for new products and tariffs introduced in the year; and
- the timing of revenue recognition.

The accounting policies for revenue recognition are set out in Note 2.20 to the financial statements and the different revenue streams for the Group have been disclosed in Note 4 to the financial statements.

Our audit performed and responses thereon

Our audit approach included both controls testing and substantive procedures as follows:

- We performed procedures to identify contracts which may exhibit areas of audit interest such as low and/or significant change in margins, loss-making contracts, and accounts with high accrued revenue amongst others. We challenged the assumptions and judgements underpinning forecast performance of the identified contracts and the adequacy of contract loss provisions.
- We evaluated the relevant IT systems and the design and operating effectiveness of controls over the capture and recording of revenue transactions by involving our IT specialists to assist in the audit of automated controls, including interface controls between different IT applications.

Key Audit Matters	Our audit performed and responses thereon
Revenue recognition *(Cont'd)*	• We evaluated the business process controls in place over the authorisation of rate changes, the introduction of new plans and the input of this information to billing systems. We tested the access controls and change management controls for the Group's billing systems. • We tested samples of customer bills for accuracy for new products and tariffs introduced in the year. • We tested key reconciliations used by management to assess the completeness and accuracy of revenue, including testing the period in which it is reported. • We tested supporting evidence for manual journal entries posted to revenue accounts to identify any unusual items. We have validated and are satisfied with the assumptions and key management estimates adopted where revenue is recognised on a percentage of completion basis. We have not noted any significant deficiency in the relevant IT systems and business process controls of the relevant revenue streams. No exceptions were noted in the key reconciliations and manual journal entries relating to revenue recorded in the year.
Taxation The Group's subsidiaries, associates and joint ventures have operations across a large number of jurisdictions and are subject to periodic challenges by local tax authorities. As discussed in Note 38(b) to the financial statements, the Group has been responding to an ongoing specific issue audit by the Australian Taxation Office ("**ATO**") in connection with the acquisition financing of Singtel Optus Pty Limited ("**Optus**"). The Group has engaged external specialists to advise management on this specific issue audit, including raising objections to the amended assessments. Evaluation of the outcome of the specific issue audit, and whether the risk of loss is remote, possible or probable, requires significant judgement given the complexities involved.	 We have involved our tax specialists in assessing the judgements taken by management in reaching their conclusion that the specific issue audit by the ATO represents a contingent liability of the Group and that the amount paid continues to represent a receivable as at 31 March 2018. We have examined the advice obtained by management from the Group's tax specialists to support the judgement taken, and have discussed the merits of the case. Based on our procedures, we believe that the position taken by the Group is appropriate. We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements, in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Independent Auditor's Report

To the Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2018

Key Audit Matters	Our audit performed and responses thereon
Goodwill impairment review	
Optus, Amobee, Inc. and Trustwave Under FRSs, the Group is required to annually test goodwill for impairment. This assessment requires the exercise of significant judgement about future market conditions, including growth rates and discount rates, as well as the cash generating unit ("**CGU**") on which the goodwill is tested for impairment. As at 31 March 2018, the goodwill recorded on Optus, Amobee, Inc. and Trustwave Holdings, Inc. ("**Trustwave**") amounted to S$9.28 billion, S$1.01 billion and S$999 million respectively, cumulatively constituting approximately 23% of the Group's total assets. As disclosed in Note 23 to the financial statements, the goodwill recorded on Amobee, Inc. of S$1.01 billion includes goodwill of S$327 million resulting from the finalisation of the purchase price allocation work on the acquisition of Turn, Inc. during the year. Subsequent to the restructuring and reorganisation of the Group's cyber security business during the financial year, which became effective from 1 April 2018, management has assessed and considered that the combined cyber security businesses of the Group, which includes Trustwave, are considered as one CGU to support the carrying value of goodwill amounting to S$999 million. The key assumptions to the impairment test and the sensitivity of changes in these assumptions to the risk of impairment are disclosed in Note 23 to the financial statements.	Optus, Amobee, Inc. and Trustwave Our audit procedures focused on evaluating and challenging the key assumptions used by management in conducting the impairment review. These procedures included: • challenging the appropriateness of the CGU to which goodwill is allocated and tested for impairment, and that the change in CGU for Trustwave to be the combined cyber security business is in accordance with the requirements in FRS 36 *Impairment of Assets*; • using our valuation specialists to independently develop expectations for the key macro-economic assumptions used in the impairment analysis and purchase price allocation work, in particular the discount rate and long-term growth rate, and comparing the independent expectations with those used by management; • challenging the cash flow forecasts used, comparing with recent performance, trend analysis and market expectations; and • by reference to prior years' forecasts, where relevant, assessing whether the Group has achieved them. Based on our procedures, we noted management's key assumptions to be within a reasonable range of our expectations. We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.
Bharti Airtel Bharti Airtel Limited ("**Airtel**"), a joint venture of the Group, has recorded significant goodwill arising from the acquisition of Airtel Africa in June 2010, of which the Group's share is considered material. This goodwill recorded by Airtel is required to be tested for impairment at least annually. As the amount of goodwill recorded is material, an impairment thereof may materially affect the Group's share of the joint venture's results. The impairment assessment requires the exercise of significant judgement about future market conditions, including growth rates and discount rates applicable in a number of markets in Africa. The Group's carrying value in Airtel (which includes the goodwill) is disclosed in Note 22 to the financial statements.	Bharti Airtel Our audit procedures included the review of relevant working papers of the auditors of Airtel (the "**Bharti Airtel Auditors**"), with particular focus on those related to the goodwill impairment review. We also discussed with Airtel management, Bharti Airtel Auditors and specialists used by them, including those engaged to assist the Bharti Airtel Auditors in assessing the assumptions adopted in the goodwill impairment model prepared by Airtel management. The Group's share of Airtel's results is calculated based on Airtel's audited financial statements on which the Bharti Airtel Auditors have expressed an unmodified opinion.

Independent Auditor's Report

To the Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2018

Key Audit Matters	Our audit performed and responses thereon
Contingent liabilities: Share of significant joint ventures' and associate's reported regulatory and tax disputes	
The Group's significant joint ventures and associate have operations across a number of jurisdictions including Africa, India, Indonesia, the Philippines and Thailand, and are subject to periodic challenges by local regulators and tax authorities. Management of these significant joint ventures and associate have engaged specialists to advise them on such disputes, and to assess whether the risk of loss is remote, possible or probable. Such assessment requires significant judgement given the complexities involved. The joint ventures' and associate's contingent liabilities have been disclosed in Note 39 to the financial statements.	Our audit procedures included the review of relevant working papers of the auditors of the significant joint ventures and associate (the "**Component Auditors**"), with particular focus on those related to regulatory and tax disputes. We have also discussed with management of these significant joint ventures and associate, and their respective Component Auditors, including those engaged to assist the Component Auditors in evaluating the contingent liabilities. We have also reviewed legal advice received by the Component Auditors for certain of the key contingent liabilities that are significant to the Group and assessed the adequacy of disclosure of the contingent liabilities in the financial statements, in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises all the information included in the Annual Report, excluding the Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of our auditor's report on the Financial Statements.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report

To the Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2018

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this Independent Auditor's Report is Mr Philip Yuen Ewe Jin.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

16 May 2018

Consolidated Income Statement

For the financial year ended 31 March 2018

	Notes	2018 S$ Mil	2017 S$ Mil
Operating revenue	4	**17,531.8**	16,711.4
Operating expenses	5	**(12,701.5)**	(11,929.0)
Other income	6	**258.8**	215.3
		5,089.1	4,997.7
Depreciation and amortisation	7	**(2,340.1)**	(2,238.9)
Exceptional items	8	**1,940.4**	(1.2)
Profit on operating activities		**4,689.4**	2,757.6
Share of results of associates and joint ventures	9	**1,786.7**	2,017.3
Profit before interest, investment income (net) and tax		**6,476.1**	4,774.9
Interest and investment income (net)	10	**45.6**	114.8
Finance costs	11	**(390.2)**	(374.3)
Profit before tax		**6,131.5**	4,515.4
Tax expense	12	**(701.2)**	(684.4)
Profit after tax		**5,430.3**	3,831.0
Attributable to -			
Shareholders of the Company		**5,451.4**	3,852.7
Non-controlling interests		**(21.1)**	(21.7)
		5,430.3	3,831.0
Earnings per share attributable to shareholders of the Company			
- basic (cents)	13	**33.40**	23.96
- diluted (cents)	13	**33.35**	23.91

The accompanying notes on pages 155 to 249 form an integral part of these financial statements.
Independent Auditor's Report – pages 139 to 144.

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2018

	2018 S$ Mil	2017 S$ Mil
Profit after tax	**5,430.3**	3,831.0
Other comprehensive (loss)/ income:		
Items that may be reclassified subsequently to income statement:		
Exchange differences arising from translation of foreign operations and other currency translation differences	**(1,265.1)**	432.7
Cash flow hedges		
- Fair value changes during the year	**0.5**	16.3
- Tax effects	**(55.2)**	20.1
	(54.7)	36.4
- Fair value changes transferred to income statement	**2.1**	(1.5)
- Tax effects	**46.8**	(18.8)
	48.9	(20.3)
	(5.8)	16.1
Available-for-sale investments		
- Fair value changes during the year	**(31.5)**	16.5
Share of other comprehensive income of associates and joint ventures	**650.3**	223.4
Other comprehensive (loss)/ income, net of tax	**(652.1)**	688.7
Total comprehensive income	**4,778.2**	4,519.7
Attributable to -		
Shareholders of the Company	**4,798.6**	4,541.5
Non-controlling interests	**(20.4)**	(21.8)
	4,778.2	4,519.7

The accompanying notes on pages 155 to 249 form an integral part of these financial statements.
Independent Auditor's Report – pages 139 to 144.

Statements of Financial Position

As at 31 March 2018

	Notes	Group 2018 S$ Mil	Group 2017 S$ Mil	Company 2018 S$ Mil	Company 2017 S$ Mil
Current assets					
Cash and cash equivalents	15	**524.9**	533.8	**92.0**	89.2
Trade and other receivables	16	**5,035.4**	4,924.2	**2,323.9**	1,673.3
Inventories	17	**397.4**	352.2	**21.8**	23.8
Derivative financial instruments	25	**23.2**	107.3	**70.1**	107.1
		5,980.9	5,917.5	**2,507.8**	1,893.4
Non-current assets					
Trade and other receivables	16	**747.2**	769.5	**143.7**	155.1
Property, plant and equipment	18	**11,800.8**	11,892.9	**2,303.9**	2,326.5
Intangible assets	19	**13,969.1**	13,072.8	**-**	-
Subsidiaries	20	**-**	-	**19,425.9**	17,441.0
Associates	21	**2,005.5**	1,952.2	**24.7**	603.5
Joint ventures	22	**12,782.6**	12,282.9	**22.8**	23.0
Available-for-sale (“**AFS**”) investments	24	**197.9**	192.9	**5.5**	37.4
Derivative financial instruments	25	**409.6**	455.2	**134.1**	284.9
Deferred tax assets	12	**360.1**	657.8	**-**	-
Loan to an associate	26	**-**	1,100.5	**-**	1,100.5
		42,272.8	42,376.7	**22,060.6**	21,971.9
Total assets		**48,253.7**	48,294.2	**24,568.4**	23,865.3
Current liabilities					
Trade and other payables	27	**5,233.9**	4,922.4	**1,468.4**	1,602.0
Advance billings		**794.1**	835.4	**80.1**	74.8
Current tax liabilities		**351.3**	296.3	**101.5**	100.6
Borrowings (unsecured)	28	**1,800.5**	3,046.9	**-**	-
Borrowings (secured)	29	**23.1**	86.7	**7.4**	1.5
Derivative financial instruments	25	**70.0**	15.8	**84.9**	110.0
Net deferred gain	26	**20.1**	68.8	**-**	-
		8,293.0	9,272.3	**1,742.3**	1,888.9
Non-current liabilities					
Advance billings		**225.1**	245.7	**136.7**	138.3
Deferred tax liabilities	12	**520.4**	574.6	**275.6**	282.2
Borrowings (unsecured)	28	**8,525.1**	7,852.7	**673.2**	746.2
Borrowings (secured)	29	**81.5**	199.6	**68.5**	157.2
Derivative financial instruments	25	**302.2**	303.1	**279.0**	370.0
Net deferred gain	26	**357.7**	1,282.7	**-**	-
Other non-current liabilities	30	**295.1**	349.9	**31.4**	23.7
		10,307.1	10,808.3	**1,464.4**	1,717.6
Total liabilities		**18,600.1**	20,080.6	**3,206.7**	3,606.5
Net assets		**29,653.6**	28,213.6	**21,361.7**	20,258.8
Share capital and reserves					
Share capital	31	**4,127.3**	4,127.3	**4,127.3**	4,127.3
Reserves		**25,551.9**	24,086.3	**17,234.4**	16,131.5
Equity attributable to shareholders of the Company		**29,679.2**	28,213.6	**21,361.7**	20,258.8
Non-controlling interests		**(3.2)**	22.4	**-**	-
Other reserve		**(22.4)**	(22.4)	**-**	-
Total equity		**29,653.6**	28,213.6	**21,361.7**	20,258.8

The accompanying notes on pages 155 to 249 form an integral part of these financial statements.
Independent Auditor’s Report – pages 139 to 144.

Statements of Changes in Equity

For the financial year ended 31 March 2018

Group - 2018	Share Capital S$ Mil	Treasury Shares [1] S$ Mil	Capital Reserve S$ Mil	Currency Translation Reserve [2] S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Other Reserves [3] S$ Mil	Total S$ Mil	Non-controlling Interests S$ Mil	Other Reserve [4] S$ Mil	Total Equity S$ Mil
	Attributable to shareholders of the Company											
Balance as at 1 April 2017	**4,127.3**	**(32.5)**	**(108.0)**	**(4,507.5)**	**11.1**	**57.0**	**29,493.9**	**(827.7)**	**28,213.6**	**22.4**	**(22.4)**	**28,213.6**
Changes in equity for the year												
Performance shares purchased by the Company	-	(2.4)	-	-	-	-	-	-	(2.4)	-	-	(2.4)
Performance shares purchased by Trust [5]	-	(15.9)	-	-	-	-	-	-	(15.9)	-	-	(15.9)
Performance shares vested	-	18.1	(18.1)	-	-	-	-	-	-	-	-	-
Equity-settled share-based payment	-	-	32.5	-	-	-	-	-	32.5	0.2	-	32.7
Transfer of liability to equity	-	-	4.2	-	-	-	-	-	4.2	-	-	4.2
Cash paid to employees under performance share plans	-	-	(0.2)	-	-	-	-	-	(0.2)	-	-	(0.2)
Performance shares purchased by Singtel Optus Pty Limited ("**Optus**") and vested	-	-	(6.6)	-	-	-	-	-	(6.6)	-	-	(6.6)
Final dividend paid (see **Note 32**)	-	-	-	-	-	-	(1,746.6)	-	(1,746.6)	-	-	(1,746.6)
Interim dividend paid (see **Note 32**)	-	-	-	-	-	-	(1,110.0)	-	(1,110.0)	-	-	(1,110.0)
Special dividend paid (see **Note 32**)	-	-	-	-	-	-	(489.7)	-	(489.7)	-	-	(489.7)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(5.4)	-	(5.4)
Others	-	-	-	-	-	-	1.7	-	1.7	-	-	1.7
	-	(0.2)	11.8	-	-	-	(3,344.6)	-	(3,333.0)	(5.2)	-	(3,338.2)
Total comprehensive (loss)/ income for the year	-	-	-	(1,265.8)	(5.8)	(31.5)	5,451.4	650.3	4,798.6	(20.4)	-	4,778.2
Balance as at 31 March 2018	**4,127.3**	**(32.7)**	**(96.2)**	**(5,773.3)**	**5.3**	**25.5**	**31,600.7**	**(177.4)**	**29,679.2**	**(3.2)**	**(22.4)**	**29,653.6**

The accompanying notes on pages 155 to 249 form an integral part of these financial statements.
Independent Auditor's Report – pages 139 to 144.

Statements of Changes in Equity

For the financial year ended 31 March 2018

Group - 2017	Share Capital S$ Mil	Treasury Shares (1) S$ Mil	Capital Reserve S$ Mil	Currency Translation Reserve (2) S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Other Reserves (3) S$ Mil	Total S$ Mil	Non-controlling Interests S$ Mil	Other Reserve (4) S$ Mil	Total Equity S$ Mil
	Attributable to shareholders of the Company											
Balance as at 1 April 2016	2,634.0	(30.6)	(116.4)	(4,940.3)	(5.0)	40.5	28,456.9	(1,049.9)	24,989.2	35.7	(22.4)	25,002.5
Changes in equity for the year												
Issue of new shares (net of costs)	1,493.3	-	-	-	-	-	-	-	1,493.3	-	-	1,493.3
Performance shares purchased by the Company	-	(1.9)	-	-	-	-	-	-	(1.9)	-	-	(1.9)
Performance shares purchased by Trust (5)	-	(18.2)	-	-	-	-	-	-	(18.2)	-	-	(18.2)
Performance shares vested	-	18.2	(18.2)	-	-	-	-	-	-	-	-	-
Equity-settled share-based payment	-	-	26.5	-	-	-	-	-	26.5	0.7	-	27.2
Transfer of liability to equity	-	-	4.7	-	-	-	-	-	4.7	-	-	4.7
Cash paid to employees under performance share plans	-	-	(0.3)	-	-	-	-	-	(0.3)	-	-	(0.3)
Performance shares purchased by Optus and vested	-	-	(7.0)	-	-	-	-	-	(7.0)	-	-	(7.0)
Final dividend paid (see **Note 32**)	-	-	-	-	-	-	(1,705.5)	-	(1,705.5)	-	-	(1,705.5)
Interim dividend paid (see **Note 32**)	-	-	-	-	-	-	(1,110.0)	-	(1,110.0)	-	-	(1,110.0)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(5.0)	-	(5.0)
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	12.9	-	12.9
Share of other reserves of associates and joint ventures	-	-	2.7	-	-	-	-	(2.7)	-	-	-	-
Others	-	-	-	-	-	-	(0.2)	1.5	1.3	(0.1)	-	1.2
	1,493.3	(1.9)	8.4	-	-	-	(2,815.7)	(1.2)	(1,317.1)	8.5	-	(1,308.6)
Total comprehensive income/ (loss) for the year	-	-	-	432.8	16.1	16.5	3,852.7	223.4	4,541.5	(21.8)	-	4,519.7
Balance as at 31 March 2017	4,127.3	(32.5)	(108.0)	(4,507.5)	11.1	57.0	29,493.9	(827.7)	28,213.6	22.4	(22.4)	28,213.6

The accompanying notes on pages 155 to 249 form an integral part of these financial statements.
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Statements of Changes in Equity

For the financial year ended 31 March 2018

Company - 2018	Share Capital S$ Mil	Treasury Shares [1] S$ Mil	Capital Reserve S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Total Equity S$ Mil
Balance as at 1 April 2017	4,127.3	(0.9)	38.3	60.3	27.7	16,006.1	20,258.8
Changes in equity for the year							
Performance shares purchased by the Company	-	(2.4)	-	-	-	-	(2.4)
Performance shares vested	-	2.3	(2.3)	-	-	-	-
Equity-settled share-based payment	-	-	11.8	-	-	-	11.8
Transfer of liability to equity	-	-	4.2	-	-	-	4.2
Cash paid to employees under performance share plans	-	-	(0.2)	-	-	-	(0.2)
Contribution to Trust [5]	-	-	(12.4)	-	-	-	(12.4)
Final dividend paid (see **Note 32**)	-	-	-	-	-	(1,747.2)	(1,747.2)
Interim dividend paid (see **Note 32**)	-	-	-	-	-	(1,110.4)	(1,110.4)
Special dividend paid (see **Note 32**)	-	-	-	-	-	(489.9)	(489.9)
	-	(0.1)	1.1	-	-	(3,347.5)	(3,346.5)
Total comprehensive (loss)/ income for the year	-	-	-	(0.2)	(25.5)	4,475.1	4,449.4
Balance as at 31 March 2018	4,127.3	(1.0)	39.4	60.1	2.2	17,133.7	21,361.7

The accompanying notes on pages 155 to 249 form an integral part of these financial statements.
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Statements of Changes in Equity

For the financial year ended 31 March 2018

Company - 2017	Share Capital S$ Mil	Treasury Shares [1] S$ Mil	Capital Reserve S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Total Equity S$ Mil
Balance as at 1 April 2016	2,634.0	(1.2)	(71.3)	46.7	25.5	15,600.1	18,233.8
Changes in equity for the year							
Issue of new shares (net of costs) [6]	1,493.3	-	109.1	-	-	-	1,602.4
Performance shares purchased by the Company	-	(1.9)	-	-	-	-	(1.9)
Performance shares vested	-	2.2	(2.2)	-	-	-	-
Equity-settled share-based payment	-	-	12.7	-	-	-	12.7
Transfer of liability to equity	-	-	4.9	-	-	-	4.9
Cash paid to employees under performance share plans	-	-	(0.3)	-	-	-	(0.3)
Contribution to Trust [5]	-	-	(14.6)	-	-	-	(14.6)
Final dividend paid (see **Note 32**)	-	-	-	-	-	(1,706.0)	(1,706.0)
Interim dividend paid (see **Note 32**)	-	-	-	-	-	(1,110.4)	(1,110.4)
	1,493.3	0.3	109.6	-	-	(2,816.4)	(1,213.2)
Total comprehensive income for the year	-	-	-	13.6	2.2	3,222.4	3,238.2
Balance as at 31 March 2017	4,127.3	(0.9)	38.3	60.3	27.7	16,006.1	20,258.8

Notes:

(1) 'Treasury Shares' are accounted for in accordance with Singapore Financial Reporting Standard ("**FRS**") 32, *Financial Instruments: Presentation*.

(2) 'Currency Translation Reserve' relates mainly to the translation of the net assets of foreign subsidiaries, associates and joint ventures of the Group denominated mainly in Australian Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Thai Baht and United States Dollar.

(3) 'Other Reserves' relate mainly to goodwill on acquisitions completed prior to 1 April 2001 and the share of other comprehensive income or loss of the associates and joint ventures.

(4) This amount relates to a reserve for an obligation arising from a put option written with the non-controlling shareholder of Trustwave Holdings, Inc. ("**Trustwave**"). When exercised under certain conditions, this will require Singtel to purchase the remaining 2% equity interest in Trustwave.

(5) DBS Trustee Limited (the "**Trust**") is the trustee of a trust established to administer the performance share plans.

(6) The amount credited to 'Capital Reserve' relates to fair value adjustment on the new shares issued on completion of the acquisitions of equity interest in Intouch Holdings Public Company Limited and Bharti Telecom Limited.

The accompanying notes on pages 155 to 249 form an integral part of these financial statements.
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Consolidated Statement of Cash Flows

For the financial year ended 31 March 2018

	2018 S$ Mil	2017 S$ Mil
Cash Flows From Operating Activities		
Profit before tax	**6,131.5**	4,515.4
Adjustments for -		
Depreciation and amortisation	**2,340.1**	2,238.9
Share of results of associates and joint ventures	**(1,786.7)**	(2,017.3)
Exceptional items	**(1,965.6)**	(37.1)
Interest and investment income (net)	**(45.6)**	(114.8)
Finance costs	**390.2**	374.3
Other non-cash items	**30.3**	25.8
	(1,037.3)	469.8
Operating cash flow before working capital changes	**5,094.2**	4,985.2
Changes in operating assets and liabilities		
Trade and other receivables	**(195.4)**	(561.7)
Trade and other payables	**76.5**	93.4
Inventories	**(59.1)**	(23.6)
Cash generated from operations	**4,916.2**	4,493.3
Dividends received from associates and joint ventures	**1,647.7**	1,655.5
Income tax and withholding tax paid (**Note 1**)	**(607.8)**	(833.8)
Payment to employees in cash under performance share plans	**(0.9)**	(0.3)
Net cash from operating activities	**5,955.2**	5,314.7
Cash Flows From Investing Activities		
Payment for purchase of property, plant and equipment	**(2,349.0)**	(2,260.6)
Purchase of intangible assets	**(1,124.4)**	(257.7)
Investment in associate and joint ventures (**Note 2**)	**(540.6)**	(2,471.8)
Payments for acquisition of subsidiaries, net of cash acquired (**Note 3**)	**(336.5)**	(4.9)
Investment in AFS investments	**(59.6)**	(34.6)
Withholding tax paid on intra-group interest income	**(26.0)**	(27.3)
Proceeds/ deferred proceeds from disposal of associates and joint ventures (**Note 4**)	**1,146.4**	61.5
Repayment of loan by an associate (**Note 4**)	**1,100.5**	-
Proceeds from sale of property, plant and equipment	**142.6**	34.2
Proceeds from sale of AFS investments	**77.7**	75.0
Interest received	**16.4**	39.4
Dividends received from AFS investments (net of withholding tax paid)	**1.8**	1.7
Contribution from non-controlling interests	**-**	12.9
Net cash used in investing activities	**(1,950.7)**	(4,832.2)

The accompanying notes on pages 155 to 249 form an integral part of these financial statements.
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Consolidated Statement of Cash Flows

For the financial year ended 31 March 2018

	Note	2018 S$ Mil	2017 S$ Mil
Cash Flows From Financing Activities			
Proceeds from term loans		**6,948.6**	6,174.9
Repayment of term loans		**(6,726.0)**	(5,263.7)
Proceeds from bond issue		**430.2**	675.4
Repayment of bonds		**(936.4)**	(404.2)
Proceeds from finance lease liabilites		**18.0**	10.1
Finance lease payments		**(46.3)**	(34.9)
Net (repayment of)/ proceeds from borrowings		**(311.9)**	1,157.6
Proceeds from issue of shares (**Note 2**)		**-**	1,602.4
Final dividend paid to shareholders of the Company		**(1,746.6)**	(1,705.5)
Interim dividend paid to shareholders of the Company		**(1,110.0)**	(1,110.0)
Special dividend paid to shareholders of the Company		**(489.7)**	-
Net interest paid on borrowings and swaps		**(379.9)**	(351.3)
Settlement of swap for bonds repaid		**61.4**	16.3
Purchase of performance shares		**(25.0)**	(27.2)
Dividend paid to non-controlling interests		**(5.4)**	(5.0)
Others		**(2.1)**	0.3
Net cash used in financing activities		**(4,009.2)**	(422.4)
Net change in cash and cash equivalents		**(4.7)**	60.1
Exchange effects on cash and cash equivalents		**(4.2)**	11.9
Cash and cash equivalents at beginning of year		**533.8**	461.8
Cash and cash equivalents at end of year	15	**524.9**	533.8

Note 1: Income tax and withholding tax paid

The payments in the previous financial year included an amount of S$142 million (A$134 million) paid to the Australian Taxation Office in November 2016 for amended assessments under dispute related to the acquisition financing of Optus (see **Note 16**).

Note 2: Investments in associate and joint ventures, and proceeds from issue of shares

On 12 March 2018, Singtel completed the acquisition of an additional 1.7% equity interest in Bharti Telecom Limited ("**BTL**") for S$539 million.

On 17 November 2016, Singtel completed the acquisitions of 21.0% equity interest in Intouch Holdings Public Company Limited ("**Intouch**") for S$1.59 billion and an additional 7.4% equity interest in BTL for S$884 million. The acquisitions were partially financed by proceeds of S$1.60 billion from the issuance of 385,581,351 new ordinary shares of Singtel listed on the Singapore Exchange.

The accompanying notes on pages 155 to 249 form an integral part of these financial statements.
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Consolidated Statement of Cash Flows

For the financial year ended 31 March 2018

Note 3: Payments for acquisition of subsidiaries

(a) On 10 April 2017, Singtel's wholly-owned subsidiary, Amobee, Inc. ("**Amobee**"), acquired 100% of the share capital of Turn, Inc. ("**Turn**") for S$392 million (US$281 million). The acquisition of Turn, a leading provider of a global technology platform for marketers and agencies, expands Amobee's digital marketing technology. The fair values of identifiable net assets and the net cash outflow on the acquisition were as follows –

	31 March 2018 S$ Mil
Identifiable intangible assets	**53.3**
Non-current assets	**11.8**
Cash and cash equivalents	**55.6**
Current assets (excluding cash and cash equivalents)	**103.6**
Total liabilities	**(179.7)**
Net assets acquired	**44.6**
Goodwill (see **Note 19.1**)	**347.5**
Total cash consideration	**392.1**
Less: Cash and cash equivalents acquired	**(55.6)**
Net outflow of cash	**336.5**

(b) The payments in the previous financial year included deferred payments of S$3.4 million and S$1.5 million made in respect of the acquisitions of Adconion Media, Inc. and Adconion Pty Limited (together, "**Adconion**") and Ensyst Pty Limited respectively.

Note 4: Proceeds from disposal of associate, and repayment of loan by an associate

On 19 July 2017, Singtel sold its 100% interest in NetLink Trust to NetLink NBN Trust for an aggregate consideration of S$1.89 billion comprising a cash consideration of S$1.11 billion and 24.8% interest in NetLink NBN Trust. In addition, a unitholder loan of S$1.10 billion was repaid by NetLink Trust to Singtel.

The accompanying notes on pages 155 to 249 form an integral part of these financial statements.
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Notes to the Financial Statements

For the financial year ended 31 March 2018

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

Singtel is domiciled and incorporated in Singapore and is publicly traded on the Singapore Exchange. The address of its registered office is 31 Exeter Road, Comcentre, Singapore 239732.

The principal activities of the Company consist of the operation and provision of telecommunications systems and services, and investment holding. The principal activities of the significant subsidiaries are disclosed in **Note 42**.

In Singapore, the Group has the rights to provide fixed national and international telecommunications services to 31 March 2037, and public cellular mobile telephone services to 31 March 2032.

In addition, the Group is licensed to offer Internet services and has also obtained frequency spectrum and licence rights to install, operate and maintain mobile communication systems and services including wireless broadband systems and services. The Group also holds the requisite licence to provide nationwide subscription television services.

In Australia, Optus is granted telecommunication licences under the Telecommunications Act 1991. Pursuant to the Telecommunications (Transitional Provisions and Consequential Amendments) Act 1997, the licences continued to have effect after the deregulation of telecommunications in Australia in 1997. The licences do not have a finite term, but are of continuing operation until cancelled under the Telecommunications Act 1997.

These financial statements were authorised and approved for issue in accordance with a Directors' resolution dated 16 May 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("**FRS**") including related interpretations, and the provisions of the Singapore Companies Act. They have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement are disclosed in **Note 3**.

2.1 Basis of Accounting *(Cont'd)*

The accounting policies have been consistently applied by the Group, and are consistent with those used in the previous financial year. The adoption of the new or revised FRS and Interpretations to FRS ("**INT FRS**") which were mandatory from 1 April 2017 had no significant impact on the financial statements of the Group or the Company in the current financial year.

2.2 Group Accounting

The accounting policy for investments in subsidiaries, associates and joint ventures in the Company's financial statements is stated in **Note 2.4**. The Group's accounting policy on goodwill is stated in **Note 2.15.1**.

2.2.1 Subsidiaries

Subsidiaries are entities (including structured entities) controlled by the Group. Control exists when the Group has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the Group the ability to direct activities that significantly affect the entity's returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above. Subsidiaries are consolidated from the date that control commences until the date that control ceases. All significant inter-company balances and transactions are eliminated on consolidation.

2.2.2 Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Equity accounting involves recording the investment in associates initially at cost, and recognising the Group's share of the post-acquisition results of associates in the consolidated income statement, and the Group's share of post-acquisition reserve movements in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investments in the consolidated statement of financial position.

Where the Group's interest in an associate reduces as a result of a deemed disposal, any gain or loss arising as a result of the deemed disposal is taken to the consolidated income statement.

Where the Group increases its interest in its existing associate and it remains as an associate, the incremental cost of investment is added to the existing carrying amount without considering the fair value of the associate's identifiable assets and liabilities.

In the consolidated statement of financial position, investments in associates include goodwill on acquisition identified on acquisitions completed on or after 1 April 2001, net of accumulated impairment losses. Goodwill is assessed for impairment as part of the investment in associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including loans that are in fact extensions of the Group's investment, the Group does not recognise further losses, unless it has incurred or guaranteed obligations in respect of the associate.

Unrealised gains resulting from transactions with associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2.3 Joint ventures

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangements. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing the control.

The Group's interest in joint ventures is accounted for in the consolidated financial statements using the equity method of accounting.

Where the Group's interest in a joint venture reduces as a result of a deemed disposal, any gain or loss arising as a result of the deemed disposal is taken to the consolidated income statement.

Where the Group increases its interest in its existing joint venture and it remains as a joint venture, the incremental cost of investment is added to the existing carrying amount without considering the fair value of the joint venture's identifiable assets and liabilities.

In the consolidated statement of financial position, investments in joint ventures include goodwill on acquisition identified on acquisitions completed on or after 1 April 2001, net of accumulated impairment losses. Goodwill is assessed for impairment as part of the investment in joint ventures.

The Group's interest in its unincorporated joint operations is accounted for by recognising the Group's assets and liabilities from the joint operations, as well as expenses incurred by the Group and the Group's share of income earned from the joint operations, in the consolidated financial statements.

Unrealised gains resulting from transactions with joint ventures are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2.4 Dividends from associates and joint ventures

Dividends are recognised when the Group's rights to receive payment have been established. Dividends received from an associate or joint venture in excess of the Group's carrying value of the equity accounted investee are recognised as dividend income in the consolidated income statement where there is no legal or constructive obligation to refund the dividend nor is there any commitment to provide financial support to the investee. Equity accounting is then suspended until the investee has made sufficient profits to cover the income previously recognised for the excess cash distributions.

2.2.5 Structured entity

The Trust has been consolidated in the consolidated financial statements under FRS 110, *Consolidated Financial Statements*.

2.2.6 Business combinations

Business combinations are accounted for using the acquisition method on and after 1 April 2010. The consideration for each acquisition is measured at the aggregate of the fair values of assets given, liabilities incurred and equity interests issued by the Group and any contingent consideration arrangement at acquisition date. Acquisition-related costs, other than those associated with the issue of debt or equity, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the consolidated income statement.

For business combinations that are achieved in stages, any existing equity interests in the acquiree entity are re-measured to their fair values at acquisition date and any changes are taken to the consolidated income statement.

2.2.6 Business combinations *(Cont'd)*

Non-controlling interests in subsidiaries represent the equity in subsidiaries which are not attributable, directly or indirectly, to the shareholders of the Company, and are presented separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and within equity in the consolidated statement of financial position. The Group elects for each individual business combination whether non-controlling interests in the acquiree entity are recognised at fair value, or at the non-controlling interests' proportionate share of the fair value of the acquiree entity's identifiable net assets, at the acquisition date.

Total comprehensive income is attributed to non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a debit balance.

Changes in the Group's interest in subsidiaries that do not result in loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, any interest retained in the former subsidiary is recorded at fair value with the re-measurement gain or loss recognised in the consolidated income statement.

2.3 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new equity shares are taken to equity as a deduction, net of tax, from the proceeds.

When the Company purchases its own equity share capital, the consideration paid, including any directly attributable costs, is recognised as 'Treasury Shares' within equity. When the shares are subsequently disposed, the realised gains or losses on disposal of the treasury shares are included in 'Other Reserves' of the Company.

The Trust acquires shares in the Company from the open market for delivery to employees upon vesting of performance shares awarded under Singtel performance share plans. Such shares are designated as 'Treasury Shares'. In the consolidated financial statements, the cost of unvested shares, including directly attributable costs, is recognised as 'Treasury Shares' within equity.

Upon vesting of the performance shares, the weighted average costs of the shares delivered to employees, whether held by the Company or the Trust, are transferred to 'Capital Reserve' within equity in the consolidated financial statements.

2.4 Investments in Subsidiaries, Associates and Joint Ventures

In the Company's statement of financial position, investments in subsidiaries, associates and joint ventures, including loans that meet the definition of equity instruments, are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable value. On disposal of investments in subsidiaries, associates and joint ventures, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in the income statement of the Company.

2.5 Investments

Purchases and sales of investments are recognised on trade date, which is the date that the Group commits to purchase or sell the investment.

2.5.1 Available-for-sale ("AFS") investments

AFS investments are initially recognised at fair value plus directly attributable transaction costs.

They are subsequently stated at fair value at the end of the reporting period, with all resulting gains and losses, including currency translation differences, taken to the 'Fair Value Reserve' within equity. AFS investments for which fair values cannot be reliably determined are stated at cost less accumulated impairment losses.

When AFS investments are sold or impaired, the accumulated fair value adjustments in the 'Fair Value Reserve' are included in the income statement.

A significant or prolonged decline in fair value below the cost is objective evidence of impairment. Impairment loss is computed as the difference between the acquisition cost and current fair value, less any impairment loss previously recognised in the income statement. Impairment losses recognised in the income statement on equity investments are not reversed through the income statement until the equity investments are disposed.

2.6 Derivative Financial Instruments and Hedging Activities

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair values at the end of each reporting period.

A derivative financial instrument is carried as an asset when the fair value is positive and as a liability when the fair value is negative.

Any gains or losses arising from changes in fair value are recognised immediately in the income statement, unless they qualify for hedge accounting.

2.6.1 Hedge accounting

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, as well as its risk management objectives and strategy for undertaking the hedge transactions. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they are designated.

Fair value hedge

Designated derivative financial instruments that qualify for fair value hedge accounting are initially recognised at fair value on the date that the contract is entered into. Changes in fair value of derivatives are recorded in the income statement together with any changes in the fair value of the hedged items that are attributable to the hedged risks.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the income statement from that date.

Cash flow hedge

The effective portion of changes in the fair value of the designated derivative financial instruments that qualify as cash flow hedges are recognised in 'Other Comprehensive Income'. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in the 'Hedging Reserve' are transferred to the income statement in the periods when the hedged items affect the income statement.

2.6.1 Hedge accounting *(Cont'd)*

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the income statement.

Net investment hedge

Changes in the fair value of designated derivatives that qualify as net investment hedges, and which are highly effective, are recognised in 'Other Comprehensive Income' in the consolidated financial statements and the amounts accumulated in 'Currency Translation Reserve' are transferred to the consolidated income statement in the period when the foreign operation is disposed.

In the Company's financial statements, the gain or loss on the financial instrument used to hedge a net investment in a foreign operation of the Group is recognised in the income statement.

The Group has entered into the following derivative financial instruments to hedge its risks, namely -

Cross currency swaps and interest rate swaps are fair value hedges for the interest rate risk and cash flow hedges for the currency risk arising from the Group's issued bonds. The swaps involve the exchange of principal and floating or fixed interest receipts in the foreign currency in which the issued bonds are denominated, for principal and floating or fixed interest payments in the Group's functional currency.

Certain cross currency swaps relate to net investment hedges for the foreign currency exchange risk on the Group's Australia operations.

Forward foreign exchange contracts are cash flow hedges for the Group's exposure to foreign currency exchange risks arising from forecasted or committed expenditure.

2.7 Fair Value Estimation of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

The following methods and assumptions are used to estimate the fair value of each class of financial instrument -

Bank balances, receivables and payables, current borrowings

The carrying amounts approximate fair values due to the relatively short term maturity of these instruments.

Quoted and unquoted investments

The fair value of investments traded in active markets is based on the market quoted mid-price (average of offer and bid price) or the mid-price quoted by the market maker at the close of business at the end of the reporting period.

The fair values of unquoted investments are determined by using valuation techniques. These include the use of recent arm's length transactions, reference to the net asset values of the investee companies or discounted cash flow analysis.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2.7 Fair Value Estimation of Financial Instruments *(Cont'd)*

Cross currency and interest rate swaps

The fair value of a cross currency or an interest rate swap is the estimated amount that the swap contract can be exchanged for or settled with under normal market conditions. This fair value can be estimated using the discounted cash flow method where the future cash flows of the swap contract are discounted at the prevailing market foreign exchange rates and interest rates. Market interest rates are actively quoted interest rates or interest rates computed by applying techniques to these actively quoted interest rates.

Forward foreign currency contracts

The fair value of forward foreign exchange contracts is determined using forward exchange market rates for contracts with similar maturity profiles at the end of the reporting period.

Non-current borrowings

For disclosure purposes, the fair values of non-current borrowings which are traded in active markets are based on the market quoted ask price. For other non-current borrowings, the fair values are based on valuations provided by service providers or estimated by discounting the future contractual cash flows using discount rates based on the borrowing rates which the Group expects would be available at the end of the reporting period.

2.8 Financial Guarantee Contracts

Financial guarantees issued by the Company prior to 1 April 2010 are recorded initially at fair values plus transaction costs and amortised in the income statement over the period of the guarantee. Financial guarantees issued by the Company on or after 1 April 2010 are directly charged to the subsidiary as guarantee fees based on fair values.

2.9 Trade and Other Receivables

Trade and other receivables, including loans given by the Company to subsidiaries, associates and joint ventures, are initially recognised at fair values and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the debts. Loss events include financial difficulty or bankruptcy of the debtor, significant delay in payments and breaches of contracts. The impairment loss, measured as the difference between the debt's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate, is recognised in the income statement. When the debt becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in the income statement.

2.10 Trade and Other Payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Borrowings

Borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs. After initial recognition, unhedged borrowings are subsequently stated at amortised cost using the effective interest method.

2.12 Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, balances with banks and fixed deposits with original maturity of mainly three months or less, net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

Bank overdrafts are included under borrowings in the statement of financial position.

2.13 Foreign Currencies

2.13.1 Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The statement of financial position and statement of changes in equity of the Company and consolidated financial statements of the Group are presented in Singapore Dollar, which is the functional and presentation currency of the Company and the presentation currency of the Group.

2.13.2 Transactions and balances

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at exchange rates ruling at that date. Foreign exchange differences arising from translation are recognised in the income statement.

2.13.3 Translation of foreign operations' financial statements

In the preparation of the consolidated financial statements, the assets and liabilities of foreign operations are translated to Singapore Dollar at exchange rates ruling at the end of the reporting period except for share capital and reserves which are translated at historical rates of exchange (see **Note 2.13.4** for translation of goodwill and fair value adjustments).

Income and expenses in the income statement are translated using either the average exchange rates for the month or year, which approximate the exchange rates at the dates of the transactions. All resulting translation differences are taken directly to 'Other Comprehensive Income'.

On loss of control of a subsidiary, loss of significant influence of an associate or loss of joint control of a joint venture, the accumulated translation differences relating to that foreign operation are reclassified from equity to the consolidated income statement as part of gain or loss on disposal.

On partial disposal where there is no loss of control of a subsidiary, the accumulated translation differences relating to the disposal are reclassified to non-controlling interests. For partial disposals of associates or joint ventures, the proportionate accumulated translation differences relating to the disposal are taken to the consolidated income statement.

2.13.4 Translation of goodwill and fair value adjustments

Goodwill and fair value adjustments arising on the acquisition of foreign entities completed on or after 1 April 2005 are treated as assets and liabilities of the foreign entities and are recorded in the functional currencies of the foreign entities and translated at the exchange rates prevailing at the end of the reporting period. However, for acquisitions of foreign entities completed prior to 1 April 2005, goodwill and fair value adjustments continue to be recorded at the exchange rates at the respective dates of the acquisitions.

2.13.5 Net investment in a foreign entity

The exchange differences on loans from the Company to its subsidiaries, associates or joint ventures which form part of the Company's net investment in the subsidiaries, associates or joint ventures are included in 'Currency Translation Reserve' in the consolidated financial statements. On disposal of the foreign entity, the accumulated exchange differences deferred in the 'Currency Translation Reserve' are reclassified to the consolidated income statement in a similar manner as described in **Note 2.13.3.**

2.14 Provisions

A provision is recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. No provision is recognised for future operating losses.

The provision for liquidated damages in respect of information technology contracts is made based on management's best estimate of the anticipated liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

2.15 Intangible Assets

2.15.1 Goodwill

Goodwill on acquisition of subsidiaries on and after 1 April 2010 represents the excess of the consideration transferred, the recognised amount of any non-controlling interest in the acquiree entity and the fair value of any previous equity interest in the acquiree entity over the fair value of the net identifiable assets acquired, including contingent liabilities, at the acquisition date. Such goodwill is recognised separately as intangible asset and stated at cost less accumulated impairment losses.

Acquisitions completed prior to 1 April 2001

Goodwill on acquisitions of subsidiaries, associates and joint ventures completed prior to 1 April 2001 had been adjusted in full against 'Other Reserves' within equity. Such goodwill has not been retrospectively capitalised and amortised.

The Group also had acquisitions where the costs of acquisition were less than the fair value of identifiable net assets acquired. Such differences (negative goodwill) were adjusted against 'Other Reserves' in the year of acquisition.

Goodwill which has been previously taken to 'Other Reserves', is not taken to the consolidated income statement when the entity is disposed of or when the goodwill is impaired.

Acquisitions completed on or after 1 April 2001

Prior to 1 April 2004, goodwill on acquisitions of subsidiaries, associates and joint ventures completed on or after 1 April 2001 was capitalised and amortised on a straight-line basis in the consolidated income statement over its estimated useful life of up to 20 years. In addition, goodwill was assessed for indications of impairment at the end of each reporting period.

Since 1 April 2004, goodwill is no longer amortised but is tested annually for impairment or whenever there is an indication of impairment (see **Note 2.16**). The accumulated amortisation for goodwill as at 1 April 2004 had been eliminated with a corresponding decrease in the capitalised goodwill.

A bargain purchase gain is recognised directly in the consolidated income statement.

Gains or losses on disposal of subsidiaries, associates and joint ventures include the carrying amount of capitalised goodwill relating to the entity sold.

2.15.2 Other intangible assets

Optus' telecommunication licences are not amortised and are reviewed for impairment on an annual basis. Other expenditure on telecommunication and spectrum licences are capitalised and amortised using the straight-line method over their estimated useful lives of 4 to 18 years.

Other intangible assets which are acquired in business combinations are carried at fair values at the date of acquisition, and amortised on a straight-line basis over the period of the expected benefits. Customer relationships or customer contracts, brand, and technology have estimated useful lives of 4 to 10 years. Other intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

2.16 Impairment of Non-Financial Assets

Goodwill on acquisition of subsidiaries is subject to annual impairment test or is more frequently tested for impairment if events or changes in circumstances indicate that it might be impaired. Goodwill is not amortised (see **Note 2.15.1**).

Other intangible assets of the Group, which have finite useful lives and are subject to amortisation, as well as property, plant and equipment and investments in subsidiaries, associates and joint ventures, are reviewed at the end of each reporting period to determine whether there is any indicator for impairment, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the assets' recoverable amounts are estimated.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value-in-use.

An impairment loss for an asset, other than goodwill on acquisition of subsidiaries, is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Impairment loss on goodwill on acquisition of subsidiaries is not reversed in the subsequent period.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Work-in-progress is stated at cost and associated profits are recognised based on projects-in-progress, less progress payments received and receivable on uncompleted information technology projects. Costs include third party hardware and software costs, direct labour and other direct expenses attributable to the project activity.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

In the consolidated statement of financial position, work-in-progress is included in "Trade and other receivables", and the excess of progress billings over work-in-progress is included in "Trade and other payables" as applicable.

2.18 Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, where applicable. The cost of self-constructed assets includes the cost of material, direct labour, capitalised borrowing costs and an appropriate proportion of production overheads.

Depreciation is calculated on a straight-line basis to write off the cost of the property, plant and equipment over its expected useful life. Property, plant and equipment under finance lease is depreciated over the shorter of the lease term or useful life. The estimated useful lives are as follows -

	No. of years
Buildings	5 - 40
Transmission plant and equipment	5 - 25
Switching equipment	3 - 15
Other plant and equipment	2 - 20

Other plant and equipment consist mainly of motor vehicles, office equipment, and furniture and fittings.

No depreciation is provided on freehold land, long-term leasehold land with a remaining lease period of more than 100 years and capital work-in-progress. Leasehold land with a remaining lease period of 100 years or less is depreciated in equal instalments over its remaining lease period.

In respect of capital work-in-progress, assets are depreciated from the month the asset is completed and ready for use.

Costs of computer software which are an integral part of the related hardware are capitalised and recognised as assets and included in property, plant and equipment when it is probable that the costs will generate economic benefits beyond one year and the costs are associated with identifiable software products which can be reliably measured by the Group.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Costs may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Subsequent expenditure is included in the carrying amount of an asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period.

On disposal of property, plant and equipment, the difference between the disposal proceeds and its carrying value is taken to the income statement.

2.19 Leases

2.19.1 Finance leases

Finance leases are those leasing agreements which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items. Assets financed under such leases are treated as if they had been purchased outright at the lower of fair value and present value of the minimum lease payments and the corresponding leasing commitments are shown as obligations to the lessors.

2.19.1 Finance leases *(Cont'd)*

Lease payments are treated as consisting of capital repayments and interest elements. Interest is charged to the income statement over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding.

2.19.2 Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as expenses in the income statement on a straight-line basis over the period of the lease.

2.19.3 Sales of network capacity

Sales of network capacity are accounted as finance leases where -

(i) the purchaser's right of use is exclusive and irrevocable;
(ii) the asset is specific and separable;
(iii) the terms of the contract are for the major part of the asset's economic useful life;
(iv) the attributable costs or carrying value can be measured reliably; and
(v) no significant risks are retained by the Group.

Sales of network capacity that do not meet the above criteria are accounted for as operating leases.

2.19.4 Gains or losses from sale and leaseback

Gains on sale and leaseback transactions resulting in finance leases are deferred and amortised over the lease term on a straight-line basis, while losses are recognised immediately in the income statement.

Gains and losses on sale and leaseback transactions established at fair value which resulted in operating leases are recognised immediately in the income statement.

2.19.5 Capacity swaps

The Group may exchange network capacity with other capacity or service providers. The exchange is regarded as a transaction which generates revenue unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given up is reliably measurable.

2.20 Revenue Recognition

Revenue for the Group is recognised based on fair value for sale of goods and services rendered, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

Revenue includes the gross income received and receivable from revenue sharing arrangements entered into with overseas telecommunication companies in respect of traffic exchanged.

Revenue from subscription contract is recognised ratably over the service, maintenance or subscription period.

For mobile device repayment plans, the consideration is allocated to its separate revenue-generating activities based on the best estimate of the price of each activity in the arrangement. Handset sales are accounted for in accordance with the sale of equipment accounting policy (see below) of the Group. As the service credits under the device repayment plans are provided over time for services, they are recorded as a reduction of subscription revenue.

For prepaid cards which have been sold, provisions for unearned revenue are made for services which have not been rendered as at the end of the reporting period. Expenses directly attributable to the unearned revenue are deferred until the revenue is recognised.

Revenue from the sale of equipment is recognised upon the transfer of significant risks and rewards of ownership to the customer which generally coincides with delivery and acceptance of the equipment sold.

2.20 Revenue Recognition *(Cont'd)*

Revenues for system and network installation and integration projects are recognised based on the percentage of completion of the projects using cost-to-cost basis. Revenues from the rendering of services which involve the procurement of computer equipment, third party software for installation and information technology professional services are recognised upon full completion of the projects.

Revenue from sale of perpetual software licences and the related hardware are recognised when title passes to the customer, generally upon delivery.

Revenue from digital advertising services and solutions is recognised when advertising services are delivered, and when digital advertising impressions are delivered or click-throughs occur. Revenue from selling advertising space is recognised when the advertising space is filled and sold to customers.

Dividend income is recorded gross in the income statement when the right to receive payment is established.

Interest income is recognised on a time proportion basis using the effective interest method.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease.

2.21 Employees' Benefits

2.21.1 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund. The Group has no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

The Group's contributions to the defined contribution plans are recognised in the income statement as expenses in the financial year to which they relate.

2.21.2 Employees' leave entitlements

Employees' entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability of annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

2.21.3 Share-based compensation

Performance shares and share options

The performance share plans of the Group are accounted for either as equity-settled share-based payments or cash-settled share-based payments. The share option plans of the subsidiaries are accounted as equity-settled share-based payments.

Equity-settled share-based payments are measured at fair value at the date of grant, whereas cash-settled share-based payments are measured at current fair value at the end of each reporting period. The share-based payment expense is amortised and recognised in the income statement on a straight-line basis over the vesting period.

At the end of each reporting period, the Group revises its estimates of the number of equity instruments that the participants are expected to receive based on non-market vesting conditions. The difference is charged or credited to the income statement, with a corresponding adjustment to equity or liability for equity-settled and cash-settled share-based payments respectively.

The dilutive effects of the Singtel performance share plans are reflected as additional share dilution in the computation of diluted earnings per share.

2.22 Borrowing Costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in arranging borrowings, and finance lease charges. Borrowing costs are generally expensed as incurred, except to the extent that they are capitalised if they are directly attributable to the acquisition, construction, or production of a qualifying asset.

2.23 Customer Acquisition and Retention Costs

Customer acquisition and retention costs, including related sales and promotion expenses and activation commissions, are expensed as incurred.

2.24 Pre-incorporation Expenses

Pre-incorporation expenses are expensed as incurred.

2.25 Government Grants

Grants in recognition of specific expenses are recognised in the income statement over the periods necessary to match them with the relevant expenses they are intended to compensate. Grants related to depreciable assets are deferred and recognised in the income statement over the period in which such assets are depreciated and used in the projects subsidised by the grants.

2.26 Exceptional Items

Exceptional items refer to items of income or expense within the consolidated income statement from ordinary activities that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the financial year.

2.27 Income Tax

Income tax expense comprises current and deferred tax.

The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement as it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by, at the end of the reporting period.

Deferred taxation is provided in full, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit/ loss, it is not recognised. Deferred income tax is also not recognised for goodwill which is not deductible for tax purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates (and tax laws) enacted or substantively enacted in countries where the Company and its subsidiaries operate by, at the end of the reporting period.

2.27 Income Tax *(Cont'd)*

Deferred tax liabilities are provided on all taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and carry forward of unutilised tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carry forward of unused losses can be utilised.

At the end of each reporting period, the Group re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Group recognises a previously unrecognised deferred tax asset to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered. The Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable profit will be available to allow the benefit of all or part of the deferred tax asset to be utilised.

Current and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or different period, directly to equity.

2.28 Dividends

Interim and special dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2.29 Segment Reporting

An operating segment is identified as the component of the Group that is regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

2.30 Non-current Assets (or Disposal Groups) Held for Sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amounts are recovered principally through sale transactions rather than through continuing use.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

FRS 1, *Presentation Of Financial Statements*, requires disclosure of the judgements management has made in the process of applying the accounting policies that have the most impact on the amounts recognised in the financial statements. It also requires disclosure about the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The estimates and assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Cont'd)*

The following presents a summary of the critical accounting estimates and judgements -

3.1 Impairment Reviews

The accounting policies for impairment of non-financial assets are stated in **Note 2.16.**

During an impairment review, the Group assesses whether the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Recoverable amount is defined as the higher of an asset's or cash generating unit's fair value less costs to sell and its value-in-use. In making this judgement, the Group evaluates the value-in-use which is supported by the net present value of future cash flows derived from such assets or cash-generating units using cash flow projections which have been discounted at an appropriate rate. Forecasts of future cash flows are based on the Group's estimates using historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

Goodwill recorded by associates and joint ventures is required to be tested for impairment at least annually. The impairment assessment requires the exercise of significant judgement about future market conditions, including growth rates and discount rates applicable in a number of markets where the associates and joint ventures operate.

The assumptions used by management to determine the value-in-use calculations of goodwill on acquisition of subsidiaries are disclosed in **Note 23**. The carrying values of associates and joint ventures including goodwill capitalised are stated in **Note 21** and **Note 22** respectively.

3.2 Impairment of Trade Receivables

The Group assesses at the end of each reporting period whether there is objective evidence that trade receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated experience.

3.3 Estimated Useful Lives of Property, Plant and Equipment

The Group reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the carrying value of property, plant and equipment.

3.4 Taxation

3.4.1 Deferred tax asset

The Group reviews the carrying amount of deferred tax asset at the end of each reporting period. Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Cont'd)*

3.4.2 Income taxes

The Group is subject to income taxes in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business, including the tax matter disclosed in **Note 38(b)**. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.5 Fair values of derivative financial instruments

The Group uses valuation techniques to determine the fair values of financial instruments. The valuation techniques used for different financial instruments are selected to reflect how the market would be expected to price the instruments, using inputs that reasonably reflect the risk-return factors inherent in the instruments. Depending upon the characteristics of the financial instruments, observable market factors are available for use in most valuations, while others involve a greater degree of judgment and estimation.

3.6 Share-based Payments

Equity-settled share-based payments are measured at fair value at the date of grant, whereas cash-settled share-based payments are measured at current fair value at the end of each reporting period. In addition, the Group revises the estimated number of equity instruments that participants are expected to receive based on non-market vesting conditions at the end of each reporting period.

The assumptions of the valuation model used to determine fair values are set out in **Note 5.3**.

3.7 Contingent Liabilities

The Group consults with its legal counsel on matters related to litigation, and other experts both within and outside the Group with respect to matters in the ordinary course of business. As at 31 March 2018, the Group was involved in various legal proceedings where it has been vigorously defending its claims as disclosed in **Note 38**.

The Group also reports significant contingent liabilities of its associates and joint ventures. Assessment on whether the risk of loss is remote, possible or probable requires significant judgement given the complexities involved. The significant contingent liabilities of the Group's associate and joint ventures have been disclosed in **Note 39**.

3.8 Purchase Price Allocation

The Group completed the acquisition of Turn in April 2017. Purchase price allocation exercise requires a significant amount of management estimation, particularly in relation to the identification and valuation of intangible assets and assignment of their useful lives. The Group's disclosure of the above is set out in **Note 3(a)** to the Consolidated Statement of Cash Flows.

4. OPERATING REVENUE

	Group	
	2018 S$ Mil	**2017 S$ Mil**
Mobile communications [1]	**5,955.2**	5,926.5
Data and Internet [1]	**3,427.3**	3,319.0
Infocomm Technology [1]	**3,067.6**	2,948.0
Sale of equipment	**2,031.9**	1,903.8
Digital businesses	**1,113.1**	565.6
National telephone	**963.2**	1,062.4
International telephone	**421.1**	479.7
Pay television [1]	**369.4**	356.1
Others [1]	**183.0**	150.3
Operating revenue	**17,531.8**	16,711.4
Operating revenue	**17,531.8**	16,711.4
Other income	**258.8**	215.3
Interest and dividend income (see **Note 10**)	**49.2**	99.7
Total revenue	**17,839.8**	17,026.4

Note:
[1] Comparatives have been reclassified to be consistent with current year.

5. OPERATING EXPENSES

	Group	
	2018 S$ Mil	**2017 S$ Mil**
Selling and administrative costs [1]	**2,922.5**	2,921.9
Staff costs	**2,652.4**	2,523.4
Other cost of sales	**2,613.3**	2,115.4
Cost of equipment sold	**2,529.6**	2,415.9
Traffic expenses	**1,615.8**	1,575.6
Repairs and maintenance	**367.9**	376.8
	12,701.5	11,929.0

Note:
[1] Includes mobile and broadband subscriber acquisition and retention costs, supplies and services, as well as rentals of properties and mobile base stations.

Notes to the Financial Statements

For the financial year ended 31 March 2018

5.1 Staff Costs

	Group 2018 S$ Mil	Group 2017 S$ Mil
Staff costs included the following -		
Contributions to defined contribution plans	**252.3**	233.9
Performance share and share option expenses		
- equity-settled arrangements	**32.7**	33.9
- cash-settled arrangements	**1.9**	2.0

5.2 Key Management Personnel Compensation

	Group 2018 S$ Mil	Group 2017 S$ Mil
Key management personnel compensation [(1)]		
Executive director [(2)]	**6.1**	6.6
Other key management personnel [(3)]	**22.4**	20.8
	28.5	27.4
Directors' remuneration [(4)]	**2.5**	2.6
	31.0	30.0

Notes:

(1) Comprise base salary, bonus, contributions to defined contribution plans and other benefits, but exclude performance share and share option expenses disclosed below.

(2) The Group Chief Executive Officer, an executive director of Singtel, was awarded up to 1,712,538 (2017: 1,895,988) ordinary shares of Singtel pursuant to Singtel performance share plans and a one-off Special Share Award ("**SSA**"), subject to certain performance criteria including other terms and conditions being met. The performance share expense computed in accordance with FRS 102, *Share-based Payment*, was S$3.3 million (2017: S$2.4 million).

(3) The other key management personnel of the Group comprise the Chief Executive Officers of Consumer Singapore, Consumer Australia, Group Enterprise, Group Digital Life and International Group, as well as the Group Chief Corporate Officer, Group Chief Financial Officer, Group Chief Human Resources Officer, Group Chief Information Officer and Group Chief Technology Officer.

The other key management personnel were awarded up to 4,391,498 (2017: 4,331,295) ordinary shares of Singtel pursuant to Singtel performance share plans and a one-off SSA, subject to certain performance criteria including other terms and conditions being met. The performance share expense computed in accordance with FRS 102, *Share-based Payment*, was S$8.5 million (2017: S$5.6 million).

(4) Directors' remuneration comprises the following:

(i) Directors' fees of S$2.5 million (2017: S$2.5 million), including fees paid to certain directors in their capacities as members of the Optus Advisory Committee and the Technology Advisory Panel, and as director of Singtel Innov8 Pte. Ltd.

(ii) Car-related benefits of Chairman of S$20,446 (2017: S$21,611).

In addition to the directors' remuneration, Venkataraman Vishnampet Ganesan, a non-executive director of Singtel, was awarded 750,718 share options pursuant to the Amobee Long-Term Incentive Plan in 2016, subject to certain terms and conditions being met. No similar share option was awarded during the financial year (2017: Nil). The share option expense computed in accordance with FRS 102, *Share-based Payment*, was S$21,607 (2017: S$64,418).

Notes to the Financial Statements

For the financial year ended 31 March 2018

5.3 Share-based Payments

5.3.1 Performance share plans

With effect from 1 April 2012, Restricted Share Awards and Performance Share Awards are given to selected employees of Singtel and its subsidiaries. The awards are conditional upon the achievement of predetermined performance targets over the performance period, which is two years for the Restricted Share Awards and three years for the Performance Share Awards. Both awards are generally settled by delivery of Singtel shares, with the awards for certain senior executives to be settled by Singtel shares or cash, at the option of the recipient.

Additionally, early vesting of the performance shares can also occur under special circumstances approved by the Executive Resource and Compensation Committee such as retirement, redundancy, illness and death while in employment.

Though the performance shares are awarded by Singtel, the respective subsidiaries bear all costs and expenses in any way arising out of, or connected with, the grant and vesting of the awards to their employees.

The fair values of the performance shares are estimated using a Monte-Carlo simulation methodology at the measurement dates, which are the grant value dates for equity-settled awards, and at the end of the reporting period for cash-settled awards.

Restricted Share Awards

The movements of the number of performance shares for the Restricted Share Awards during the financial year were as follows –

Group and Company 2018	Outstanding as at 1 April 2017 '000	Granted '000	Awarded from targets exceeded '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2018 '000
Date of grant						
FY2015 [1]						
23 June 2014	**2,707**	**-**	**-**	**(2,690)**	**(17)**	**-**
September 2014 to March 2015	**9**	**-**	**-**	**(9)**	**-**	**-**
FY2016						
17 June 2015	**3,679**	**-**	**1,094**	**(2,406)**	**(180)**	**2,187**
September 2015 to March 2016	**30**	**-**	**10**	**(20)**	**-**	**20**
FY2017						
20 June 2016	**5,319**	**-**	**1**	**(67)**	**(342)**	**4,911**
September 2016 to March 2017	**87**	**-**	**-**	**(67)**	**-**	**20**
FY2018						
19 June 2017	**-**	**7,701**	**-**	**(15)**	**(393)**	**7,293**
September 2017 to March 2018	**-**	**314**	**-**	**-**	**-**	**314**
	11,831	**8,015**	**1,105**	**(5,274)**	**(932)**	**14,745**

Note:

[1] "FY2015" denotes financial year ended 31 March 2015.

5.3.1 Performance share plans *(Cont'd)*

Group and Company 2017	Outstanding as at 1 April 2016 '000	Granted '000	Awarded from targets exceeded '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2017 '000
Date of grant						
FY2014						
21 June 2013	2,482	-	-	(2,441)	(41)	-
September 2013 to March 2014	8	-	-	(5)	(3)	-
FY2015						
23 June 2014	4,514	-	1,328	(2,921)	(214)	2,707
September 2014 to March 2015	14	-	4	(9)	-	9
FY2016						
17 June 2015	3,993	-	2	(54)	(262)	3,679
September 2015 to March 2016	30	-	-	-	-	30
FY2017						
20 June 2016	-	5,541	-	(8)	(214)	5,319
September 2016 to March 2017	-	87	-	-	-	87
	11,041	5,628	1,334	(5,438)	(734)	11,831

The fair values of the Restricted Share Awards and the assumptions of the fair value model for the grants were as follows –

Equity-settled	Date of grant 17 June 2015	20 June 2016	19 June 2017
Fair value at grant date	S$3.79	S$3.46	S$3.34
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.8%	15.6%	14.3%
MSCI Asia Pacific Telco Index	10.2%	NA	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding May 2015	36 months historical volatility preceding May 2016	36 months historical volatility preceding May 2017
Risk free interest rates			
Yield of Singapore Government Securities on	4 June 2015	1 June 2016	7 June 2017

"NA" denotes Not Applicable.

Notes to the Financial Statements

For the financial year ended 31 March 2018

5.3.1 Performance share plans *(Cont'd)*

Cash-settled 2018	Date of grant 17 June 2015	20 June 2016	19 June 2017
Fair value at 31 March 2018	S$3.37	S$3.28	S$3.10
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.4%	14.4%	14.4%
MSCI Asia Pacific Telco Index	10.2%	NA	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2018		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2018	31 March 2018	31 March 2018

Cash-settled 2017	Date of grant 23 June 2014	17 June 2015	20 June 2016
Fair value at 31 March 2017	S$3.89	S$3.83	S$3.65
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.5%	14.5%	14.5%
MSCI Asia Pacific Telco Index	11.0%	11.0%	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2017		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2017	31 March 2017	31 March 2017

Notes to the Financial Statements

For the financial year ended 31 March 2018

5.3.1 Performance share plans *(Cont'd)*

Performance Share Awards

The movements of the number of performance shares for the Performance Share Awards during the financial year were as follows –

Group and Company 2018	**Outstanding as at 1 April 2017 '000**	**Granted '000**	**Vested '000**	**Cancelled '000**	**Outstanding as at 31 March 2018 '000**
Date of grant					
FY2015					
23 June 2014	**7,947**	**-**	**(1,285)**	**(6,662)**	**-**
September 2014 to March 2015	**21**	**-**	**(3)**	**(18)**	**-**
FY2016					
17 June 2015	**8,976**	**-**	**-**	**(447)**	**8,529**
September 2015 to March 2016	**157**	**-**	**-**	**-**	**157**
FY2017					
20 June 2016	**9,068**	**-**	**-**	**(417)**	**8,651**
September 2016 to March 2017	**91**	**-**	**-**	**-**	**91**
FY2018					
19 June 2017	**-**	**4,804**	**-**	**(75)**	**4,729**
September 2017 to March 2018	**-**	**156**	**-**	**-**	**156**
	26,260	**4,960**	**(1,288)**	**(7,619)**	**22,313**

Group and Company 2017	**Outstanding as at 1 April 2016 '000**	**Granted '000**	**Vested '000**	**Cancelled '000**	**Outstanding as at 31 March 2017 '000**
Date of grant					
FY2014					
21 June 2013	8,313	-	(1,215)	(7,098)	-
September 2013 to March 2014	15	-	(2)	(13)	-
FY2015					
23 June 2014	8,169	-	-	(222)	7,947
September 2014 to March 2015	21	-	-	-	21
FY2016					
17 June 2015	9,221	-	-	(245)	8,976
September 2015 to March 2016	157	-	-	-	157
FY2017					
20 June 2016	-	9,133	-	(65)	9,068
September 2016 to March 2017	-	91	-	-	91
	25,896	9,224	(1,217)	(7,643)	26,260

Notes to the Financial Statements

For the financial year ended 31 March 2018

5.3.1 Performance share plans *(Cont'd)*

The fair values of the Performance Share Awards and the assumptions of the fair value model for the grants were as follows –

	Date of grant		
Equity-settled	**17 June 2015**	**20 June 2016**	**19 June 2017**
Fair value at grant date	S$1.17	S$1.81	S$1.28
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.8%	15.6%	14.3%
MSCI Asia Pacific Telco Index	10.2%	NA	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding May 2015	36 months historical volatility preceding May 2016	36 months historical volatility preceding May 2017
Risk free interest rates			
Yield of Singapore Government Securities on	4 June 2015	1 June 2016	7 June 2017

	Date of grant		
Cash-settled 2018	**17 June 2015**	**20 June 2016**	**19 June 2017**
Fair value at 31 March 2018	-	S$0.91	S$0.80
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.4%	14.4%	14.4%
MSCI Asia Pacific Telco Index	10.2%	NA	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2018		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2018	31 March 2018	31 March 2018

5.3.1 Performance share plans *(Cont'd)*

Cash-settled 2017	Date of grant 23 June 2014	17 June 2015	20 June 2016
Fair value at 31 March 2017	S$0.63	S$0.53	S$2.03
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.5%	14.5%	14.5%
MSCI Asia Pacific Telco Index	11.0%	11.0%	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2017		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2017	31 March 2017	31 March 2017

5.3.2 Amobee's share options - equity-settled arrangement

In April 2015, Amobee Group Pte. Ltd. ("**Amobee**"), a wholly-owned subsidiary of the Company, implemented the 2015 Long-Term Incentive Plan ("**Amobee LTI Plan**"). Selected employees (including executive directors) and non-executive directors of Amobee group are granted options to purchase ordinary shares of Amobee.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of Amobee on the date of grant. Options for employees are scheduled to be fully vested in either 3 years or 3.5 years from the vesting commencement date.

The grant dates, exercise prices and fair values of the share options were as follows –

Equity-settled Date of grant	Exercise price US$	Fair value at grant/ repriced date US$
For employees		
13 April 2015	0.79	0.224 to 0.261
14 October 2015	0.54 to 0.79	0.217 to 0.287
20 January 2016, 10 May 2016, 24 August 2016, 25 January 2017	0.54	0.287
23 June 2016	0.54	0.273 to 0.287
19 July 2017, 18 August 2017, 12 September 2017, 25 January 2018	0.54	0.260 to 0.268
For non-executive directors		
14 October 2015	0.54	0.203

The terms of the options granted to employees and non-executive directors are 10 years and 5 years from the date of grant respectively.

The fair values for the share options granted were estimated using the Black-Scholes pricing model.

From 1 April 2017 to 31 March 2018, options in respect of an aggregate of 43.8 million of ordinary shares in Amobee have been granted to the employees and non-executive directors of Amobee and/or its subsidiaries. As at 31 March 2018, options in respect of an aggregate of 63.1 million of ordinary shares in Amobee are outstanding.

5.3.3 Trustwave's share options - equity-settled arrangement

In December 2015, Trustwave Holdings, Inc. ("**Trustwave**"), a 98%-owned subsidiary of the Company, implemented the Stock Option Incentive Plan ("**Trustwave ESOP**"). Selected employees (including executive directors) and non-executive directors of Trustwave and/or its subsidiaries are granted options to purchase common stock of Trustwave.

Options are exercisable at a price no less than 100% of the fair value of the common stock of Trustwave on the date of grant, and are scheduled to be fully vested 4 years from the vesting commencement date.

The grant dates, exercise prices and fair values of the share options were as follows –

Equity-settled Date of grant	Exercise price US$	Fair value at grant date US$
1 December 2015	16.79	6.57
22 January 2016	16.79	6.28
19 May 2016	16.79	6.16 to 6.27
12 September 2016	16.79	6.03 to 6.10
20 January 2017	16.24	5.93 to 6.57
15 March 2018	15.37	6.71 to 6.92

The term of each option granted is 10 years from the date of grant.

The fair values for the share options granted were estimated using the Black-Scholes pricing model.

From 1 April 2017 to 31 March 2018, options in respect of an aggregate of 0.4 million of common stock in Trustwave have been granted. As at 31 March 2018, options in respect of an aggregate of 2.4 million of common stock in Trustwave are outstanding.

5.3.4 HOOQ's share options - equity-settled arrangement

In December 2015, HOOQ Digital Pte. Ltd. ("**HOOQ**"), a 65%-owned subsidiary of the Company, implemented the HOOQ Digital Employee Share Option Scheme (the "**Scheme**"). Selected employees (including executive directors) of HOOQ and/or its subsidiaries are granted options to purchase ordinary shares of HOOQ.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of HOOQ on the date of grant, and are scheduled to be fully vested 4 years from the vesting commencement date.

The grant dates, exercise prices and fair values of the share options were as follows –

Equity-settled Date of grant	Exercise price US$	Fair value at grant date US$
16 May 2016	0.07	0.0445 to 0.0463
24 April 2017	0.07	0.0301 to 0.0315
2 May 2017	0.07	0.0292 to 0.0313
31 July 2017	0.07	0.0313 to 0.0315
8 September 2017	0.07	0.0296 to 0.0298
23 October 2017	0.07	0.0309 to 0.0320
10 January 2018	0.07	0.0316 to 0.0318

The term of each option granted is 10 years from the date of grant.

5.3.4 HOOQ's share options - equity-settled arrangement *(Cont'd)*

The fair values for the share options granted were estimated using the Black-Scholes pricing model.

From 1 April 2017 to 31 March 2018, options in respect of an aggregate of 14.0 million of ordinary shares in HOOQ have been granted. As at 31 March 2018, options in respect of an aggregate of 42.8 million of ordinary shares in HOOQ are outstanding.

5.4 Structured Entity

The Trust's purpose is to purchase the Company's shares from the open market for delivery to the recipients upon vesting of the share-based payments awards.

As at the end of the reporting period, the Trust held the following assets -

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Cost of Singtel shares, net of vesting	**29.1**	29.0	**27.2**	27.0
Cash at bank	**0.6**	0.4	**0.6**	0.4
	29.7	29.4	**27.8**	27.4

The details of Singtel shares held by the Trust were as follows –

	Number of shares		Amount	
Group	2018 '000	2017 '000	2018 S$ Mil	2017 S$ Mil
Balance as at 1 April	**7,404**	6,924	**29.0**	26.8
Purchase of Singtel shares	**4,255**	4,622	**15.9**	18.2
Vesting of shares	**(4,046)**	(4,142)	**(15.8)**	(16.0)
Balance as at 31 March	**7,613**	7,404	**29.1**	29.0

Upon consolidation of the Trust in the consolidated financial statements, the weighted average cost of vested Singtel shares is taken to 'Capital Reserve' whereas the weighted average cost of unvested shares is taken to 'Treasury Shares' within equity. See **Note 2.3**.

5.5 Other Operating Expense Items

	Group 2018 S$ Mil	Group 2017 S$ Mil
Operating expenses included the following -		
Auditors' remuneration		
- Deloitte & Touche LLP, Singapore	**1.5**	1.5
- Deloitte Touche Tohmatsu, Australia	**1.2**	1.2
- Other Deloitte & Touche offices	**2.1**	1.7
Non-audit fees paid to		
- Deloitte & Touche LLP, Singapore (1)	**0.3**	0.4
- Deloitte Touche Tohmatsu, Australia (1)	**0.3**	0.3
- Other Deloitte & Touche offices	**0.2**	0.1
Impairment of trade receivables	**128.0**	139.1
Allowance for inventory obsolescence	**7.1**	1.6
Operating lease payments for properties and mobile base stations	**470.7**	447.8

Note:
(1) The non-audit fees for the current financial year ended 31 March 2018 included S$0.2 million (2017: S$0.2 million) and S$0.3 million (2017: S$0.3 million) paid to Deloitte & Touche LLP, Singapore, and Deloitte Touche Tohmatsu, Australia, respectively in respect of tax services, certification and review for regulatory purposes.

The Audit Committee had undertaken a review of the non-audit services provided by the auditors, Deloitte & Touche LLP, and in the opinion of the Audit Committee, these services did not affect the independence of the auditors.

6. OTHER INCOME

Other income included the following items -

	Group 2018 S$ Mil	Group 2017 S$ Mil
Rental income	**3.3**	3.3
Net gains on disposal of property, plant and equipment	**4.3**	3.4
Net foreign exchange losses	**(9.1)**	(6.2)

7. DEPRECIATION AND AMORTISATION

	Group	
	2018 S$ Mil	**2017 S$ Mil**
Depreciation of property, plant and equipment [1]	**2,041.1**	1,959.9
Amortisation of intangible assets	**300.5**	282.1
Amortisation of deferred gain on sale of a joint venture	**(1.5)**	(3.1)
	2,340.1	2,238.9

Note:
[1] Optus has revised the useful lives of certain network assets from 1 April 2017 as part of its periodic review. The revision has resulted in lower depreciation of S$49 million (A$48 million) in the current financial year ended 31 March 2018.

8. EXCEPTIONAL ITEMS

	Group	
	2018 S$ Mil	**2017 S$ Mil**
Exceptional gains		
Gain on disposal of an associate	**2,030.9**	-
Disputes settlement	**54.8**	-
Gain on sale of AFS investments	**45.7**	11.5
Gain on disposal of a joint venture	**6.5**	-
Reversal of impairment on AFS investments	**0.2**	4.8
Gain on dilution of interests in associates and joint ventures	**-**	33.3
	2,138.1	49.6
Exceptional losses		
Impairment of other non-current assets	**(77.3)**	(11.7)
Staff restructuring costs	**(57.7)**	(38.3)
Provision for contingent claims and other charges	**(57.1)**	-
Impairment of an associate	**(5.0)**	-
Loss on sale of AFS investments	**(0.6)**	(0.2)
Impairment of AFS investments	**-**	(0.6)
	(197.7)	(50.8)
	1,940.4	(1.2)

9. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	Group 2018 S$ Mil	Group 2017 S$ Mil
Share of ordinary results		
- joint ventures [1]	**2,213.3**	2,638.0
- associates	**240.3**	247.8
	2,453.6	2,885.8
Share of net exceptional losses of associates and joint ventures (post-tax) [1]	**(26.8)**	(30.7)
Share of tax of ordinary results		
- joint ventures [1]	**(602.0)**	(793.7)
- associates	**(38.1)**	(44.1)
	(640.1)	(837.8)
	1,786.7	2,017.3

Note:

(1) AIS' 3G/4G handset subsidy costs in the previous financial year has been reclassified from share of exceptional items to share of ordinary results of joint ventures to be consistent with current year.

10. INTEREST AND INVESTMENT INCOME (NET)

	Group 2018 S$ Mil	Group 2017 S$ Mil
Interest income from		
- bank deposits	**7.6**	5.8
- others	**9.0**	31.6
	16.6	37.4
Dividends from joint ventures	**30.3**	60.9
Gross dividends from AFS investments	**2.3**	1.4
	49.2	99.7
Other foreign exchange (losses)/ gains	**(11.1)**	8.1
Other fair value gains	**7.4**	0.5
Fair value gains/ (losses) on fair value hedges		
- hedged items	**114.3**	57.8
- hedging instruments	**(114.2)**	(51.3)
	0.1	6.5
Fair value gains/ (losses) on cash flow hedges		
- hedged items	**2.1**	(1.5)
- hedging instruments	**(2.1)**	1.5
	-	-
	45.6	114.8

11. FINANCE COSTS

	Group 2018 S$ Mil	Group 2017 S$ Mil
Interest expense on		
- bonds	**302.8**	305.5
- bank loans	**49.7**	36.1
	352.5	341.6
Financing related costs	**27.0**	28.7
Effects of hedging using interest rate swaps	**6.8**	(0.2)
Unwinding of discounts (including adjustments)	**3.9**	4.2
	390.2	374.3

12. TAXATION

12.1 Tax Expense

	Group 2018 S$ Mil	Group 2017 S$ Mil
Current income tax		
- Singapore	**237.6**	235.7
- Overseas	**318.4**	299.4
	556.0	535.1
Deferred tax credit	**(51.5)**	(3.9)
Tax expense attributable to current year's profit	**504.5**	531.2
Adjustments in respect of prior years [1] -		
Current income tax	**(17.9)**	(34.8)
Deferred income tax	**36.5**	26.7
Withholding and dividend distribution taxes on dividend income from associates and joint ventures	**178.1**	161.3
	701.2	684.4

Note:

(1) This included certain tax credits upon finalisation of earlier years' tax assessments.

12.1 Tax Expense *(Cont'd)*

The tax expense on profits was different from the amount that would arise using the Singapore standard rate of income tax due to the following –

	Group	
	2018 S$ Mil	**2017 S$ Mil**
Profit before tax	**6,131.5**	4,515.4
Less: Share of results of associates and joint ventures	**(1,786.7)**	(2,017.3)
	4,344.8	2,498.1
Tax calculated at tax rate of 17 per cent (2017: 17 per cent)	**738.6**	424.7
Effects of -		
Different tax rates of other countries	**78.7**	49.6
Income not subject to tax	**(342.7)**	(7.4)
Expenses not deductible for tax purposes	**33.7**	30.6
Deferred tax asset not recognised	**39.6**	47.5
Change in tax rate of other country	**(27.5)**	-
Others	**(15.9)**	(13.8)
Tax expense attributable to current year's profit	**504.5**	531.2

12.2 Deferred Taxes

The movements of the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year were as follows -

Group - 2018 Deferred tax assets	**Provisions S$ Mil**	**TWDV [1] in excess of NBV [2] of depreciable assets S$ Mil**	**Tax losses and unutilised capital allowances S$ Mil**	**Others S$ Mil**	**Total S$ Mil**
Balance as at 1 April 2017	**40.3**	**137.8**	**21.7**	**469.6**	**669.4**
Credited/ (Charged) to income statement	**5.2**	**(53.1)**	**-**	**(213.7)**	**(261.6)**
Charged to other comprehensive income	**-**	**-**	**-**	**(8.4)**	**(8.4)**
Transfer from current tax	**1.0**	**-**	**-**	**-**	**1.0**
Translation differences	**(3.4)**	**(5.5)**	**1.1**	**(10.3)**	**(18.1)**
Balance as at 31 March 2018	**43.1**	**79.2**	**22.8**	**237.2**	**382.3**

12.2 Deferred Taxes *(Cont'd)*

Group - 2018 Deferred tax liabilities	Accelerated tax depreciation S$ Mil	Offshore interest and dividend not remitted S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 April 2017	**(457.8)**	**(5.1)**	**(123.3)**	**(586.2)**
Acquisition of a subsidiary	**-**	**-**	**(21.4)**	**(21.4)**
(Charged)/ Credited to income statement	**(13.9)**	**(0.1)**	**73.4**	**59.4**
Transfer to current tax	**0.5**	**-**	**1.3**	**1.8**
Translation differences	**0.3**	**-**	**3.5**	**3.8**
Balance as at 31 March 2018	**(470.9)**	**(5.2)**	**(66.5)**	**(542.6)**

Group - 2017 Deferred tax assets	Provisions S$ Mil	TWDV [1] in excess of NBV [2] of depreciable assets S$ Mil	Tax losses and unutilised capital allowances S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 April 2016	47.0	124.9	23.4	507.1	702.4
(Charged)/ Credited to income statement	(8.2)	8.5	(2.8)	(45.6)	(48.1)
Credited to other comprehensive income	-	-	-	1.3	1.3
Transfer (to)/ from current tax	(0.6)	-	0.1	0.2	(0.3)
Translation differences	2.1	4.4	1.0	6.6	14.1
Balance as at 31 March 2017	40.3	137.8	21.7	469.6	669.4

Group - 2017 Deferred tax liabilities	Accelerated tax depreciation S$ Mil	Offshore interest and dividend not remitted S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 April 2016	(444.7)	(5.3)	(145.4)	(595.4)
(Charged)/ Credited to income statement	(13.0)	0.2	26.0	13.2
Transfer from current tax	(0.1)	-	(1.5)	(1.6)
Translation differences	-	-	(2.4)	(2.4)
Balance as at 31 March 2017	(457.8)	(5.1)	(123.3)	(586.2)

12.2 Deferred Taxes *(Cont'd)*

Company - 2018 **Deferred tax assets**	**Provisions** **S$ Mil**	**Others** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2017	**0.3**	**2.8**	**3.1**
Credited to income statement	**0.2**	**8.2**	**8.4**
Balance as at 31 March 2018	**0.5**	**11.0**	**11.5**

Company - 2018 **Deferred tax liabilities**	**Accelerated tax depreciation** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2017	**(285.3)**	**(285.3)**
Charged to income statement	**(1.8)**	**(1.8)**
Balance as at 31 March 2018	**(287.1)**	**(287.1)**

Company - 2017 **Deferred tax assets**	**Provisions** **S$ Mil**	**Others** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2016	0.4	3.3	3.7
Charged to income statement	(0.1)	(0.5)	(0.6)
Balance as at 31 March 2017	0.3	2.8	3.1

Company - 2017 **Deferred tax liabilities**	**Accelerated tax depreciation** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2016	(274.2)	(274.2)
Charged to income statement	(11.1)	(11.1)
Balance as at 31 March 2017	(285.3)	(285.3)

Notes:
(1) TWDV – Tax written down value
(2) NBV – Net book value

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities, and when deferred income taxes relate to the same fiscal authority.

12.2 Deferred Taxes *(Cont'd)*

The amounts, determined after appropriate offsetting, are shown in the statements of financial position as follows -

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Deferred tax assets	**360.1**	657.8	**-**	-
Deferred tax liabilities	**(520.4)**	(574.6)	**(275.6)**	(282.2)
	(160.3)	83.2	**(275.6)**	(282.2)

Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.

As at 31 March 2018, the subsidiaries of the Group had estimated unutilised income tax losses of approximately S$1.35 billion (31 March 2017: $1.07 billion), unutilised investment allowances of S$48 million (31 March 2017: S$50 million), unutilised capital tax losses of S$91 million (31 March 2017: S$97 million) and unabsorbed capital allowances of approximately S$10 million (31 March 2017: S$8.7 million).

These unutilised income tax losses and investment allowances, and unabsorbed capital allowances are available for set-off against future taxable profits, subject to the agreement of the relevant tax authorities and compliance with certain provisions of the income tax regulations of the respective countries in which the subsidiaries operate. The unutilised capital tax losses are available for set-off against future capital gains of a similar nature subject to compliance with certain statutory tests in Australia.

As at the end of the reporting period, the potential tax benefits arising from the following items were not recognised in the financial statements due to uncertainty on their recoverability –

	Group	
	2018 S$ Mil	2017 S$ Mil
Unutilised income tax losses and investment allowances, and unabsorbed capital allowances	**1,405.1**	1,132.4
Unutilised capital tax losses	**90.9**	96.5

13. EARNINGS PER SHARE

	Group	
	2018 '000	2017 '000
Weighted average number of ordinary shares in issue for calculation of basic earnings per share [(1)]	**16,322,581**	16,082,136
Adjustment for dilutive effects of performance share plans	**21,748**	27,115
Weighted average number of ordinary shares for calculation of diluted earnings per share	**16,344,329**	16,109,251

Note:

(1) Adjusted to exclude the number of performance shares held by the Trust and the Company.

'Basic earnings per share' is calculated by dividing the Group's profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the financial year.

For 'Diluted earnings per share', the weighted average number of ordinary shares in issue included the number of additional shares outstanding if the potential dilutive ordinary shares arising from the performance shares granted by the Group were issued. Adjustment is made to earnings for the dilutive effect arising from the associates and joint ventures' dilutive shares.

14. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Group had the following significant transactions and balances with related parties –

	Group	
	2018 S$ Mil	2017 S$ Mil
Income		
Subsidiaries of ultimate holding company		
Telecommunications	**93.7**	91.8
Rental and maintenance	**29.0**	29.3
Associates		
Telecommunications	**19.8**	17.2
Interest on loan	**8.2**	27.6
Joint ventures		
Telecommunications	**45.8**	35.3

14. RELATED PARTY TRANSACTIONS *(Cont'd)*

	Group	
	2018 S$ Mil	2017 S$ Mil
Expenses		
Subsidiaries of ultimate holding company		
Telecommunications	**34.6**	43.9
Utilities	**68.7**	72.0
Associates		
Telecommunications	**144.0**	146.2
Postal	**7.9**	8.8
Rental	**6.3**	3.5
Joint ventures		
Telecommunications	**32.0**	37.0
Transmission capacity	**4.6**	27.0
Acquisition of shares in associate and joint ventures	**539.4**	2,471.3
Proceeds from sale of property, plant and equipment	**137.8**	32.0
Proceeds from disposal of a joint venture	**15.0**	-
Proceeds from disposal of AFS investments	**27.0**	-
Issue of new shares	**-**	1,605.1
Due from subsidiaries of ultimate holding company	**28.0**	23.8
Due to subsidiaries of ultimate holding company	**1.6**	5.2

All the above transactions were on normal commercial terms and conditions and market rates.

Please refer to **Note 5.2** for information on key management personnel compensation.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Fixed deposits	**122.7**	164.1	**28.0**	27.6
Cash and bank balances	**402.2**	369.7	**64.0**	61.6
	524.9	533.8	**92.0**	89.2

The carrying amounts of the cash and cash equivalents approximate their fair values.

Cash and cash equivalents denominated in the non-functional currencies of the Group were as follows –

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
USD	**87.5**	140.7	**30.3**	34.6
AUD	**14.8**	16.9	**0.3**	8.1
HKD	**15.6**	8.0	**0.3**	0.3

The maturities of the fixed deposits were as follows -

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Less than three months	**105.7**	147.8	**28.0**	27.6
Over three months	**17.0**	16.3	**-**	-
	122.7	164.1	**28.0**	27.6

As at 31 March 2018, the weighted average effective interest rate of the fixed deposits of the Group and the Company were 1.6 per cent (31 March 2017: 1.3 per cent) per annum and 1.7 per cent (31 March 2017: 1.1 per cent) per annum respectively.

The exposure of cash and cash equivalents to interest rate risks is disclosed in **Note 34.3**.

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
Current	**2018 S$ Mil**	**2017 S$ Mil**	**2018 S$ Mil**	**2017 S$ Mil**
Trade receivables [1]	**4,044.1**	3,826.6	**487.6**	492.3
Less: Allowance for impairment of trade receivables	**(241.5)**	(225.2)	**(96.4)**	(90.7)
	3,802.6	3,601.4	**391.2**	401.6
Other receivables	**434.2**	525.0	**20.6**	18.9
Loans to subsidiaries	**-**	-	**120.6**	127.6
Less: Allowance for impairment of loans due	**-**	-	**(9.3)**	(12.7)
	-	-	**111.3**	114.9
Amount due from subsidiaries				
- trade	**-**	-	**722.3**	717.0
- non-trade	**-**	-	**1,029.0**	363.3
Less: Allowance for impairment of amount due	**-**	-	**(45.4)**	(45.4)
	-	-	**1,705.9**	1,034.9
Amount due from associates and joint ventures				
- trade	**16.6**	13.6	**1.9**	4.4
- non-trade	**140.9**	155.2	**4.0**	4.0
	157.5	168.8	**5.9**	8.4
Prepayments	**552.3**	540.2	**57.6**	60.2
Interest receivable	**73.4**	74.9	**31.4**	34.4
Others	**15.4**	13.9	**-**	-
	5,035.4	4,924.2	**2,323.9**	1,673.3

16. TRADE AND OTHER RECEIVABLES *(Cont'd)*

	Group		Company	
Non-current	**2018 S$ Mil**	**2017 S$ Mil**	**2018 S$ Mil**	**2017 S$ Mil**
Trade receivables [(1)]	**394.4**	417.0	**-**	-
Prepayments	**198.3**	194.5	**143.7**	155.1
Tax recoverable from Australian Taxation Office [(2)]	**134.9**	143.2	**-**	-
Other receivables	**19.6**	14.8	**-**	-
	747.2	769.5	**143.7**	155.1

Notes:

(1) This included accrued receivables under device repayment plans and other handset repayment plans where billings are made monthly over 24 months.

(2) The Group paid A$134 million to the Australian Taxation Office ("**ATO**") for amended tax assessments received in respect of the acquisition financing of Optus in the previous financial year. This payment has been recorded as a tax recoverable from the ATO pending outcome of its objections to the ATO (see **Note 38(b)**).

Trade receivables are non-interest bearing and are generally on 14-day to 30-day terms, while balances due from carriers are on 60-day terms.

As at 31 March 2018, the effective interest rate of an amount due from a subsidiary of S$824.5 million (31 March 2017: S$153.3 million) was 0.12 per cent (31 March 2017: 0.01 per cent) per annum. The loans to subsidiaries and amounts due from other subsidiaries, associates and joint ventures were unsecured, interest-free and repayable on demand.

An amount of S$18.8 million (31 March 2017: S$41.0 million) under current other receivables of the Group is guaranteed by a third party and repayable by 31 March 2019. The weighted average effective interest rate was nil (31 March 2017: 5.6%).

The maximum exposure to credit risk for trade receivables by customer type was as follows -

	Group		Company	
	2018 S$ Mil	**2017 S$ Mil**	**2018 S$ Mil**	**2017 S$ Mil**
Individuals	**2,043.8**	2,049.5	**141.8**	145.9
Corporations and others	**2,153.2**	1,968.9	**249.4**	255.7
	4,197.0	4,018.4	**391.2**	401.6

16. TRADE AND OTHER RECEIVABLES *(Cont'd)*

The age analysis of trade receivables (before allowance for impairment) was as follows -

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Less than 60 days	**3,913.8**	3,818.8	**327.4**	332.9
61 to 120 days	**198.7**	114.4	**45.1**	32.4
More than 120 days	**326.0**	310.4	**115.1**	127.0
	4,438.5	4,243.6	**487.6**	492.3

The movement in the allowance for impairment of trade receivables was as follows -

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Balance as at 1 April	**225.2**	245.9	**90.7**	84.0
Acquisition of a subsidiary	**2.2**	-	**-**	-
Allowance for impairment	**133.4**	142.0	**35.3**	40.0
Utilisation of allowance for impairment	**(103.9)**	(166.7)	**(29.3)**	(33.3)
Write-back of allowance for impairment	**(5.4)**	(2.9)	**(0.3)**	-
Translation differences	**(10.0)**	6.9	**-**	-
Balance as at 31 March	**241.5**	225.2	**96.4**	90.7

17. INVENTORIES

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Equipment held for resale	**374.1**	320.1	**0.1**	0.2
Maintenance and capital works' inventories	**23.3**	32.1	**21.7**	23.6
	397.4	352.2	**21.8**	23.8

18. PROPERTY, PLANT AND EQUIPMENT

Group - 2018	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2017	22.5	265.7	819.5	20,533.2	2,927.8	6,679.6	1,616.2	32,864.5
Additions (net of rebates)	-	-	1.0	102.4	34.5	229.2	2,101.1	2,468.2
Disposals/ Write-offs	-	-	-	(82.5)	(215.8)	(140.7)	-	(439.0)
Acquisition of a subsidiary	-	-	-	-	-	10.6	-	10.6
Reclassifications/ Adjustments	-	-	109.1	1,139.2	100.1	739.5	(2,092.2)	(4.3)
Translation differences	(1.3)	(1.0)	(18.5)	(952.1)	(65.5)	(265.7)	(56.0)	(1,360.1)
Balance as at 31 March 2018	21.2	264.7	911.1	20,740.2	2,781.1	7,252.5	1,569.1	33,539.9
Accumulated depreciation								
Balance as at 1 April 2017	-	78.7	335.9	13,505.7	2,223.4	4,793.2	-	20,936.9
Depreciation charge for the year	-	4.1	22.8	1,194.1	159.7	660.4	-	2,041.1
Disposals/ Write-offs	-	-	-	(61.4)	(215.9)	(120.6)	-	(397.9)
Reclassifications/ Adjustments	-	-	2.5	2.7	(6.1)	(3.8)	-	(4.7)
Translation differences	-	(1.0)	(0.5)	(634.1)	(40.7)	(195.4)	-	(871.7)
Balance as at 31 March 2018	-	81.8	360.7	14,007.0	2,120.4	5,133.8	-	21,703.7
Accumulated impairment								
Balance as at 1 April 2017	-	2.0	7.3	5.4	0.3	19.7	-	34.7
Impairment charge for the year	-	-	-	-	-	1.5	-	1.5
Translation differences	-	-	-	-	-	(0.8)	-	(0.8)
Balance as at 31 March 2018	-	2.0	7.3	5.4	0.3	20.4	-	35.4
Net Book Value as at 31 March 2018	21.2	180.9	543.1	6,727.8	660.4	2,098.3	1,569.1	11,800.8

18. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Group - 2017	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2016	21.8	265.2	776.7	18,867.0	2,789.7	5,847.0	1,466.2	30,033.6
Additions (net of rebates)	-	-	0.5	104.5	51.1	328.9	1,962.5	2,447.5
Disposals/ Write-offs	-	-	-	(146.9)	(45.2)	(143.6)	(2.6)	(338.3)
Reclassifications/ Adjustments	-	-	32.4	1,195.0	95.7	515.1	(1,840.4)	(2.2)
Translation differences	0.7	0.5	9.9	513.6	36.5	132.2	30.5	723.9
Balance as at 31 March 2017	22.5	265.7	819.5	20,533.2	2,927.8	6,679.6	1,616.2	32,864.5
Accumulated depreciation								
Balance as at 1 April 2016	-	74.1	315.0	12,111.2	2,083.9	4,259.6	-	18,843.8
Depreciation charge for the year	-	4.1	20.9	1,188.4	161.9	584.6	-	1,959.9
Disposals/ Write-offs	-	-	-	(139.4)	(44.8)	(140.9)	-	(325.1)
Reclassifications/ Adjustments	-	-	-	11.1	-	(9.1)	-	2.0
Translation differences	-	0.5	-	334.4	22.4	99.0	-	456.3
Balance as at 31 March 2017	-	78.7	335.9	13,505.7	2,223.4	4,793.2	-	20,936.9
Accumulated impairment								
Balance as at 1 April 2016	-	2.0	7.3	7.4	1.9	17.2	-	35.8
Impairment charge for the year	-	-	-	-	-	2.4	-	2.4
Disposals/ Write-offs	-	-	-	(2.0)	(1.6)	(0.4)	-	(4.0)
Translation differences	-	-	-	-	-	0.5	-	0.5
Balance as at 31 March 2017	-	2.0	7.3	5.4	0.3	19.7	-	34.7
Net Book Value as at 31 March 2017	22.5	185.0	476.3	7,022.1	704.1	1,866.7	1,616.2	11,892.9

18. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Company - 2018	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2017	0.4	228.2	433.0	3,299.1	931.0	1,812.7	502.6	7,207.0
Additions (net of rebates)	-	-	-	43.2	19.7	84.6	209.5	357.0
Disposals/ Write-offs	-	-	-	(77.6)	(194.6)	(104.6)	-	(376.8)
Reclassifications	-	-	90.1	36.7	36.2	144.5	(307.5)	-
Balance as at 31 March 2018	0.4	228.2	523.1	3,301.4	792.3	1,937.2	404.6	7,187.2
Accumulated depreciation								
Balance as at 1 April 2017	-	56.5	281.8	2,468.4	852.8	1,207.7	-	4,867.2
Depreciation charge for the year	-	2.7	13.8	119.4	42.0	161.0	-	338.9
Disposals/ Write-offs	-	-	(2.6)	(56.6)	(194.7)	(82.2)	-	(336.1)
Balance as at 31 March 2018	-	59.2	293.0	2,531.2	700.1	1,286.5	-	4,870.0
Accumulated impairment								
Balance as at 1 April 2017 and 31 March 2018	-	2.0	7.2	4.1	-	-	-	13.3
Net Book Value as at 31 March 2018	0.4	167.0	222.9	766.1	92.2	650.7	404.6	2,303.9

18. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Company - 2017	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2016	0.4	228.2	432.9	3,188.7	925.2	1,563.9	525.1	6,864.4
Additions (net of rebates)	-	-	-	46.9	17.3	199.7	231.5	495.4
Disposals/ Write-offs	-	-	-	(52.9)	(29.3)	(70.6)	-	(152.8)
Reclassifications	-	-	0.1	116.4	17.8	119.7	(254.0)	-
Balance as at 31 March 2017	0.4	228.2	433.0	3,299.1	931.0	1,812.7	502.6	7,207.0
Accumulated depreciation								
Balance as at 1 April 2016	-	53.8	268.2	2,383.1	838.8	1,132.4	-	4,676.3
Depreciation charge for the year	-	2.7	13.6	131.5	43.2	144.8	-	335.8
Disposals/ Write-offs	-	-	-	(46.2)	(29.2)	(69.5)	-	(144.9)
Balance as at 31 March 2017	-	56.5	281.8	2,468.4	852.8	1,207.7	-	4,867.2
Accumulated impairment								
Balance as at 1 April 2016	-	2.0	7.2	5.9	1.2	0.4	-	16.7
Disposals/ Write-offs	-	-	-	(1.8)	(1.2)	(0.4)	-	(3.4)
Balance as at 31 March 2017	-	2.0	7.2	4.1	-	-	-	13.3
Net Book Value as at 31 March 2017	0.4	169.7	144.0	826.6	78.2	605.0	502.6	2,326.5

18. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Property, plant and equipment included the following -

	Group		Company	
	2018 S$ Mil	**2017 S$ Mil**	**2018 S$ Mil**	**2017 S$ Mil**
Net book value of property, plant and equipment				
Assets acquired under finance leases	**37.0**	78.6	**10.8**	29.2
Staff costs capitalised	**204.6**	235.4	**31.2**	35.6

19. INTANGIBLE ASSETS

	Group		Company	
	2018 S$ Mil	**2017 S$ Mil**	**2018 S$ Mil**	**2017 S$ Mil**
Goodwill on acquisition of subsidiaries	**11,372.2**	11,164.6	**-**	-
Telecommunications and spectrum licences	**2,355.5**	1,565.5	**-**	-
Technology and brand	**204.6**	302.5	**-**	-
Customer relationships and others	**36.8**	40.2	**-**	-
	13,969.1	13,072.8	**-**	-

19.1 Goodwill on Acquisition of Subsidiaries

	Group	
	2018 S$ Mil	**2017 S$ Mil**
Balance as at 1 April	**11,164.6**	11,090.3
Acquisition of a subsidiary	**347.5**	-
Translation differences	**(139.9)**	74.3
Balance as at 31 March	**11,372.2**	11,164.6

19.2 Telecommunications and Spectrum Licences

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Balance as at 1 April	**1,565.5**	1,439.8	**-**	0.3
Additions	**1,118.3**	271.8	**-**	-
Amortisation for the year	**(221.6)**	(192.2)	**-**	(0.3)
Translation differences	**(106.7)**	46.1	**-**	-
Balance as at 31 March	**2,355.5**	1,565.5	**-**	-
Cost	**3,817.1**	2,876.4	**8.4**	8.4
Accumulated amortisation	**(1,455.4)**	(1,304.7)	**(8.4)**	(8.4)
Accumulated impairment	**(6.2)**	(6.2)	**-**	-
Net book value as at 31 March	**2,355.5**	1,565.5	**-**	-

19.3 Technology and Brand

	Group	
	2018 S$ Mil	2017 S$ Mil
Balance as at 1 April	**302.5**	374.1
Acquisition of a subsidiary	**53.3**	-
Amortisation for the year	**(58.5)**	(71.5)
Impairment charge for the year	**(75.8)**	(9.3)
Adjustments	**-**	(4.7)
Translation differences	**(16.9)**	13.9
Balance as at 31 March	**204.6**	302.5
Cost	**586.3**	550.4
Accumulated amortisation	**(288.6)**	(230.4)
Accumulated impairment	**(93.1)**	(17.5)
Net book value as at 31 March	**204.6**	302.5

19.4 Customer Relationships and Others

	Group	
	2018 **S$ Mil**	**2017** **S$ Mil**
Balance as at 1 April	**40.2**	64.2
Additions	**17.9**	2.9
Amortisation for the year	**(20.4)**	(18.4)
Reclassifications/ Adjustments	**-**	(9.6)
Translation differences	**(0.9)**	1.1
Balance as at 31 March	**36.8**	40.2
Cost	**135.8**	134.6
Accumulated amortisation	**(99.0)**	(94.4)
Net book value as at 31 March	**36.8**	40.2

20. SUBSIDIARIES

	Company	
	2018 **S$ Mil**	**2017** **S$ Mil**
Unquoted equity shares, at cost	**13,676.4**	11,001.2
Shareholders' advances	**5,733.0**	6,423.3
Deemed investment in a subsidiary	**32.5**	32.5
	19,441.9	17,457.0
Less: Allowance for impairment losses	**(16.0)**	(16.0)
	19,425.9	17,441.0

The advances given to subsidiaries were interest-free and unsecured with settlement neither planned nor likely to occur in the foreseeable future. An advance of S$678.3 million with an effective interest rate of 1.0 per cent per annum was repaid during the year.

The deemed investment in a subsidiary, Singtel Group Treasury Pte. Ltd. ("**SGT**"), arose from financial guarantees provided by the Company for loans drawn down by SGT prior to 1 April 2010.

The significant subsidiaries of the Group are set out in **Note 42.1** to **Note 42.3**.

21. ASSOCIATES

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Quoted equity shares, at cost	**1,733.4**	1,589.9	**24.7**	24.7
Unquoted equity shares, at cost	**77.2**	742.6	**-**	578.8
Shareholder's loan (unsecured)	**-**	1.7	**-**	-
	1,810.6	2,334.2	**24.7**	603.5
Goodwill on consolidation adjusted against shareholders' equity	**29.4**	(28.3)	**-**	-
Share of post-acquisition reserves (net of dividends, and accumulated amortisation of goodwill)	**141.0**	(153.7)	**-**	-
Translation differences	**104.4**	65.0	**-**	-
	274.8	(117.0)	**-**	-
Less: Allowance for impairment losses	**(5.0)**	-	**-**	-
Reclassification to 'Net deferred gain' (see **Note 26**)	**(74.9)**	(265.0)	**-**	-
	2,005.5	1,952.2	**24.7**	603.5

As at 31 March 2018,

(i) The market values of the quoted equity shares in associates held by the Group and the Company were S$3.13 billion (31 March 2017: S$2.24 billion) and S$676.8 million (31 March 2017: S$671.8 million) respectively.

(ii) The Group's proportionate interest in the capital commitments of the associates was S$166.6 million (31 March 2017: S$227.3 million).

The details of associates are set out in **Note 42.4**.

21. ASSOCIATES *(Cont'd)*

The summarised financial information of the Group's significant associate namely Intouch Holdings Public Company Limited ("**Intouch**"), based on its financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements was as follows –

Intouch	**2018 S$ Mil**	**2017 S$ Mil**
Statement of comprehensive income		
Revenue	**353.9**	144.1
Profit after tax	**488.2**	166.1
Other comprehensive income/ (loss)	**10.9**	(1.6)
Total comprehensive income	**499.1**	164.5
Statement of financial position		
Current assets	**696.7**	701.9
Non-current assets	**1,485.4**	1,607.4
Current liabilities	**(430.0)**	(483.6)
Non-current liabilities	**(303.2)**	(395.3)
Net assets	**1,448.9**	1,430.4
Less: Non-controlling interests	**(331.1)**	(411.6)
Net assets attributable to equity holders	**1,117.8**	1,018.8
Proportion of the Group's ownership	**21.0%**	21.0%
Group's share of net assets	**234.7**	213.9
Goodwill and other identifiable intangible assets	**1,417.6**	1,371.7
Others	**(15.9)**	(8.4)
Carrying amount of the investment	**1,636.4**	1,577.2
Other items		
Group's share of market value	**1,639.6**	1,525.0
Dividends received during the year	**77.8**	-

21. ASSOCIATES *(Cont'd)*

The aggregate information of the Group's investments in associates which are not individually significant were as follows –

	Group	
	2018 S$ Mil	2017 S$ Mil
Share of profit after tax	**90.2**	76.3
Share of other comprehensive (loss)/income	**(2.2)**	2.9
Share of total comprehensive income	**88.0**	79.2

22. JOINT VENTURES

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Quoted equity shares, at cost	**2,798.4**	2,798.4	**-**	-
Unquoted equity shares, at cost	**5,778.7**	5,240.8	**22.8**	23.0
	8,577.1	8,039.2	**22.8**	23.0
Goodwill on consolidation adjusted against shareholders' equity	**(1,225.9)**	(1,225.9)	**-**	-
Share of post-acquisition reserves (net of dividends, and accumulated amortisation of goodwill)	**9,395.1**	8,715.2	**-**	-
Translation differences	**(3,933.7)**	(3,215.6)	**-**	-
	4,235.5	4,273.7	**-**	-
Less: Allowance for impairment losses	**(30.0)**	(30.0)	**-**	-
	12,782.6	12,282.9	**22.8**	23.0

As at 31 March 2018,

(i) The market value of the quoted equity shares in joint ventures held by the Group was S$21.29 billion (31 March 2017: S$19.55 billion).

(ii) The Group's proportionate interest in the capital commitments of joint ventures was S$2.14 billion (31 March 2017: S$1.80 billion).

The details of joint ventures are set out in **Note 42.5.**

22. JOINT VENTURES *(Cont'd)*

Optus has an interest in an unincorporated joint operation to share certain 4G network sites and radio infrastructure across Australia whereby it holds an interest of 50% (31 March 2017: 50%) in the assets, with access to the shared network and shares 50% (31 March 2017: 50%) of the cost of building and operating the network.

The Group's property, plant and equipment included the Group's interest in the property, plant and equipment employed in the unincorporated joint operation was S$1.08 billion (31 March 2017: S$1.03 billion).

The summarised financial information of the Group's significant joint ventures namely Bharti Airtel Limited ("**Airtel**"), PT Telekomunikasi Selular ("**Telkomsel**"), Globe Telecom, Inc. ("**Globe**") and Advanced Info Service Public Company Limited ("**AIS**"), based on their financial statements and a reconciliation with the carrying amounts of the investments in the consolidated financial statements were as follows –

Group - 2018	Airtel S$ Mil	Telkomsel S$ Mil	Globe S$ Mil	AIS S$ Mil
Statement of comprehensive income				
Revenue	**17,574.5**	**9,384.0**	**3,724.4**	**6,564.2**
Depreciation and amortisation	**(4,041.1)**	**(1,399.4)**	**(757.2)**	**(1,286.7)**
Interest income	**283.5**	**81.5**	**4.4**	**7.4**
Interest expense	**(1,958.4)**	**(55.8)**	**(172.4)**	**(137.7)**
Income tax expense	**(227.5)**	**(974.5)**	**(184.9)**	**(239.7)**
Profit after tax	**191.4**	**2,946.4**	**420.6**	**1,249.8**
Other comprehensive (loss)/ income	**(234.8)**	**(39.6)**	**29.5**	**33.6**
Total comprehensive (loss)/ income	**(43.4)**	**2,906.8**	**450.1**	**1,283.4**
Statement of financial position				
Current assets	**6,746.1**	**2,993.9**	**1,453.9**	**1,428.1**
Non-current assets	**43,560.9**	**5,759.2**	**5,540.3**	**10,612.1**
Current liabilities	**(15,756.0)**	**(2,289.7)**	**(2,103.9)**	**(3,107.5)**
Non-current liabilities	**(19,002.1)**	**(702.6)**	**(3,166.1)**	**(6,916.1)**
Net assets	**15,548.9**	**5,760.8**	**1,724.2**	**2,016.6**
Less: Non-controlling interests	**(1,684.8)**	**-**	**0.9**	**(13.6)**
Net assets attributable to equity holders	**13,864.1**	**5,760.8**	**1,725.1**	**2,003.0**
Proportion of the Group's ownership	**39.5%**	**35.0%**	**47.1%**	**23.3%** [1]
Group's share of net assets	**5,477.7**	**2,016.2**	**813.0**	**467.1**
Goodwill capitalised	**1,548.8**	**1,403.6**	**373.4**	**303.0**
Others [2]	**426.6**	**-**	**(126.4)**	**(7.6)**
Carrying amount of the investment	**7,453.1**	**3,419.8**	**1,060.0**	**762.5**

22. JOINT VENTURES *(Cont'd)*

Group - 2018	Airtel S$ Mil	Telkomsel S$ Mil	Globe S$ Mil	AIS S$ Mil
Other items				
Cash and cash equivalents	**964.3**	**1,634.3**	**158.3**	**457.7**
Non-current financial liabilities excluding trade and other payables	**(18,146.6)**	**(354.5)**	**(2,619.5)**	**(4,199.0)**
Current financial liabilities excluding trade and other payables	**(5,320.4)**	**(168.5)**	**(281.5)**	**(14.0)**
Group's share of market value	**12,680.9**	**NA**	**2,551.3**	**6,054.8**
Dividends received during the year	**47.9**	**1,017.8**	**152.8**	**217.1**

"NA" denotes Not Applicable.

Notes:

(1) Based on the Group's direct equity interest in AIS.

(2) Others include adjustments to align the respective local accounting standards to FRS.

Group - 2017	Airtel S$ Mil	Telkomsel S$ Mil	Globe S$ Mil	AIS S$ Mil
Statement of comprehensive income				
Revenue	19,666.4	9,265.4	3,657.1	6,058.2
Depreciation and amortisation	(4,073.3)	(1,352.8)	(690.8)	(967.5)
Interest income	380.9	105.8	3.8	7.9
Interest expense	(1,945.0)	(77.0)	(128.6)	(188.5)
Income tax expense	(718.9)	(1,003.5)	(169.5)	(238.4)
Profit after tax	834.5	3,059.4	439.5	1,191.2
Other comprehensive (loss)/ income	(1,048.7)	(40.6)	4.0	(0.1)
Total comprehensive (loss)/ income	(214.2)	3,018.8	443.5	1,191.1
Statement of financial position				
Current assets	4,378.4	3,562.2	1,490.0	1,299.5
Non-current assets	45,611.2	6,169.6	5,545.0	10,041.0
Current liabilities	(13,568.3)	(2,541.8)	(2,335.1)	(2,994.1)
Non-current liabilities	(20,676.7)	(896.8)	(2,910.8)	(6,816.6)
Net assets	15,744.6	6,293.2	1,789.1	1,529.8
Less: Non-controlling interests	(1,399.0)	-	0.4	(5.7)
Net assets attributable to equity holders	14,345.6	6,293.2	1,789.5	1,524.1

22. JOINT VENTURES *(Cont'd)*

Group - 2017	Airtel S$ Mil	Telkomsel S$ Mil	Globe S$ Mil	AIS S$ Mil
Proportion of the Group's ownership	36.5%	35.0%	47.1%	23.3% [1]
Group's share of net assets	5,230.4	2,202.6	843.6	355.4
Goodwill capitalised	1,229.0	1,403.6	381.7	293.3
Others [2]	387.6	-	(139.9)	(2.3)
Carrying amount of the investment	6,847.0	3,606.2	1,085.4	646.4
<u>**Other items**</u>				
Cash and cash equivalents	348.7	2,371.9	229.1	522.0
Non-current financial liabilities excluding trade and other payables	(19,774.0)	(570.2)	(2,658.7)	(3,690.1)
Current financial liabilities excluding trade and other payables	(3,884.7)	(76.6)	(353.6)	(187.4)
Group's share of market value	10,995.3	NA	3,544.1	5,013.9
Dividends received during the year	16.5	971.2	159.9	330.3

"NA" denotes Not Applicable.

Notes:
[1] Based on the Group's direct equity interest in AIS.
[2] Others include adjustments to align the respective local accounting standards to FRS.

The aggregate information of the Group's investments in joint ventures which are not individually significant were as follows –

	Group	
	2018 S$ Mil	2017 S$ Mil
Share of profit after tax	**12.2**	18.1
Share of other comprehensive loss	*	(0.1)
Share of total comprehensive income	**12.2**	18.0
Aggregate carrying value	**87.2**	97.9

"*" denotes amount of less than S$50,000

23. IMPAIRMENT REVIEWS

Goodwill arising on acquisition of subsidiaries

The carrying values of the Group's goodwill on acquisition of subsidiaries as at 31 March 2018 were assessed for impairment during the financial year.

Goodwill is allocated for impairment testing purposes to the individual entity which is also the cash generating unit ("**CGU**").

The Group is structured into three business segments, Group Consumer, Group Enterprise and Group Digital Life. Based on the relative fair value approach, the goodwill of Optus was fully allocated to Consumer Australia included in the Group Consumer segment for the purpose of goodwill impairment test.

The recoverable values of cash generating units including goodwill are determined based on value-in-use calculations.

The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management. The Group has used cash flow projections of five years except for Amobee and the global cyber security business which were based on cash flow projections of ten years to better reflect their stages of growth. Cash flows beyond the terminal year are extrapolated using the estimated growth rates stated in the table below. Key assumptions used in the calculation of value-in-use are growth rates, operating margins, capital expenditure and discount rates.

The terminal growth rates used do not exceed the long term average growth rates of the respective industry and country in which the entity operates and are consistent with forecasts included in industry reports.

The discount rates applied to the cash flow projections are based on Weighted Average Cost of Capital (WACC) where the cost of a company's debt and equity capital are weighted to reflect its capital structure.

In April 2018, a global cyber security unit was established to integrate the cyber security businesses across the Group including Trustwave. Hence, the Group's global cyber security business (including Trustwave) is considered a single CGU for the purpose of goodwill impairment test. As at 31 March 2018, the carrying value of goodwill in the global cyber security business was S$999 million, with the value-in-use determined based on terminal growth rate of 4.0% and pre-tax discount rate of 11.9%.

The details of other subsidiaries are shown in the table below:

Group	2018 S$ Mil	2017 S$ Mil	Terminal growth rate [1] 2018	Terminal growth rate [1] 2017	Pre-tax discount rate 2018	Pre-tax discount rate 2017
Carrying value of goodwill in -						
Optus Group	**9,279.1**	9,288.4	**3.0%**	3.0%	**9.0%**	9.3%
Amobee, Inc.	**1,011.8**	729.8	**3.5%**	4.0%	**14.1%**	14.4%
SCS Computer Systems Pte. Ltd.	**82.2**	82.2	**2.0%**	2.0%	**7.4%**	7.6%

Note:
[1] Weighted average growth rate used to extrapolate cash flows beyond the terminal year.

23. IMPAIRMENT REVIEWS *(Cont'd)*

As at 31 March 2018, no impairment charge was required for goodwill arising from acquisition of subsidiaries, with any reasonably possible change to the key assumptions applied not likely to cause the recoverable values to be below their carrying values.

24. AVAILABLE-FOR-SALE ("AFS") INVESTMENTS

	Group		Company	
	2018 S$ Mil	**2017 S$ Mil**	**2018 S$ Mil**	**2017 S$ Mil**
Balance as at 1 April	**192.9**	147.5	**37.4**	35.1
Additions	**59.6**	39.6	**-**	-
Disposals/ Write-offs	**(27.2)**	(11.0)	**(6.4)**	-
Write-back of impairment	**-**	0.9	**-**	-
Net fair value (losses)/ gains included in 'Other Comprehensive Income'	**(26.8)**	16.5	**(25.5)**	2.3
Translation differences	**(0.6)**	(0.6)	**-**	-
Balance as at 31 March	**197.9**	192.9	**5.5**	37.4
Cost	**252.4**	221.1	**3.3**	9.7
Accumulated impairment	**(79.1)**	(80.8)	**-**	-
Fair value changes	**24.6**	52.6	**2.2**	27.7
	197.9	192.9	**5.5**	37.4

AFS investments included the following –

	Group		Company	
	2018 S$ Mil	**2017 S$ Mil**	**2018 S$ Mil**	**2017 S$ Mil**
Quoted equity securities				
- Singapore	**5.5**	7.7	**5.5**	7.7
- United States of America	**4.5**	4.2	**-**	-
- Thailand	**-**	21.4	**-**	21.4
	10.0	33.3	**5.5**	29.1
Unquoted				
Equity securities	**168.2**	149.4	**-**	8.3
Others	**19.7**	10.2	**-**	-
	187.9	159.6	**-**	8.3
	197.9	192.9	**5.5**	37.4

25. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Balance as at 1 April	**243.6**	299.3	**(88.0)**	(99.9)
Fair value (losses)/ gains				
- included in income statement	**(113.3)**	(58.0)	**(73.2)**	(0.8)
- included in 'Hedging Reserve'	**4.3**	13.9	**1.5**	12.7
Settlement of swaps for bonds repaid	**(61.4)**	(16.3)	**-**	-
Translation differences	**(12.6)**	4.7	**-**	-
Balance as at 31 March	**60.6**	243.6	**(159.7)**	(88.0)
Disclosed as -				
Current asset	**23.2**	107.3	**70.1**	107.1
Non-current asset	**409.6**	455.2	**134.1**	284.9
Current liability	**(70.0)**	(15.8)	**(84.9)**	(110.0)
Non-current liability	**(302.2)**	(303.1)	**(279.0)**	(370.0)
	60.6	243.6	**(159.7)**	(88.0)

25.1 Fair Values

The fair values of the currency and interest rate swap contracts exclude accrued interest of S$16.8 million (31 March 2017: S$19.6 million). The accrued interest is separately disclosed in **Note 16** and **Note 27**.

The fair values of the derivative financial instruments were as follows -

	Group Fair values		Company Fair values	
2018	Assets S$ Mil	Liabilities S$ Mil	Assets S$ Mil	Liabilities S$ Mil
Fair value and cash flow hedges				
Cross currency swaps	**417.2**	**253.9**	**-**	**135.9**
Interest rate swaps	**15.6**	**86.7**	**-**	**7.0**
Forward foreign exchange contracts	**-**	**25.1**	**-**	**16.8**
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	**-**	**-**	**183.2**	**183.2**
Interest rate swaps	**-**	**6.5**	**21.0**	**21.0**
	432.8	**372.2**	**204.2**	**363.9**
Disclosed as -				
Current	**23.2**	**70.0**	**70.1**	**84.9**
Non-current	**409.6**	**302.2**	**134.1**	**279.0**
	432.8	**372.2**	**204.2**	**363.9**

25.1 Fair Values *(Cont'd)*

	Group		Company	
	Fair values		Fair values	
2017	**Assets S$ Mil**	**Liabilities S$ Mil**	**Assets S$ Mil**	**Liabilities S$ Mil**
Fair value and cash flow hedges				
Cross currency swaps	529.1	152.2	-	72.5
Interest rate swaps	31.0	129.3	-	7.4
Forward foreign exchange contracts	2.1	27.0	2.1	10.2
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	-	-	350.4	350.4
Interest rate swaps	0.1	10.4	39.5	39.5
Forward foreign exchange contracts	0.2	-	-	-
	562.5	318.9	392.0	480.0
Disclosed as -				
Current	107.3	15.8	107.1	110.0
Non-current	455.2	303.1	284.9	370.0
	562.5	318.9	392.0	480.0

The cash flow hedges are designated for foreign currency commitments and repayments of principal and interest of foreign currency denominated bonds.

The forecast transactions for the foreign currency commitments are expected to occur in the financial year ending 31 March 2019, while the forecast transactions for the repayment of principal and interest of the foreign currency denominated bonds will occur according to the timing disclosed in **Note 28**.

25.1 Fair Values *(Cont'd)*

As at 31 March 2018, the details of the outstanding derivative financial instruments were as follows -

	Group		Company	
	2018	2017	2018	2017
Interest rate swaps				
Notional principal (S$ million equivalent)	**2,702.5**	3,680.9	**2,838.4**	4,639.6
Fixed interest rates	**2.0% to 6.2%**	1.2% to 6.2%	**2.0% to 4.5%**	1.2% to 4.5%
Floating interest rates	**2.0% to 3.2%**	1.8% to 2.3%	**1.1% to 3.2%**	1.1% to 2.3%
Cross currency swaps				
Notional principal (S$ million equivalent)	**4,794.9**	6,073.3	**5,256.8**	7,543.6
Fixed interest rates	**1.9% to 7.5%**	1.9% to 7.5%	**0.9% to 5.2%**	0.9% to 5.2%
Floating interest rates	**1.5% to 3.5%**	1.5% to 3.3%	**1.5% to 3.3%**	1.5% to 3.2%
Forward foreign exchange				
Notional principal (S$ million equivalent)	**846.5**	1,358.2	**304.1**	713.3

The interest rate swaps entered into by the Group are re-priced at intervals ranging from monthly to six-monthly periods. The interest rate swaps entered by the Company are re-priced every six months.

26. LOAN TO AN ASSOCIATE/ NET DEFERRED GAIN

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Loan to an associate	**-**	1,100.5	**-**	1,100.5
Unamortised deferred gain	**452.7**	1,616.5	**-**	-
Reclassification from 'Associates' (see **Note 21**)	**(74.9)**	(265.0)	**-**	-
Net deferred gain	**377.8**	1,351.5	**-**	-
Classified as -				
Current	**20.1**	68.8	**-**	-
Non-current	**357.7**	1,282.7	**-**	-
	377.8	1,351.5	**-**	-

26. LOAN TO AN ASSOCIATE/ NET DEFERRED GAIN *(Cont'd)*

NetLink Trust ("**NLT**") is a business trust established as part of the Info-communications Media Development Authority of Singapore's ("**IMDA**") effective open access requirements under Singapore's Next Generation Nationwide Broadband Network. In prior years, Singtel had sold certain infrastructure assets, namely ducts and manholes used by OpenNet Pte. Ltd., and exchange buildings ("**Assets**"), and Singtel's business of providing duct and manhole services in relation to the Assets ("**Business**") to NLT.

As Singtel did not have effective control over NLT, it was equity accounted as an associate at the Group.

At the consolidated level, the gain on disposal of Assets recorded by Singtel is deferred in the Group's statement of financial position and amortised over the useful lives of the Assets. The unamortised deferred gain is released to the Group's income statement when NLT is partially or fully sold, based on the proportionate equity interest disposed. In addition, lease expenses paid to NLT and interest income earned from NLT are not eliminated on a line-by-line basis in the Group.

On 19 July 2017, Singtel sold its 100% interest in NLT to NetLink NBN Trust (the "**Trust**") for an aggregate consideration of S$1.89 billion comprising a cash consideration of S$1.11 billion and 24.8% interest in the Trust. The Group recorded a net gain on disposal of NLT of S$2.03 billion which included the release of deferred gains (after tax) of S$1.10 billion on past sales of Assets to NLT. In addition, the loan to NLT of S$1.10 billion, which carried a fixed interest rate and was secured by a fixed and floating charge over NLT's assets and business undertakings, was fully repaid.

Following the divestment, Singtel ceased to own units in NLT but continues to have an interest of 24.8% in the Trust which owns all the units in NLT. As Singtel does not have effective control over the Trust, the Trust is equity accounted as an associate at the Group.

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2018 S$ Mil	**2017 S$ Mil**	**2018 S$ Mil**	**2017 S$ Mil**
Trade payables	**3,994.0**	3,590.7	**585.5**	592.9
Accruals	**876.3**	983.4	**245.9**	160.4
Interest payable on borrowings	**137.9**	142.7	**41.7**	43.6
Deferred income	**38.3**	31.3	**12.6**	11.5
Customers' deposits	**26.6**	26.2	**15.3**	15.8
Due to associates and joint ventures				
- trade	**31.0**	27.9	**23.9**	22.3
- non-trade	*****	*	**-**	-
	31.0	27.9	**23.9**	22.3
Due to subsidiaries				
- trade	**-**	-	**294.3**	263.8
- non-trade	**-**	-	**214.4**	458.2
	-	-	**508.7**	722.0
Other payables	**129.8**	120.2	**34.8**	33.5
	5,233.9	4,922.4	**1,468.4**	1,602.0

"*" denotes amount of less than S$50,000.

27. TRADE AND OTHER PAYABLES *(Cont'd)*

The trade payables are non-interest bearing and are generally settled on 30 to 60 days terms, with some payables relating to handset and network investments having payment terms of up to a year.

The interest payable on borrowings are generally settled on a half-year or annual basis except for interest payable on certain bonds and syndicated loan facilities which are settled on quarterly and monthly basis respectively.

The amounts due to subsidiaries are repayable on demand and interest-free.

28. BORROWINGS (UNSECURED)

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Current				
Bonds	**1,129.0**	978.7	**-**	-
Bank loans	**671.5**	2,068.2	**-**	-
	1,800.5	3,046.9	**-**	-
Non-current				
Bonds	**6,694.9**	7,702.7	**673.2**	746.2
Bank loans	**1,830.2**	150.0	**-**	-
	8,525.1	7,852.7	**673.2**	746.2
Total unsecured borrowings	**10,325.6**	10,899.6	**673.2**	746.2

28.1 Bonds

Principal amount	Group 2018 S$ Mil	Group 2017 S$ Mil	Company 2018 S$ Mil	Company 2017 S$ Mil
US$1,600 million [1] (31 March 2017: US$2,300 million)	**2,094.1**	3,212.7	**-**	-
US$500 million [1]	**673.2**	746.2	**673.2**	746.2
US$500 million [1][2]	**659.5**	711.2	**-**	-
US$400 million	**525.1**	559.2	**-**	-
€700 million [1][2]	**1,150.2**	1,071.0	**-**	-
A$1,025 million [2] (31 March 2017: A$625 million)	**1,028.2**	665.0	**-**	-
S$600 million [1]	**600.0**	600.0	**-**	-
S$550 million	**550.0**	550.0	**-**	-
S$150 million [2]	**149.9**	149.9	**-**	-
¥10,000 million	**123.0**	124.9	**-**	-
HK$1,000 million [2]	**167.1**	179.8	**-**	-
HK$620 million	**103.6**	111.5	**-**	-
	7,823.9	8,681.4	**673.2**	746.2
Classified as -				
Current	**1,129.0**	978.7	**-**	-
Non-current	**6,694.9**	7,702.7	**673.2**	746.2
	7,823.9	8,681.4	**673.2**	746.2

Notes:

(1) The bonds are listed on the Singapore Exchange.

(2) The bonds, issued by Optus Group, are subject to a negative pledge that limits the amount of secured indebtedness of certain subsidiaries of Optus.

28.2 Bank Loans

	Group 2018 S$ Mil	Group 2017 S$ Mil
Current	**671.5**	2,068.2
Non-current	**1,830.2**	150.0
	2,501.7	2,218.2

28.3 Maturity

The maturity periods of the non-current unsecured borrowings at the end of the reporting period were as follows -

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Between one and two years	**1,009.5**	1,346.0	**-**	-
Between two and five years	**5,539.1**	3,709.2	**-**	-
Over five years	**1,976.5**	2,797.5	**673.2**	746.2
	8,525.1	7,852.7	**673.2**	746.2

28.4 Interest Rates

The weighted average effective interest rates at the end of the reporting period were as follows -

	Group		Company	
	2018 %	2017 %	2018 %	2017 %
Bonds (fixed rate)	**3.9**	3.8	**7.4**	7.4
Bonds (floating rate)	**3.0**	2.1	**-**	-
Bank loans (floating rate)	**1.9**	1.6	**-**	-

28.5 The tables below set out the maturity profile of borrowings and related swaps based on expected contractual undiscounted cash flows.

Group	Less than 1 year S$ Mil	Between 1 and 2 years S$ Mil	Between 2 and 5 years S$ Mil	Over 5 years S$ Mil
<u>As at 31 March 2018</u>				
Net-settled interest rate swaps	**45.3**	**37.2**	**20.3**	**17.3**
Cross currency interest rate swaps (gross-settled)				
- Inflow	**(301.3)**	**(252.5)**	**(458.5)**	**(624.9)**
- Outflow	**259.4**	**210.8**	**363.4**	**464.4**
	3.4	**(4.5)**	**(74.8)**	**(143.2)**
Borrowings	**2,143.8**	**1,928.7**	**5,103.1**	**2,768.7**
	2,147.2	**1,924.2**	**5,028.3**	**2,625.5**

28.5

Group	Less than 1 year S$ Mil	Between 1 and 2 years S$ Mil	Between 2 and 5 years S$ Mil	Over 5 years S$ Mil
As at 31 March 2017				
Net-settled interest rate swaps	47.4	44.3	48.3	20.4
Cross currency interest rate swaps (gross-settled)				
- Inflow	(208.1)	(191.8)	(410.4)	(600.9)
- Outflow	162.4	154.7	290.7	382.0
	1.7	7.2	(71.4)	(198.5)
Borrowings	3,258.8	1,618.2	4,059.6	3,629.4
	3,260.5	1,625.4	3,988.2	3,430.9

Company	Less than 1 year S$ Mil	Between 1 and 2 years S$ Mil	Between 2 and 5 years S$ Mil	Over 5 years S$ Mil
As at 31 March 2018				
Net-settled interest rate swaps	**1.3**	**1.3**	**4.0**	**12.0**
Cross currency interest rate swaps (gross-settled)				
- Inflow	**(157.1)**	**(125.4)**	**(308.2)**	**(562.6)**
- Outflow	**139.2**	**107.2**	**253.9**	**399.7**
	(16.6)	**(16.9)**	**(50.3)**	**(150.9)**
Borrowings	**48.4**	**48.4**	**145.2**	**1,316.9**
	31.8	**31.5**	**94.9**	**1,166.0**
As at 31 March 2017				
Net-settled interest rate swaps	1.4	1.4	4.1	13.7
Cross currency interest rate swaps (gross-settled)				
- Inflow	(182.9)	(155.4)	(358.9)	(679.0)
- Outflow	161.1	133.8	293.6	461.7
	(20.4)	(20.2)	(61.2)	(203.6)
Borrowings	51.5	51.6	154.7	1,396.7
	31.1	31.4	93.5	1,193.1

28.6 Reconciliation of liabilities (including secured borrowings) arising from financing activities

Group - 2018	As at 1 April 2017 S$ Mil	Financing cash flows [1] S$ Mil	Non-cash changes: Acquisition of a subsidiary S$ Mil	Fair value adjustments S$ Mil	Amortisation of bond discount S$ Mil	Foreign exchange movement S$ Mil	Additions of finance lease S$ Mil	Adjustment S$ Mil	As at 31 March 2018 S$ Mil
Bonds	8,681.4	(506.2)	-	(49.7)	3.2	(304.8)	-	-	7,823.9
Bank loans	2,306.3	222.6	31.3	-	-	(58.5)	-	-	2,501.7
Finance lease liabilities	198.2	(28.3)	8.7	-	-	(0.5)	4.8	(78.3)	104.6
Derivative financial instrument on hedging liabilities	(268.4)	61.4	-	109.9	-	11.4	-	-	(85.7)
Total	10,917.5	(250.5)	40.0	60.2	3.2	(352.4)	4.8	(78.3)	10.344.5

Company - 2018	As at 1 April 2017 S$ Mil	Financing cash flows [1] S$ Mil	Non-cash changes: Fair value adjustments S$ Mil	Amortisation of bond discount S$ Mil	Foreign exchange movement S$ Mil	Adjustment S$ Mil	As at 31 March 2018 S$ Mil
Bonds	746.2	-	(30.5)	0.2	(42.7)	-	673.2
Finance lease liabilities	158.7	(4.5)	-	-	-	(78.3)	75.9
Derivative financial instrument on hedging liabilities	79.9	-	63.1	-	-	-	143.0
Total	984.8	(4.5)	32.6	0.2	(42.7)	(78.3)	892.1

Note:
[1] The cash flows comprise the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

29. BORROWINGS (SECURED)

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Current				
Finance lease	**23.1**	29.4	**7.4**	1.5
Bank loans	**-**	57.3	**-**	-
	23.1	86.7	**7.4**	1.5
Non-current				
Finance lease	**81.5**	168.8	**68.5**	157.2
Bank loans	**-**	30.8	**-**	-
	81.5	199.6	**68.5**	157.2
Total secured borrowings	**104.6**	286.3	**75.9**	158.7

Secured bank loans of the Group were repaid during the year. Finance lease liabilities included lease liabilities in respect of certain assets leased from NetLink Trust.

29.1 Finance Lease Liabilities

The minimum lease payments under the finance lease liabilities were payable as follows -

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Not later than one year	**28.8**	42.6	**11.9**	13.0
Later than one but not later than five years	**58.4**	59.3	**44.9**	47.2
Later than five years	**268.0**	601.4	**268.0**	601.4
	355.2	703.3	**324.8**	661.6
Less: Future finance charges	**(250.6)**	(505.1)	**(248.9)**	(502.9)
	104.6	198.2	**75.9**	158.7

29.2 Maturity

The maturity periods of the non-current secured borrowings at the end of the reporting period were as follows –

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Between one and two years	**18.3**	11.0	**7.9**	0.9
Between two and five years	**29.0**	33.2	**26.4**	0.9
Over five years	**34.2**	155.4	**34.2**	155.4
	81.5	199.6	**68.5**	157.2

29.3 Interest Rates

The weighted average effective interest rates per annum at the end of the reporting period were as follows -

	Group		Company	
	2018 %	2017 %	2018 %	2017 %
Finance lease liabilities	**7.2**	7.2	**7.3**	7.3
Bank loans	**-**	5.8	**-**	-

30. OTHER NON-CURRENT LIABILITIES

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Performance share liability	**7.0**	7.0	**7.0**	7.0
Other payables	**288.1**	342.9	**24.4**	16.7
	295.1	349.9	**31.4**	23.7

Other payables mainly relate to accruals of rental for certain network sites, long-term employee entitlements and asset retirement obligations.

31. SHARE CAPITAL

	2018		2017	
Group and Company	**Number of shares Mil**	**Share capital S$ Mil**	**Number of shares Mil**	**Share capital S$ Mil**
Balance as at 1 April	**16,329.1**	**4,127.3**	15,943.5	2,634.0
Issue of shares during the year (net of costs)	**-**	**-**	385.6	1,493.3
Balance as at 31 March	**16,329.1**	**4,127.3**	16,329.1	4,127.3

Singtel issued 385,581,351 new ordinary shares to Temasek Holdings (Private) Limited to partially finance the acquisitions of shares in Intouch and BTL in November 2016.

All issued shares are fully paid and have no par value. The issued shares carry one vote per share and a right to dividends as and when declared by the Company.

Capital Management

The Group is committed to an optimal capital structure while maintaining financial flexibility and investment grade credit ratings. In order to achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or reduce its borrowings.

The Group monitors capital based on gross and net gearing ratios, and the dividend payout ratio ranges from 60% to 75% of underlying net profit. Underlying net profit is defined as net profit before exceptional and other one-off items.

From time to time, the Group purchases its own shares from the market. The shares purchased are primarily for delivery to employees upon vesting of performance shares awarded under Singtel performance share plans. The Group can also cancel the shares which are repurchased from the market.

There were no changes in the Group's approach to capital management during the financial year.

32. DIVIDENDS

	Group		Company	
	2018 S$ Mil	**2017 S$ Mil**	**2018 S$ Mil**	**2017 S$ Mil**
Final dividend of 10.7 cents (2017: 10.7 cents) per share, paid	**1,746.6**	1,705.5	**1,747.2**	1,706.0
Interim dividend of 6.8 cents (2017: 6.8 cents) per share, paid	**1,110.0**	1,110.0	**1,110.4**	1,110.4
Special dividend of 3.0 cents (2017: nil) per share, paid	**489.7**	-	**489.9**	-
	3,346.3	2,815.5	**3,347.5**	2,816.4

32. DIVIDENDS *(Cont'd)*

During the financial year, a final one-tier tax exempt ordinary dividend of 10.7 cents per share, totalling S$1.75 billion was paid in respect of the previous financial year ended 31 March 2017. In addition, an interim one-tier exempt ordinary dividend of 6.8 cents per share totalling S$1.11 billion and a special one-tier exempt dividend of 3.0 cents per share totalling S$490 million were paid in respect of the current financial year ended 31 March 2018.

The amount paid by the Group differed from that paid by the Company due to dividends on performance shares held by the Trust that were eliminated on consolidation of the Trust.

The Directors have proposed a final one-tier tax exempt ordinary dividend of 10.7 cents per share, totalling approximately S$1.75 billion in respect of the current financial year ended 31 March 2018 for approval at the forthcoming Annual General Meeting.

These financial statements do not reflect the above final dividend payable of approximately S$1.75 billion, which will be accounted for in the Shareholders' Equity as an appropriation of 'Retained Earnings' in the next financial year ending 31 March 2019.

33. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The Group classifies fair value measurements using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels -

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities **(Level 1)**;

(b) inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) **(Level 2)**; and

(c) inputs for the asset or liability which are not based on observable market data (unobservable inputs) **(Level 3)**.

33.1 Financial assets and liabilities measured at fair value

Group 2018	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments [1] (**Note 24**)				
- Quoted equity securities	10.0	-	-	10.0
- Unquoted investments	-	-	86.1	86.1
	10.0	-	86.1	96.1
Derivative financial instruments (**Note 25.1**)	-	432.8	-	432.8
	10.0	432.8	86.1	528.9
Financial liabilities				
Derivative financial instruments (**Note 25.1**)	-	372.2	-	372.2
	-	372.2	-	372.2

33.1 Financial assets and liabilities measured at fair value *(Cont'd)*

Group 2017	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments [1] (**Note 24**)				
- Quoted equity securities	33.3	-	-	33.3
- Unquoted investments	-	-	90.3	90.3
	33.3	-	90.3	123.6
Derivative financial instruments (**Note 25.1**)	-	562.5	-	562.5
	33.3	562.5	90.3	686.1
Financial liabilities				
Derivative financial instruments (**Note 25.1**)	-	318.9	-	318.9
	-	318.9	-	318.9

Note:
[1] Excluded AFS investments stated at cost of S$101.8 million (31 March 2017: S$69.3 million).

Company 2018	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments (**Note 24**)				
- Quoted equity securities	**5.5**	**-**	**-**	**5.5**
Derivative financial instruments (**Note 25.1**)	**-**	**204.2**	**-**	**204.2**
	5.5	**204.2**	**-**	**209.7**
Financial liabilities				
Derivative financial instruments (**Note 25.1**)	**-**	**363.9**	**-**	**363.9**
	-	**363.9**	**-**	**363.9**

33.1 Financial assets and liabilities measured at fair value *(Cont'd)*

Company 2017	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments (**Note 24**)				
- Quoted equity securities	29.1	-	-	29.1
- Unquoted equity securities	-	-	8.3	8.3
	29.1	-	8.3	37.4
Derivative financial instruments (**Note 25.1**)	-	392.0	-	392.0
	29.1	392.0	8.3	429.4
Financial liabilities				
Derivative financial instruments (**Note 25.1**)	-	480.0	-	480.0
	-	480.0	-	480.0

See **Note 2.7** for the policies on fair value estimation of the financial assets and liabilities.

The fair values of the unquoted AFS investments included within Level 3 were estimated using the net asset values as reported in the statements of financial position in the management accounts of the AFS investments or the use of recent arm's length transactions.

The following table presents the reconciliation for the unquoted AFS investments measured at fair value based on unobservable inputs (**Level 3**) -

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
AFS investments - unquoted				
Balance as at 1 April	**90.3**	42.9	**8.3**	7.7
Total (losses)/ gains included in 'Fair Value Reserve'	**(6.1)**	15.5	**0.3**	0.6
Additions	**6.2**	20.7	**-**	-
Write-back of impairment	**-**	1.5	**-**	-
Disposals	**(16.5)**	(2.4)	**(8.6)**	-
Transfer from Level 3	**-**	(0.9)	**-**	-
Transfer to Level 3	**12.2**	13.0	**-**	-
Balance as at 31 March	**86.1**	90.3	**-**	8.3

33.2 Financial assets and liabilities not measured at fair value (but with fair value disclosed)

	Carrying Value	Fair value			
		Level 1	Level 2	Level 3	Total
	S$ Mil	S$ Mil	S$ Mil	S$ Mil	S$ Mil
As at 31 March 2018					
Financial liabilities					
Group					
Bonds (**Note 28.1**)	**7,823.9**	**5,459.8**	**2,680.4**	**-**	**8,140.2**
Company					
Bonds (**Note 28.1**)	**673.2**	**879.1**	**-**	**-**	**879.1**
As at 31 March 2017					
Financial liabilities					
Group					
Bonds (**Note 28.1**)	8,681.4	6,722.9	2,402.9	-	9,125.8
Company					
Bonds (**Note 28.1**)	746.2	957.0	-	-	957.0

See **Note 2.7** on the basis of estimating the fair values and **Note 25** for information on the derivative financial instruments used for hedging the risks associated with the borrowings.

Except as disclosed in the above tables, the carrying values of other financial assets and liabilities approximate their fair values.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

34.1 Financial Risk Factors

The Group's activities are exposed to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk, liquidity risk and market risk. The Group's overall risk management seeks to minimise the potential adverse effects of these risks on the financial performance of the Group.

The Group uses financial instruments such as currency forwards, cross currency and interest rate swaps, and foreign currency borrowings to hedge certain financial risk exposures. No financial derivatives are held or sold for speculative purposes.

The Directors assume responsibility for the overall financial risk management of the Group. For the financial year ended 31 March 2018, the Risk Committee and Finance and Investment Committee ("**FIC**"), which are committees of the Board, assisted the Directors in reviewing and establishing policies relating to financial risk management in accordance with the policies and directives of the Directors.

34.2 Foreign Exchange Risk

The foreign exchange risk of the Group arises from subsidiaries, associates and joint ventures operating in foreign countries, mainly Australia, India, Indonesia, the Philippines, Thailand and United States of America. Additionally, the Group's joint venture in India, Bharti Airtel Limited, is primarily exposed to foreign exchange risks from its operations in Sri Lanka and 14 countries across Africa. Translation risks of overseas net investments are not hedged unless approved by the FIC.

The Group has borrowings denominated in foreign currencies that have primarily been hedged into the functional currency of the respective borrowing entities using cross currency swaps in order to reduce the foreign currency exposure on these borrowings. As the hedges are perfect, any change in the fair value of the cross currency swaps has minimal impact on profit and equity.

The Group Treasury Policy, as approved by the FIC, is to substantially hedge all known transactional currency exposures. The Group generates revenue, receives foreign dividends and incurs costs in currencies which are other than the functional currencies of the operating units, thus giving rise to foreign exchange risk. The currency exposures are primarily for the Australian Dollar, Euro, Hong Kong Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Pound Sterling, Thai Baht, United States Dollar and Japanese Yen.

Foreign currency purchases and forward currency contracts are used to reduce the Group's transactional exposure to foreign currency exchange rate fluctuations. The foreign exchange difference on trade balances is disclosed under **Note 6** and the foreign exchange difference on non-trade balances is disclosed under **Note 10**.

34.3 Interest Rate Risk

The Group has cash balances placed with reputable banks and financial institutions which generate interest income for the Group. The Group manages its interest rate risks on its interest income by placing the cash balances on varying maturities and interest rate terms.

The Group's borrowings include bank borrowings and bonds. The borrowings expose the Group to interest rate risk. The Group seeks to minimise its exposure to these risks by entering into interest rate swaps over the duration of its borrowings. Interest rate swaps entail the Group agreeing to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. As at 31 March 2018, after taking into account the effect of interest rate swaps, approximately 67% (31 March 2017: 70%) of the Group's borrowings were at fixed rates of interest.

As at 31 March 2018, assuming that the market interest rate is 50 basis points higher or lower and with no change to the other variables, the annualised interest expense on borrowings would be higher or lower by S$15.5 million (2017: S$13.5 million).

34.4 Credit Risk

Financial assets that potentially subject the Group to concentrations of credit risk consist primarily of trade receivables, cash and cash equivalents and financial instruments used in hedging activities.

The Group has no significant concentration of credit risk from trade receivables due to its diverse customer base. Credit risk is managed through the application of credit assessment and approvals, credit limits and monitoring procedures. Where appropriate, the Group obtains deposits or bank guarantees from customers or enters into credit insurance arrangements.

The Group places its cash and cash equivalents with a number of major and high credit rating commercial banks and other financial institutions. Derivative counter-parties are limited to high credit rating commercial banks and other financial institutions. The Group has policies that limit the financial exposure to any one financial institution.

34.5 Liquidity Risk

To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available to ensure that the Group is able to meet the short-term obligations of the Group as they fall due.

34.6 Market Risk

The Group has investments in quoted equity shares. The market value of these investments will fluctuate with market conditions.

35. SEGMENT INFORMATION

Segment information is presented based on the information reviewed by senior management for performance measurement and resource allocation.

Singtel Group is organised by three business segments, Group Consumer, Group Enterprise and Group Digital Life.

Group Consumer comprises the consumer businesses across Singapore and Australia, as well as the Group's investments, mainly AIS and Intouch (which has an equity interest of 40.5% in AIS) in Thailand, Airtel in India, Africa and Sri Lanka, Globe in the Philippines, and Telkomsel in Indonesia. It focuses on driving greater value and performance from the core carriage business including mobile, pay TV, fixed broadband and voice, as well as equipment sales.

Group Enterprise comprises the business groups across Singapore, Australia, United States of America, Europe and the region, and focuses on growing the Group's position in the enterprise markets. Key services include mobile, equipment sales, fixed voice and data, managed services, cloud computing, cyber security, IT and professional consulting.

Group Digital Life ("**GDL**") focuses on using the latest internet technologies and assets of the Group's operating companies to develop new revenue and growth engines by entering adjacent businesses where it has a competitive advantage. It focuses on three key businesses in digital life – digital marketing (Amobee), regional premium over-the-top video (HOOQ) and advanced analytics and intelligence capabilities (DataSpark), in addition to strengthening its role as Singtel's digital innovation engine through Innov8.

Corporate comprises the costs of Group functions not allocated to the business segments.

35. SEGMENT INFORMATION *(Cont'd)*

The measurement of segment results which is before exceptional items, is in line with the basis of information presented to management for internal management reporting purposes.

The costs of shared and common infrastructure are allocated to the business segments using established methodologies.

The Group's reportable segments by the three business segments for the financial years ended 31 March 2018 and 31 March 2017 were as follows –

Group - 2018	Group Consumer S$ Mil	Group Enterprise S$ Mil	Group Digital Life S$ Mil	Corporate S$ Mil	Group Total S$ Mil
Operating revenue	9,826.1	6,625.4	1,080.3	-	17,531.8
Operating expenses	(6,663.8)	(4,814.3)	(1,133.4)	(90.0)	(12,701.5)
Other income	206.9	44.8	1.8	5.3	258.8
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	3,369.2	1,855.9	(51.3)	(84.7)	5,089.1
Share of pre-tax results of associates and joint ventures					
- Airtel	199.3	-	-	-	199.3
- Telkomsel	1,372.4	-	-	-	1,372.4
- Globe	289.1	-	-	-	289.1
- AIS	347.4	-	-	-	347.4
- Intouch	103.0	-	-	-	103.0
- Others	0.9	-	-	148.7	149.6
	2,312.1	-	-	148.7	2,460.8
EBITDA and share of pre-tax results of associates and joint ventures	5,681.3	1,855.9	(51.3)	64.0	7,549.9
Depreciation and amortisation	(1,633.3)	(636.5)	(69.1)	(1.2)	(2,340.1)
Earnings before interest and tax ("EBIT")	4,048.0	1,219.4	(120.4)	62.8	5,209.8
Segment assets					
Investment in associates and joint ventures					
- Airtel	7,453.1	-	-	-	7,453.1
- Telkomsel	3,419.8	-	-	-	3,419.8
- Globe	1,060.0	-	-	-	1,060.0
- AIS	762.5	-	-	-	762.5
- Intouch	1,636.4	-	-	-	1,636.4
- Others	23.6	-	-	432.7	456.3
	14,355.4	-	-	432.7	14,788.1
Goodwill on acquisition of subsidiaries	9,192.9	1,167.5	1,011.8	-	11,372.2
Other assets	13,200.9	5,713.9	729.8	2,448.8	22,093.4
	36,749.2	6,881.4	1,741.6	2,881.5	48,253.7

35. SEGMENT INFORMATION *(Cont'd)*

Group - 2017	Group Consumer S$ Mil	Group Enterprise S$ Mil	Group Digital Life S$ Mil	Corporate S$ Mil	Group Total S$ Mil
Operating revenue	9,572.0	6,600.3	539.1	-	16,711.4
Operating expenses	(6,453.3)	(4,732.0)	(652.6)	(91.1)	(11,929.0)
Other income/ (expense)	176.2	45.0	(8.7)	2.8	215.3
EBITDA	3,294.9	1,913.3	(122.2)	(88.3)	4,997.7
Share of pre-tax results of associates and joint ventures					
- Airtel	579.9	-	-	-	579.9
- Telkomsel	1,422.0	-	-	-	1,422.0
- Globe	288.0	-	-	-	288.0
- AIS [1]	333.4	-	-	-	333.4
- Intouch	31.3	-	-	-	31.3
- Others	1.2	-	-	230.0	231.2
	2,655.8	-	-	230.0	2,885.8
EBITDA and share of pre-tax results of associates and joint ventures [1]	5,950.7	1,913.3	(122.2)	141.7	7,883.5
Depreciation and amortisation	(1,524.4)	(644.9)	(68.1)	(1.5)	(2,238.9)
EBIT [1]	4,426.3	1,268.4	(190.3)	140.2	5,644.6
Segment assets					
Investment in associates and joint ventures					
- Airtel	6,847.0	-	-	-	6,847.0
- Telkomsel	3,606.2	-	-	-	3,606.2
- Globe	1,085.4	-	-	-	1,085.4
- AIS	646.4	-	-	-	646.4
- Intouch	1,577.2	-	-	-	1,577.2
- Others	25.2	-	-	447.7	472.9
	13,787.4	-	-	447.7	14,235.1
Goodwill on acquisition of subsidiaries	9,193.4	1,241.4	729.8	-	11,164.6
Other assets	12,590.8	5,637.4	602.5	4,063.8	22,894.5
	35,571.6	6,878.8	1,332.3	4,511.5	48,294.2

Notes to the Financial Statements

For the financial year ended 31 March 2018

35. SEGMENT INFORMATION *(Cont'd)*

A reconciliation of the total reportable segments' EBIT to the Group's profit before tax was as follows -

	Group	
	2018 S$ Mil	2017 S$ Mil
EBIT [1]	**5,209.8**	5,644.6
Share of exceptional items of associates and joint ventures (post-tax) [1]	**(34.0)**	(30.7)
Share of tax expense of associates and joint ventures [1]	**(640.1)**	(837.8)
Exceptional items	**1,940.4**	(1.2)
Profit before interest, investment income (net) and tax	**6,476.1**	4,774.9
Interest and investment income (net)	**45.6**	114.8
Finance costs	**(390.2)**	(374.3)
Profit before tax	**6,131.5**	4,515.4

Note:

(1) AIS' 3G/4G handset subsidy costs in the previous financial year has been reclassified from share of exceptional items of joint ventures to share of pre-tax results of joint ventures to be consistent with current year.

The Group's revenue from its major products and services are disclosed in **Note 4.**

The Group's revenue is mainly derived from Singapore and Australia which respectively accounted for approximately 38% (2017: 40%) and 52% (2017: 53%) of the total revenue for the financial year ended 31 March 2018, with the remaining 10% (2017: 7%) from the United States of America and other countries where the Group operates in. The geographical information on the Group's non-current assets is not presented as it is not used for segmental reporting purposes.

The Group has a large and diversified customer base which consists of individuals and corporations. There was no single customer that contributed 10% or more of the Group's revenue for the financial years ended 31 March 2018 and 31 March 2017.

36. OPERATING LEASE COMMITMENTS

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, were as follows -

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Not later than one year	**420.3**	468.8	**103.6**	103.3
Later than one but not later than five years	**1,545.1**	1,573.2	**332.7**	306.2
Later than five years	**1,385.1**	1,623.5	**281.4**	358.5
	3,350.5	3,665.5	**717.7**	768.0

36. OPERATING LEASE COMMITMENTS *(Cont'd)*

Sale and operating leaseback contracts were entered into for certain property, plant and equipment for a period of 20 years commencing on 2 March 2005 and 1 November 2010. The above commitments included the minimum amounts payable of S$43.4 million (31 March 2017: S$42.6 million) per annum under those contracts. The operating lease payments under such contracts are subject to review every year with a general increase not exceeding the higher of 2% or Consumer Price Index percentage of the preceding year.

37. COMMITMENTS

37.1 The commitments for capital and operating expenditures, and investments which had not been recognised in the financial statements, excluding the commitments shown under **Note 37.2**, were as follows -

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Authorised and contracted for	**865.3**	1,767.7	**87.5**	152.9

37.2 As at 31 March 2018, the Group's commitments for the purchase of broadcasting programme rights were S$693 million (31 March 2017: S$936 million). The commitments included only the minimum guaranteed amounts payable under the respective contracts and do not include amounts that may be payable based on revenue share arrangement which cannot be reliably determined as at the end of the reporting period.

38. CONTINGENT LIABILITIES OF SINGTEL AND ITS SUBSIDIARIES

(a) **Guarantees**

As at 31 March 2018,

(i) The Group and Company provided bankers' and other guarantees, and insurance bonds of S$570.4 million and S$146.4 million (31 March 2017: S$437.5 million and S$268.1 million) respectively.

(ii) The Company provided guarantees for loans of S$1.18 billion (31 March 2017: S$1.16 billion) drawn down under various loan facilities entered into by Singtel Group Treasury Pte. Ltd. ("**SGT**"), a wholly owned subsidiary, with maturities between December 2018 and May 2020.

(iii) The Company provided guarantees for SGT's notes issue of an aggregate equivalent amount of S$4.04 billion (31 March 2017: S$4.92 billion) due between April 2018 and October 2026.

(b) In 2016 and 2017, Singapore Telecom Australia Investments Pty Limited ("**STAI**") received amended assessments from the Australian Taxation Office ("**ATO**") in connection with the acquisition financing of Optus. The assessments comprised of primary tax of A$268 million, interest of A$58 million and penalties of A$67 million. STAI's holding company, Singtel Australia Investment Ltd, would be entitled to refund of withholding tax estimated at A$89 million.

STAI has objected to the amended assessments.

38. CONTINGENT LIABILITIES OF SINGTEL AND ITS SUBSIDIARIES *(Cont'd)*

In accordance with the ATO administrative practice, STAI paid a minimum amount of 50% of the assessed primary tax on 21 November 2016. This payment continued to be recognised as a receivable as at 31 March 2018.

STAI has received advice from external experts in relation to this matter and will vigorously defend its position. Accordingly, no provision has been made as at 31 March 2018.

On 2 November 2017, STAI received a tax position paper from the ATO in relation to the subsequent re-financing of the above loan. This matter is now settled at an agreed amount.

(c) The Group is contingently liable for claims arising in the ordinary course of business and from certain tax assessments which are being contested, the outcome of which are not presently determinable. The Group is vigorously defending all these claims.

39. SIGNIFICANT CONTINGENT LIABILITIES OF ASSOCIATE AND JOINT VENTURES

(a) Airtel, a joint venture of the Group, has disputes with various government authorities in the respective jurisdictions where its operations are based, as well as with third parties regarding certain transactions entered into in the ordinary course of business.

On 8 January 2013, the local regulator, Department of Telecommunications ("**DOT**") issued a demand on Airtel Group for Rs. 52.01 billion (S$1.05 billion) towards levy of one time spectrum charge.

In the opinion of Airtel, inter-alia, the above demand amounts to alteration of the terms of the licences issued in the past. Airtel believes, based on independent legal opinion and its evaluation, that it is not probable that any material part of the claim will be awarded against Airtel and therefore, pending outcome of this matter, no provision has been recognised

As at 31 March 2018, other taxes, custom duties and demands under adjudication, appeal or disputes amounted to approximately Rs.126 billion (S$2.54 billion). In respect of some of the tax issues, pending final decisions, Airtel had deposited amounts with statutory authorities.

(b) AIS, a joint venture of the Group, has various commercial disputes and significant litigations.

In 2008, CAT Telecom Public Company Limited ("**CAT**") demanded that AIS' subsidiary, Digital Phone Company Limited ("**DPC**") pay additional revenue share of THB 3.4 billion (S$143 million) arising from the abolishment of excise tax. CAT's claim is still pending appeal before the Supreme Administrative Court.

In 2015, TOT Public Company Limited ("**TOT**") demanded that AIS pays additional revenue share of THB 62.8 billion (S$2.64 billion) arising from what TOT claims to be an illegality of two amendments made to the Concession Agreement, namely, Amendment 6 (regarding reduction in prepaid revenue share rate) made in 2001 and Amendment 7 (regarding deduction of roaming expense from revenue share) made in 2002, which have resulted in lower revenue share. This case is pending arbitration.

39. SIGNIFICANT CONTINGENT LIABILITIES OF ASSOCIATE AND JOINT VENTURES *(Cont'd)*

Between 2011 and 2016, TOT demanded that AIS pays additional revenue share based on gross interconnection income from 2007 to 2015 amounting to THB 36.2 billion (S$1.52 billion) plus interest. The claims are pending arbitration.

Between 2014 and 2016, TOT demanded that AIS pays THB 41.1 billion (S$1.73 billion) plus interest for the porting of subscribers from 900 MHz to 2100 MHz network. This case is pending arbitration.

In March 2018, CAT demanded DPC to transfer the telecommunications systems which would have been supplied under the Concession Agreement between CAT and DPC of THB 13.4 billion (S$564 million) or to pay the same amount plus interest. This case is pending arbitration.

As at 31 March 2018, there are a number of other claims against AIS and its subsidiaries amounting to THB 28.3 billion (S$1.19 billion) which are pending adjudication.

AIS believes that the above claims will be settled in favour of AIS and will have no material impact to its financial statements.

(c) In October 2017, Intouch and its subsidiary, Thaicom Public Company Limited ("**Thaicom**") received letters from the Ministry of Digital Economy and Society (the "**Ministry**") stating that Thaicom 7 and Thaicom 8 satellites (the "**Satellites**") are governed under the terms of a 1991 satellite operating agreement between Intouch and the Ministry which entails the transfer of asset ownership, procurement of backup satellites, payment of revenue share, and procurement of property insurance. Intouch and Thaicom have obtained legal advice and are of the opinion that the Satellites are not covered under the Agreement but instead under the licence from the National Broadcasting and Telecommunications Commission. This case is pending arbitration.

(d) Globe, a joint venture of the Group, is contingently liable for various claims arising in the ordinary conduct of business and certain tax assessments which are either pending decision by the Courts or are being contested, the outcome of which are not presently determinable. In the opinion of Globe's management and legal counsel, the eventual liability under these claims, if any, will not have a material or adverse effect on Globe's financial position and results of operations.

In June 2016, the Philippine Competition Commission ("**PCC**") claimed that the Joint Notice of Acquisition filed by Globe, PLDT Inc. ("**PLDT**") and San Miguel Corporation ("**SMC**") on the acquisition of SMC's telecommunications business was deficient and cannot be claimed to be deemed approved. In July 2016, Globe filed a petition with the Court of Appeals of the Philippines ("**CA**") to stop the PCC from reviewing the acquisition. In October 2017, the CA ruled in favour of Globe and PLDT, and declared the acquisition as valid and deemed approved. PCC subsequently elevated the case to the Supreme Court to review the CA's rulings.

(e) As at 31 March 2018, Telkomsel, a joint venture of the Group, has filed appeals and cross-appeals amounting to approximately IDR 180 billion (S$17 million) for various tax claims arising in certain tax assessments which are pending final decisions, the outcome of which is not presently determinable.

40. SUBSEQUENT EVENT

In April 2018, the Group completed the sale of a property for S$118 million.

41. EFFECTS OF ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

With effect from financial year beginning on 1 April 2018, the Group has adopted Singapore Financial Reporting Standards (International) ("**SFRS(I)**"), SFRS(I) 9, *Financial Instruments*, and SFRS(I) 15, *Revenue from Contracts with Customers*. The new accounting framework and standards will be retrospectively applied to the financial statements for the financial year ended 31 March 2018 and the opening statement of financial position as at 1 April 2017.

SFRS(I) are identical to the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). An assessment of the transition options and requirements on application of SFRS(I) 1, *First-time adoption of International Financial Reporting Standards*, has been performed. The Group expects the adoption of the new accounting framework to have the following effects arising from the transition options:

(a) The currency translation loss of the Group as at 1 April 2017 of S$4.51 billion will be transferred to retained earnings. Consequently, retained earnings as at 1 April 2017 will correspondingly be lower by S$4.51 billion.

(b) The assets and retained earnings of the Group may be lower with the adoption of fair value as the 'deemed cost' as at 1 April 2017 for certain property, plant and equipment.

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets and financial liabilities, general hedge accounting and impairment requirements for financial assets. Equity investments currently accounted as Available-For-Sale ("**AFS**") investments will be accounted as 'Fair Value through Other Comprehensive Income ("**FVOCI**")' investments. Companies can choose to recognise either 12-month or lifetime expected credit losses for its trade receivables and contract assets. The Group plans to recognise lifetime expected credit losses given the short duration of its debts.

SFRS(I) 15 establishes a single comprehensive model of accounting for revenue arising from contracts with customers. The standard requires companies to apportion revenue earned from contracts to performance obligations based on a five-step model on a relative standalone selling price basis. It also introduces new contract cost guidance and requires certain additional disclosures. The adoption of SFRS(I) 15 will have the following key effects at the consolidated level:

(a) An increase in revenue allocated to sales of equipment, which are fair valued at standalone selling price, and a reduction in mobile service revenue over the customer contract period.

(b) Cost of sales will be higher and mobile customer acquisition cost will be lower.

(c) Customer acquisition cost such as dealers' commission will be capitalised and amortised in the income statement as the Group recognises the related revenue.

(d) Contract assets will be higher from allocation of revenue to sales of equipment. Contract asset represents the difference between the revenue recognised and the upfront cash consideration received from customers.

41. EFFECTS OF ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED *(Cont'd)*

The adoption of SFRS(I) 9 and SFRS(I) 15 are not expected to have a material impact on the net results of the Group.

SFRS(I) 16, *Leases*, will take effect from financial year beginning on 1 April 2019. This standard requires lessees to adopt a single lease accounting model with most leases recognised in balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments. Recognition exemptions for low value assets and short term leases can be applied. The standard continues to adopt dual accounting lease model for lessor accounting. The Group plans to apply SFRS(I) 16 prospectively with the cumulative effect of initial application as an adjustment to the opening retained earnings as at 1 April 2019. The Group is currently in the process of assessing the impact of adoption of this standard, which is expected to be significant.

The other new or revised standards issued but not yet effective are not expected to have a significant impact on the financial statements of the Group.

42. COMPANIES IN THE GROUP

The Company's immediate and ultimate holding company is Temasek Holdings (Private) Limited, a company incorporated in Singapore. The following were the significant subsidiaries as well as associates and joint ventures as at 31 March 2018 and 31 March 2017.

42.1 Significant subsidiaries incorporated in Singapore

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2018 %	2017 %
1.	Amobee Asia Pte. Ltd.	Provision of digital marketing services	**100**	100
2.	DataSpark Pte. Ltd.	Develop and market data analytics and insights products and services	**100**	100
3.	Group Enterprise Pte. Ltd.	Telecommunications resellers and third party telecommunications providers	**100**	100
4.	HOOQ Digital Pte. Ltd.	Provision of regional premium over-the-top video services	**65**	65
5.	NCS Communications Engineering Pte. Ltd.	Provision of facilities management and consultancy services, and distributor of specialised telecommunications and data communication products	**100**	100
6.	NCS Pte. Ltd.	Provision of information technology and consultancy services	**100**	100
7.	NCSI Solutions Pte. Ltd.	Provision of information technology services	**100**	100
8.	SCS Computer Systems Pte. Ltd.	Provision of information technology services	**100**	100
9.	Singapore Telecom International Pte Ltd	Holding of strategic investments and provision of technical and management consultancy services	**100**	100
10.	SingNet Pte Ltd	Provision of internet access and pay television services	**100**	100
11.	Singtel Innov8 Ventures Pte. Ltd.	Provision of fund management services	**100**	100

42.1 Significant subsidiaries incorporated in Singapore *(Cont'd)*

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2018 %	2017 %
12.	Singtel Mobile Singapore Pte. Ltd.	Operation and provision of cellular mobile telecommunications systems and services, and sale of telecommunications equipment	**100**	100
13.	ST-2 Satellite Ventures Private Limited	Provision of satellite capacity for telecommunications and video broadcasting services	**61.9**	61.9
14.	Sembawang Cable Depot Pte Ltd	Provision of storage facilities for submarine telecommunication cables and related equipment	**60**	60
15.	Singtel Digital Media Pte Ltd	Development and management of on-line internet portal	**100**	100
16.	SingtelSat Pte Ltd	Provision of satellite capacity for telecommunications and video broadcasting services	**100**	100
17.	Telecom Equipment Pte Ltd	Engaged in the sale and maintenance of telecommunications equipment, and mobile finance services	**100**	100
18.	Trustwave Pte. Ltd.	Provision of information security services and products	**98**	98

All companies are audited by Deloitte & Touche LLP.

42.2 Significant subsidiaries incorporated in Australia

			Percentage of effective equity interest held by the Group	
	Name of subsidiary	**Principal activities**	**2018 %**	**2017 %**
1.	Amobee ANZ Pty Ltd	Provision of digital marketing services	**100**	100
2.	Alphawest Services Pty Ltd [1]	Provision of information technology services	**100**	100
3.	Ensyst Pty Limited	Provision of cloud services	**100**	100
4.	NCSI (Australia) Pty Limited	Provision of information technology services	**100**	100
5.	Optus Administration Pty Limited [1]	Provision of management services to the Optus Group	**100**	100
6.	Optus ADSL Pty Limited [1]	Provision of carriage services	**100**	100
7.	Optus Billing Services Pty Limited [*][1]	Provision of billing services to the Optus Group	**100**	100
8.	Optus C1 Satellite Pty Limited [1]	C1 Satellite contracting party	**100**	100
9.	Optus Content Pty Limited [1]	Provision of digital content acquisition	**100**	100
10.	Optus Data Centres Pty Limited [1]	Provision of data communication services	**100**	100
11.	Optus Fixed Infrastructure Pty Limited [1]	Provision of telecommunications services	**100**	100
12.	Optus Insurance Services Pty Limited	Provision of handset insurance and related services	**100**	100
13.	Optus Internet Pty Limited [1]	Provision of services over Hybrid Fibre Co-Axial network and National Broadband Network	**100**	100
14.	Optus Mobile Pty Limited [1]	Provision of mobile phone services	**100**	100
15.	Optus Networks Pty Limited [1]	Provision of telecommunications services	**100**	100

42.2 Significant subsidiaries incorporated in Australia *(Cont'd)*

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2018 %	2017 %
16.	Optus Satellite Pty Limited (1)	Provision of satellite services to customers	**100**	100
17.	Optus Systems Pty Limited (1)	Provision of information technology services to the Optus Group	**100**	100
18.	Optus Vision Media Pty Limited (*) (2)	Provision of broadcasting related services	**20**	20
19.	Optus Vision Pty Limited (1)	Provision of telecommunications services	**100**	100
20.	Optus Wholesale Pty Limited (1)	Provision of services to wholesale customers	**100**	100
21.	Prepaid Services Pty Limited (1)	Distribution of prepaid mobile products	**100**	100
22.	Reef Networks Pty Ltd (1)	Operation and maintenance of fibre optic network between Brisbane and Cairns	**100**	100
23.	TWH Australia Pty. Ltd.	Provision of information security services and products	**98**	98
24.	Uecomm Operations Pty Limited (1)	Provision of data communication services	**100**	100
25.	Virgin Mobile (Australia) Pty Limited (1)	Provision of mobile phone services	**100**	100
26.	Vividwireless Group Limited (1)	Provision of wireless broadband services	**100**	100

All companies are audited by Deloitte Touche Tohmatsu, Australia, except for those companies denoted (*) where no statutory audit is required.

Notes:

(1) These entities are relieved from the Australian Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports pursuant to ASIC Class Order 2016/785 (as amended) dated 30 March 2007.

(2) Optus Vision Media Pty Limited is deemed to be a subsidiary by virtue of control.

42.3 Significant subsidiaries incorporated outside Singapore and Australia

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2018 %	2017 %
1.	Amobee EMEA Limited	Provision of digital marketing services	United Kingdom	**100**	100
2.	Amobee, Inc.	Provision of digital marketing services	USA	**100**	100
3.	Amobee Ltd	Research and development centre	Israel	**100**	100
4.	Breach Security, Ltd.	Provision of information security services and products	Israel	**98**	98
5.	GB21 (Hong Kong) Limited	Provision of telecommunications services and products	Hong Kong	**100**	100
6.	Global Enterprise International Malaysia Sdn. Bhd.	Provision of data communication and value added network services	Malaysia	**100**	100
7.	HOOQ Digital (India) Private Limited	Provision of over-the-top video services and related activities and services	India	**65**	65
8.	HOOQ Digital Mauritius Private Limited	Content operations and procurement	Mauritius	**65**	65
9.	HOOQ Digital (Philippines) Inc.	Provision of market research, sales and marketing support services	Philippines	**65**	65
10.	HOOQ Digital (Thailand) Company Limited	Provision of market research, sales and marketing support services	Thailand	**65**	65
11.	Lanka Communication Services (Pvt) Limited	Provision of telecommunications services	Sri Lanka	**82.9**	82.9
12.	M86 Security International, Ltd.	Provision of information security services and products	United Kingdom	**98**	98

42.3 Significant subsidiaries incorporated outside Singapore and Australia *(Cont'd)*

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2018 %	2017 %
13.	M86 Security Israel, Ltd.	Provision of information security services and products	Israel	**98**	98
14.	NCS Information Technology (Suzhou) Co., Ltd. (2)	Software development and provision of information technology services	People's Republic of China	**100**	100
15.	NCSI (Chengdu) Co., Ltd (2)	Provision of information technology research and development, and other information technology related services	People's Republic of China	**100**	100
16.	NCSI (HK) Limited	Provision of information technology services	Hong Kong	**100**	100
17.	NCSI (Malaysia) Sdn Bhd	Provision of information technology services	Malaysia	**100**	100
18.	NCSI (Philippines) Inc.	Provision of information technology and communication engineering services	Philippines	**100**	100
19.	NCSI (Shanghai), Co. Ltd (2)	Provision of system integration, software research and development and other information technology related services	People's Republic of China	**100**	100
20.	SCS Information Technology Sdn Bhd	Consultancy, sale of computer equipment and software including provision of marketing, maintenance and other related services	Brunei	**100**	100
21.	Singtel Global Private Limited	Provision of infotainment products and services, and investment holding	Mauritius	**100**	100

42.3 Significant subsidiaries incorporated outside Singapore and Australia *(Cont'd)*

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2018 %	2017 %
22.	Singtel Global India Private Limited	Provision of telecommunications services and all related activities	India	**100**	100
23.	Singtel Innov8 Ventures LLC	Provision of investment consulting services	USA	**100**	100
24.	Singapore Telecom Hong Kong Limited	Provision of telecommunications services and all related activities	Hong Kong	**100**	100
25.	Singapore Telecom Japan Co Ltd	Provision of telecommunications services and all related activities	Japan	**100**	100
26.	Singapore Telecom Korea Limited	Provision of telecommunications services and all related activities	South Korea	**100**	100
27.	Singapore Telecom USA, Inc.	Provision of telecommunications, engineering and marketing services	USA	**100**	100
28.	Singtel (Europe) Limited	Provision of telecommunications services and all related activities	United Kingdom	**100**	100
29.	Singtel Taiwan Limited	Provision of telecommunications services and all related activities	Taiwan	**100**	100
30.	STI Solutions (Shanghai) Co., Ltd	Provision of telecommunications services and all related activities	People's Republic of China	**100**	100
31.	Sudong Sdn. Bhd.	Management, provision and operations of a call centre for telecommunications services	Malaysia	**100**	100
32.	Trustwave Canada, Inc.	Provision of information security services and products	Canada	**98**	98
33.	Trustwave Government Solutions, LLC	Provision of information security services and products	USA	**98**	98

42.3 Significant subsidiaries incorporated outside Singapore and Australia *(Cont'd)*

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2018 %	2017 %
34.	Trustwave Holdings, Inc.	Provision of information security services and products	USA	**98**	98
35.	Trustwave Limited	Provision of information security services and products	United Kingdom	**98**	98
36.	Trustwave SecureConnect Inc.	Provision of information security services and products	USA	**98**	98
37.	Turn Europe (UK) Limited	Provision of digital marketing services	United Kingdom	**100**	-
38.	Turn Inc.	Provision of digital marketing services	USA	**100**	-

All companies are audited by a member firm of Deloitte Touche Tohmatsu Limited.

Notes:

(1) The place of the business of the subsidiaries are the same as their country of incorporation, unless otherwise specified.

(2) Subsidiary's financial year-end is 31 December.

42.4 Associates of the Group

	Name of associate	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2018 %	2017 %
1.	2359 Media Pte. Ltd.	Development and design of mobile-based advertising	Singapore	**28.6**	28.6
2.	APT Satellite Holdings Limited [(2)]	Investment holding	Bermuda	**20.3**	20.3
3.	APT Satellite International Company Limited [(2)]	Investment holding	British Virgin Islands	**28.6**	28.6
4.	HOPE Technik Pte Ltd	Provision of high performance engineering solutions	Singapore	**21.3**	21.3
5.	IGA Limited	Provision of online digital advertising platform	Cayman Islands	**22.1**	22.1
6.	Intouch Holdings Public Company Limited [(3)]	Investment holding	Thailand	**21.0**	21.0
7.	Kai Square	Provision of next generation cloud-based video surveillance services, monitoring and analytics	Singapore	**39.2**	39.2
8.	MassiveImpact International Ltd	Provision of performance based mobile advertising platform	British Virgin Islands	**48.9**	48.9
9.	NetLink Trust [(4)]	To own, install, operate and maintain the passive infrastructure for Singapore's Next Generation Nationwide Broadband Network	Singapore	**24.8**	100.0
10.	NetLink NBN Trust [(4)]	Investment holding	Singapore	**24.8**	-
11.	Sentilla Corporation	Provision of energy management services for data centres	USA	**31.0**	31.0

42.4 Associates of the Group *(Cont'd)*

	Name of associate	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2018 %	2017 %
12.	Singapore Post Limited [5]	Operation and provision of postal, eCommerce logistics and retail services	Singapore	**21.7**	21.7
13.	Viewers Choice Pte Ltd	Provision of services relating to motor vehicle rental and retail of general merchandise	Singapore	**49.2**	49.2

Notes:

[1] The place of business of the associates are the same as their country of incorporation.

[2] The company has been equity accounted for in the consolidated financial statements based on results ended, or as at, 31 December 2017, the financial year-end of the company.

[3] Audited by Deloitte Touche Tohmatsu Jaiyos Audit Co. Ltd, Bangkok.

[4] Audited by Deloitte & Touche LLP, Singapore. Singtel ceased to own units in NetLink Trust following the sale to NetLink NBN Trust in July 2017 but continues to have an interest of 24.8% in NetLink NBN Trust, the holding company of NetLink Trust. NetLink NBN Trust is regarded as an associate as Singtel does not have effective control in the trust.

[5] Audited by Deloitte & Touche LLP, Singapore.

42.5 Joint ventures of the Group

	Name of joint venture	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2018 %	2017 %
1.	Acasia Communications Sdn Bhd (3)	Provision of networking services to business customers operating within and outside Malaysia	Malaysia	**14.3**	14.3
2.	ACPL Marine Pte Ltd	To own, operate and manage maintenance-cum-laying cableships	Singapore	**16.7**	41.7
3.	Advanced Info Service Public Company Limited (4) (5)	Provision of mobile, broadband, international telecommunications services, call centre and data transmission	Thailand	**23.3**	23.3
4.	ASEAN Cableship Pte Ltd	Operation of cableships for laying, repair and maintenance of submarine telecommunication cables	Singapore	**16.7**	16.7
5.	ASEAN Telecom Holdings Sdn Bhd (3)	Investment holding	Malaysia	**14.3**	14.3
6.	Asiacom Philippines, Inc. (3)	Investment holding	Philippines	**40.0**	40.0
7.	Bharti Airtel Limited (6)	Provision of mobile, long distance, broadband and telephony telecommunications services, enterprise solutions, pay television and passive infrastructure	India	**39.5**	36.5
8.	Bharti Telecom Limited (6)	Investment holding	India	**48.9**	47.2
9.	Bridge Mobile Pte. Ltd.	Provision of regional mobile services	Singapore	**34.5**	34.2

42.5 Joint ventures of the Group *(Cont'd)*

	Name of joint venture	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2018 %	2017 %
10.	Globe Telecom, Inc. [7] [8]	Provision of mobile, broadband, international and fixed line telecommunications services	Philippines	**21.5**	21.5
11.	Grid Communications Pte. Ltd. [3]	Provision of public trunk radio services	Singapore	**50.0**	50.0
12.	Indian Ocean Cableship Pte. Ltd.	Leasing, operating and managing of maintenance-cum-laying cableship	Singapore	**50.0**	50.0
13.	International Cableship Pte Ltd	Ownership and chartering of cableships	Singapore	**45.0**	45.0
14.	Main Event Television Pty Limited	Provision of cable television programmes	Australia	**33.3**	33.3
15.	Pacific Bangladesh Telecom Limited	Provision of mobile telecommunications, broadband and data transmission services	Bangladesh	**45.0**	45.0
16.	Pacific Carriage Holdings Limited [9]	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	**39.99**	39.99
17.	PT Telekomunikasi Selular [10]	Provision of mobile telecommunications and related services	Indonesia	**35.0**	35.0
18.	Radiance Communications Pte Ltd [3]	Sale, distribution, installation and maintenance of telecommunications equipment	Singapore	**50.0**	50.0
19.	Southern Cross Cables Holdings Limited [9] [11]	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	**39.99**	39.99

42.5 Joint ventures of the Group *(Cont'd)*

	Name of joint venture	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2018 %	2017 %
20.	Telescience Singapore Pte Ltd	Sale, distribution and installation of telecommunications and information technology equipment and services	Singapore	**50.0**	50.0
21.	VA Dynamics Sdn. Bhd. (3)	Distribution of networking cables and related products	Malaysia	**49.0**	49.0

Notes:

(1) The place of business of the joint ventures are the same as their country of incorporation, unless otherwise specified.

(2) The Group holds substantive participating rights over the significant financial and operating decisions of the above joint ventures, which enables the Group to exercise joint control with the other shareholders.

(3) The company has been equity accounted for in the consolidated financial statements based on the results ended, or as at, 31 December 2017, the financial year-end of the company.

(4) Audited by Deloitte Touche Tohmatsu Jaiyos Audit Co. Ltd, Bangkok.

(5) This represents the Group's direct interest in AIS.

(6) Audited by Deloitte Haskins & Sells LLP, New Delhi. The company has operations in India, Sri Lanka, and 14 countries across Africa.

(7) Audited by Navarro Amper & Co. (a member firm of Deloitte Touche Tohmatsu Limited).

(8) The Group has a 47.1% effective economic interest in Globe.

(9) The Southern Cross Cable Consortium operates through two separate companies. Southern Cross Cables Holdings Limited owns a cable network between Australia and the USA, with operations outside the USA. Pacific Carriage Holdings Limited has operations within the USA.

(10) Audited by Purwantono, Sungkoro & Surja (a member firm of Ernst & Young).

(11) Audited by KPMG, Bermuda.

AUDITED FINANCIAL STATEMENTS OF THE SINGTEL GROUP FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

The information in this section has been reproduced from the audited financial statements of the Singtel Group for the financial year ended 31 March 2017 and has not been specifically prepared for inclusion in this Offering Circular.

Directors' Statement

For the financial year ended 31 March 2017

The Directors present their statement to the members together with the audited financial statements of the Company ("**Singtel**") and its subsidiaries (the "**Group**") for the financial year ended 31 March 2017.

In the opinion of the Directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 137 to 227 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. DIRECTORS

The Directors of the Company in office at the date of this statement are –

Simon Claude Israel (Chairman)
Chua Sock Koong (Group Chief Executive Officer)
Bobby Chin Yoke Choong
Venkataraman Vishnampet Ganesan
Christina Hon Kwee Fong (Christina Ong)
Low Check Kian
Peter Edward Mason AM [1]
Peter Ong Boon Kwee
Teo Swee Lian

Note:
[1] Member of the Order of Australia

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except for performance shares granted under the Singtel Performance Share Plan 2012 (the "**Singtel PSP 2012**") and share options granted by Amobee Group Pte. Ltd. ("**Amobee**").

Directors' Statement

For the financial year ended 31 March 2017

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The interests of the Directors holding office at the end of the financial year in the share capital of the Company and related corporations according to the register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act were as follows –

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 31 March 2017	At 1 April 2016	At 31 March 2017	At 1 April 2016
The Company				
Singapore Telecommunications Limited				
(Ordinary shares)				
Simon Claude Israel	**836,275** (1)	759,338	**1,360** (2)	1,360
Chua Sock Koong	**7,034,926** (3)	6,692,097	**5,156,191** (4)	4,777,845
Bobby Chin Yoke Choong	**–**	–	**–**	–
Low Check Kian	**1,490**	1,490	**–**	–
Peter Edward Mason AM	**50,000** (5)	–	**–**	–
Christina Ong	**–**	–	**–**	–
Peter Ong Boon Kwee	**870**	870	**1,537** (2)	1,537
Teo Swee Lian	**1,550**	1,550	**–**	–
(American Depositary Shares)				
Venkataraman Vishnampet Ganesan	**3,341.45** (6)	3,341.45	**–**	–
Subsidiary Corporations				
Amobee Group Pte. Ltd.				
(Options to subscribe for ordinary shares)				
Venkataraman Vishnampet Ganesan	**750,718**	750,718	**–**	–
Optus Finance Pty Limited				
(A$250,000,000 4% fixed rate notes due 2022)				
Simon Claude Israel	**1,600,000** (7)	1,600,000	**–**	–
Related Corporations				
Ascendas Funds Management (S) Limited				
(Unit holdings in Ascendas Real Estate Investment Trust)				
Simon Claude Israel	**1,000,000** (8)	1,000,000	**–**	–
Chua Sock Koong	**142,000**	142,000	**–**	–
(S$300,000,000 4.75% subordinated perpetual securities issued by Ascendas Real Estate Investment Trust)				
Chua Sock Koong	**S$250,000** (principal amount)	S$250,000 (principal amount)	**–**	–

Directors' Statement

For the financial year ended 31 March 2017

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES *(Cont'd)*

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 31 March 2017	At 1 April 2016	At 31 March 2017	At 1 April 2016
Mapletree Commercial Trust Management Ltd.				
(Unit holdings in Mapletree Commercial Trust)				
Simon Claude Israel	**4,043,520** (7)	3,456,000	**–**	–
Bobby Chin Yoke Choong	**–**	–	**117,000** (2)	100,000
Mapletree Greater China Commercial Trust Management Ltd.				
(Unit holdings in Mapletree Greater China Commercial Trust)				
Simon Claude Israel	**1,000,000** (7)	1,000,000	**–**	–
Chua Sock Koong	**430,000**	430,000	**50,000** (2)	50,000
Peter Ong Boon Kwee	**–**	–	**32,000** (2)	32,000
Mapletree Industrial Trust Management Ltd.				
(Unit holdings in Mapletree Industrial Trust)				
Simon Claude Israel	**990,160** (7)	990,160	**–**	–
Chua Sock Koong	**11,000**	11,000	**–**	–
Bobby Chin Yoke Choong	**129,600**	129,600	**–**	–
Mapletree Logistics Trust Management Ltd.				
(Unit holdings in Mapletree Logistics Trust)				
Simon Claude Israel	**1,000,000** (7)	1,000,000	**–**	–
Mapletree Treasury Services Limited				
(S$625,500,000 4.5% perpetual capital securities)				
Simon Claude Israel	**S$500,000** (principal amount)	–	**–**	–
Olam International Limited				
(Warrants over shares)				
Low Check Kian	**–**	–	**2,008,147** (9)	1,932,805

Directors' Statement

For the financial year ended 31 March 2017

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES *(Cont'd)*

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 31 March 2017	At 1 April 2016	At 31 March 2017	At 1 April 2016
Singapore Airlines Limited				
(Ordinary shares)				
Simon Claude Israel	**9,000** [10]	9,000	**–**	–
Chua Sock Koong	**2,000**	2,000	**–**	–
Bobby Chin Yoke Choong	**–**	–	**2,000** [2]	2,000
Low Check Kian	**77,550**	5,600	**–**	–
Singapore Technologies Engineering Limited				
(Ordinary shares)				
Christina Ong	**1**	1	**–**	–

Notes:

(1) 831,864 ordinary shares held in the name of Citibank Nominees Singapore Pte Ltd and 4,411 ordinary shares held in the name of DBS Nominees (Private) Limited.

(2) Held by Director's spouse.

(3) 688,750 ordinary shares held in the name of DBS Nominees (Private) Limited.

(4) Ms Chua Sock Koong's deemed interest of 5,156,191 shares included:
  (a) 28,137 ordinary shares held by Ms Chua's spouse; and
  (b) An aggregate of up to 5,128,054 ordinary shares in Singtel awarded to Ms Chua pursuant to the Singtel PSP 2012, subject to certain performance criteria being met and other terms and conditions. Depending on the extent of the satisfaction of the relevant minimum performance criteria, up to an aggregate of 7,601,822 ordinary shares may be released pursuant to the conditional awards granted.

  According to the Register of Directors' Shareholdings, Ms Chua had a deemed interest in 10,836,742 shares held by DBS Trustee Limited, the trustee of a trust established for the purposes of the Singtel Performance Share Plan and the Singtel PSP 2012 for the benefit of eligible employees of the Group, as at 19 November 2012, being the date on which the Securities and Futures (Disclosure of Interests) Regulations 2012 (the "**SFA (DOI) Regulations**") came into operation. Under regulation 6 of the SFA (DOI) Regulations, Ms Chua is exempted from reporting interests, and changes in interests, in shares held by the trust, with effect from 19 November 2012.

(5) Held by Burgoyne Investments Pty Ltd as trustee for Burgoyne Superannuation Fund. Both Mr Peter Edward Mason AM and spouse are directors of Burgoyne Investments Pty Ltd and beneficiaries of Burgoyne Superannuation Fund.

(6) 1 American Depositary Share represents 10 ordinary shares in Singtel.

(7) Held in the name of Citibank Nominees Singapore Pte Ltd.

(8) 100,000 units held jointly by Mr Israel and his spouse, and 900,000 units held in the name of Citibank Nominees Singapore Pte Ltd.

(9) Held by Cluny Capital Limited. Mr Low Check Kian is the sole shareholder of Cluny Capital Limited.

(10) 6,200 ordinary shares held in the name of Citibank Nominees Singapore Pte Ltd and 2,800 ordinary shares held in the name of DBS Nominees (Private) Limited.

According to the register of Directors' shareholdings, there were no changes to any of the above-mentioned interests between the end of the financial year and 21 April 2017.

4. PERFORMANCE SHARES

The Executive Resource and Compensation Committee ("**ERCC**") is responsible for administering the Singtel PSP 2012. At the date of this statement, the members of the ERCC are Peter Edward Mason AM (Chairman of the ERCC), Simon Claude Israel and Teo Swee Lian.

At the Extraordinary General Meeting held on 27 July 2012, the shareholders approved the adoption of the Singtel PSP 2012. The duration of the Singtel PSP 2012 is 10 years commencing 27 July 2012. This plan gives the flexibility to either allot and issue and deliver new Singtel shares or purchase and deliver existing Singtel shares upon the vesting of awards.

Directors' Statement

For the financial year ended 31 March 2017

4. PERFORMANCE SHARES *(Cont'd)*

The participants of the Singtel PSP 2012 will receive fully paid Singtel shares free of charge, the equivalent in cash, or combinations thereof, provided that certain prescribed performance targets are met within a prescribed performance period. The performance period for the awards granted is three years, except for Restricted Share Awards which have a performance period of two years. The number of Singtel shares that will vest for each participant or category of participants will be determined at the end of the performance period based on the level of attainment of the performance targets.

Awards comprising an aggregate of 57.6 million shares have been granted under the Singtel PSP 2012 from its commencement to 31 March 2017.

Performance share awards granted, vested and cancelled during the financial year, and share awards outstanding at the end of the financial year, were as follows –

Date of grant	Balance as at 1 April 2016 ('000)	Share awards granted ('000)	Additional share awards from targets exceeded ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 March 2017 ('000)
Share award for Chairman						
(Simon Claude Israel)						
25.08.16	**–**	**77**	**–**	**(77)**	**–**	**–**
Performance shares						
(Restricted Share Awards)						
For Group Chief Executive Officer						
(Chua Sock Koong)						
21.06.13	64	–	–	(64)	–	–
23.06.14	102	–	30	(66)	–	66
17.06.15	84	–	–	–	–	84
20.06.16	–	201	–	–	–	201
	250	201	30	(130)	–	351
For other staff						
21.06.13	2,418	–	–	(2,377)	(41)	–
30.09.13	8	–	–	(5)	(3)	–
23.06.14	4,412	–	1,298	(2,855)	(214)	2,641
17.09.14	10	–	4	(7)	–	7
23.12.14	4	–	–	(2)	–	2
17.06.15	3,909	–	2	(54)	(262)	3,595
28.09.15	23	–	–	–	–	23
05.01.16	7	–	–	–	–	7
20.06.16	–	5,340	–	(8)	(214)	5,118
20.03.17	–	87	–	–	–	87
	10,791	5,427	1,304	(5,308)	(734)	11,480
Sub-total	**11,041**	**5,628**	**1,334**	**(5,438)**	**(734)**	**11,831**

4. PERFORMANCE SHARES *(Cont'd)*

Date of grant	Balance as at 1 April 2016 ('000)	Share awards granted ('000)	Additional share awards from targets exceeded ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 March 2017 ('000)
Performance shares (Performance Share Awards)						
For Group Chief Executive Officer (Chua Sock Koong)						
21.06.13	1,418	–	–	(213)	(1,205)	–
23.06.14	1,423	–	–	–	–	1,423
17.06.15	1,659	–	–	–	–	1,659
20.06.16	–	1,695	–	–	–	1,695
	4,500	1,695	–	(213)	(1,205)	4,777
For other staff						
21.06.13	6,895	–	–	(1,002)	(5,893)	–
30.09.13	15	–	–	(2)	(13)	–
23.06.14	6,746	–	–	–	(222)	6,524
17.09.14	15	–	–	–	–	15
23.12.14	6	–	–	–	–	6
17.06.15	7,562	–	–	–	(245)	7,317
28.09.15	125	–	–	–	–	125
05.01.16	32	–	–	–	–	32
20.06.16	–	7,438	–	–	(65)	7,373
20.03.17	–	91	–	–	–	91
	21,396	7,529	–	(1,004)	(6,438)	21,483
Sub-total	**25,896**	**9,224**	**–**	**(1,217)**	**(7,643)**	**26,260**
Total	**36,937**	**14,929**	**1,334**	**(6,732)**	**(8,377)**	**38,091**

During the financial year, awards in respect of an aggregate of 6.7 million shares granted under the Singtel PSP 2012 were vested. The awards were satisfied in part by the delivery of existing shares purchased from the market and in part by the payment of cash in lieu of delivery of shares, as permitted under the Singtel PSP 2012.

As at 31 March 2017, no participant has received shares pursuant to the vesting of awards granted under the Singtel PSP 2012 which, in aggregate, represents five per cent or more of the aggregate of –

(i) the total number of new shares available under the Singtel PSP 2012; and

(ii) the total number of existing shares purchased for delivery of awards released under the Singtel PSP 2012.

5. SHARE OPTION PLANS

During the financial year, there were:

(a) no options granted by the Company to any person to take up unissued shares of the Company; and

(b) no shares issued by virtue of any exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

The particulars of the share option plans of subsidiary corporations of the Company are as follows:

Amobee Group Pte. Ltd.

In April 2015, Amobee, a wholly-owned subsidiary corporation of the Company, implemented the 2015 Long-Term Incentive Plan ("**Amobee LTI Plan**"). Under the terms of Amobee LTI Plan, options to purchase ordinary shares of Amobee may be granted to employees (including executive directors) and non-executive directors of Amobee and/or any of its subsidiaries.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of Amobee on the date of grant.

From the commencement of the Amobee LTI Plan to 31 March 2017, options in respect of an aggregate of 68.2 million of ordinary shares in Amobee have been granted to the employees and non-executive directors of Amobee and/or its subsidiaries. As at 31 March 2017, options in respect of an aggregate of 36.6 million of ordinary shares in Amobee are outstanding.

The grant dates and exercise prices of the share options were as follows –

Date of grant	Exercise price
For employees	
13 April 2015/ 14 October 2015	US$0.54 - US$0.79
20 January 2016/ 10 May 2016/ 23 June 2016/ 24 August 2016/ 25 January 2017	US$0.54
For non-executive directors	
14 October 2015	US$0.54

The options granted to employees and non-executive directors expire 10 years and 5 years from the date of grant respectively.

No ordinary shares of Amobee were issued during the financial year pursuant to the exercise of options granted under the Amobee LTI Plan. The persons to whom the options have been granted do not have the right to participate, by virtue of the options, in any share issue of any other company.

5. SHARE OPTION PLANS *(Cont'd)*

Trustwave Holdings, Inc.

In December 2015, Trustwave Holdings, Inc. ("**Trustwave**"), a 98%-owned subsidiary corporation of the Company, implemented the Stock Option Incentive Plan ("**Trustwave ESOP**"). Under the terms of the Trustwave ESOP, options to purchase common stock of Trustwave may be granted to employees (including executive directors) and non-executive directors of Trustwave and/or any of its subsidiaries.

Options are exercisable at a price no less than 100% of the fair value of the common stock of Trustwave on the date of grant.

From the commencement of the Trustwave ESOP to 31 March 2017, options in respect of an aggregate of 2.7 million of common stock in Trustwave have been granted to the employees of Trustwave and/or its subsidiaries. As at 31 March 2017, options in respect of an aggregate of 2.5 million of common stock in Trustwave are outstanding.

The grant dates and exercise prices of the stock options were as follows –

Date of grant	Exercise price
1 December 2015/ 22 January 2016/ 19 May 2016/ 12 September 2016	US$16.79
20 January 2017	US$16.24

The options granted expire 10 years from the date of grant.

No common stock of Trustwave was issued during the financial year pursuant to the exercise of options granted under the Trustwave ESOP. The persons to whom the options have been granted do not have the right to participate, by virtue of the options, in any share issue of any other company.

HOOQ

In December 2015, HOOQ Digital Pte. Ltd. ("**HOOQ**"), a 65%-owned subsidiary corporation of the Company, implemented the HOOQ Digital Employee Share Option Scheme ("the **Scheme**"). Under the terms of the Scheme, options to purchase ordinary shares of HOOQ may be granted to employees (including executive directors) of HOOQ and/or any of its subsidiaries.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of HOOQ on the date of grant.

From the commencement of the Scheme to 31 March 2017, options in respect of an aggregate of 58.8 million of ordinary shares in HOOQ have been granted to the employees of HOOQ and/or its subsidiaries. As at 31 March 2017, options in respect of an aggregate of 40.7 million of ordinary shares in HOOQ are outstanding.

Options have been granted on 16 May 2016 with an exercise price of US$0.07 per share. The options expire 10 years from the date of grant.

No ordinary shares of HOOQ were issued during the financial year pursuant to the exercise of options granted under the Scheme. The persons to whom the options have been granted do not have the right to participate, by virtue of the options, in any share issue of any other company.

Directors' Statement

For the financial year ended 31 March 2017

6. AUDIT COMMITTEE

At the date of this statement, the Audit Committee comprises the following members, all of whom are non-executive and the majority of whom, including the Chairman, are independent –

Bobby Chin Yoke Choong (Chairman of the Audit Committee)
Christina Hon Kwee Fong (Christina Ong)
Peter Ong Boon Kwee
Teo Swee Lian

The Audit Committee carried out its functions in accordance with Section 201B of the Singapore Companies Act, Chapter 50.

In performing its functions, the Committee reviewed the overall scope and results of both internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal auditors to discuss the results of the respective examinations and their evaluation of the Company's system of internal accounting controls. The Committee also held discussions with the internal and external auditors and is satisfied that the processes put in place by management provide reasonable assurance on mitigation of fraud risk exposure to the Group.

The Committee also reviewed the financial statements of the Company and the Group, as well as the Independent Auditor's Report thereon. In the review of the financial statements of the Company and the Group, the Committee had discussed with management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements.

In addition, the Committee had, with the assistance of the internal auditors, reviewed the procedures set up by the Company and the Group to identify and report, and where necessary, sought appropriate approval for interested person transactions.

The Committee has full access to and has the co-operation of management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Committee has nominated Deloitte & Touche LLP for re-appointment as auditor of the Company at the forthcoming Annual General Meeting.

7. AUDITOR

The auditor, Deloitte & Touche LLP, has expressed its willingness to accept re-appointment.

On behalf of the Directors

Simon Claude Israel
Chairman

Chua Sock Koong
Director

Singapore
17 May 2017

Independent Auditor's Report

To the Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2017

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Singapore Telecommunications Limited (the "**Company**") and its subsidiaries (the "**Group**") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2017, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 137 to 227.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "**Act**") and Financial Reporting Standards in Singapore ("**FRSs**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2017, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with Singapore Standards on Auditing ("**SSAs**"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("**ACRA**") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Our audit performed and responses thereon
Revenue recognition We have identified three critical areas in relation to revenue set out below that we consider significant either because of the complexity of the operation of billing systems or because of the required exercise of judgement: • accounting for long-term contracts, particularly with respect to Group Enterprise Infocomm Technology ("**ICT**") projects; • accounting for new products and tariffs introduced in the year; and • the timing of revenue recognition. The accounting policies for revenue recognition are set out in Note 2.20 to the financial statements and the different revenue streams for the Group have been disclosed in Note 4 to the financial statements.	Our audit approach included both controls testing and substantive procedures as follows: • We performed procedures to identify Group Enterprise ICT contracts which may exhibit areas of audit interest such as low and/or significant change in margins, loss making contracts, and accounts with high accrued revenue amongst others. We challenged the assumptions and judgements underpinning forecast performance of the identified contracts and the adequacy of contract loss provisions. • We evaluated the relevant IT systems and the design and operating effectiveness of controls over the capture and recording of revenue transactions. In doing so, we involved our IT specialists to assist in the audit of automated controls, including interface controls between different IT applications.

Key Audit Matters	Our audit performed and responses thereon
Revenue recognition *(Cont'd)*	• We evaluated the business process controls in place over the authorisation of rate changes, the introduction of new plans and the input of this information to billing systems. We tested the access controls and change management controls for the Group's billing systems. • We tested samples of customer bills for accuracy for new products and tariffs introduced in the year. • We tested key reconciliations used by management to assess the completeness and accuracy of revenue, including testing the period in which it is reported. • We tested supporting evidence for manual journal entries posted to revenue accounts to identify any unusual items. We have validated and are satisfied with the assumptions and key management estimates adopted where revenue is recognised on a percentage of completion basis. We have not noted any significant deficiency in the relevant IT systems and business process controls of the relevant revenue streams. No exceptions were noted in the key reconciliations and manual journal entries which may result in significant misstatements in revenue recorded in the year.
Taxation The Group's subsidiaries, associates and joint ventures have operations across a large number of jurisdictions and are subject to periodic challenges by local tax authorities. The Group has been responding to an ongoing specific issue audit by the Australian Taxation Office ("**ATO**") in connection with the acquisition financing of Singtel Optus Pty Limited ("**Optus**"). In November 2016, the Group received amended assessments totalling A$326 million, comprising primary tax of A$268 million and interest of A$58 million. On 21 March 2017, further notices of assessment for penalties were received from the ATO totalling A$67 million. In accordance with the ATO administrative practice, the Group paid a minimum 50% of the assessed primary tax on 21 November 2016. This payment has been recognised as a non-current receivable and no provision has been made as at 31 March 2017. The Group has engaged and involved external specialists to advise management on this specific issue audit, including raising objections to the amended assessments. Evaluation of the outcome of the specific issue audit, and whether the risk of loss is remote, possible or probable, requires significant judgement given the complexities involved. The Group has made disclosures on the above matter in Note 39(b) to the financial statements.	We have involved our tax specialists in assessing the judgements taken by management in reaching their conclusion that the specific issue audit by the ATO represents a contingent liability of the Group and the amount paid represents a receivable as at 31 March 2017. We have examined the advice obtained by management from the Group's tax specialists to support the judgement taken, and have discussed the merits of the case with the specialists. Based on our procedures, we believe that the position taken by the Group is appropriate. We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.

Independent Auditor's Report

To the Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2017

Key Audit Matters	Our audit performed and responses thereon
Goodwill impairment review Optus, Amobee, Inc. and Trustwave Under FRSs, the Group is required to annually test goodwill for impairment. This assessment requires the exercise of significant judgement about future market conditions, including growth rates and discount rates. As at 31 March 2017, the goodwill recorded on Optus, Amobee, Inc. and Trustwave Holdings, Inc. ("**Trustwave**") amounted to S$9.29 billion, S$729.8 million and S$1.06 billion respectively, cumulatively constituting approximately 23% of the Group's total assets. The key assumptions to the impairment test and the sensitivity of changes in these assumptions to the risk of impairment are disclosed in Note 23 to the financial statements.	Optus, Amobee, Inc. and Trustwave Our audit procedures focused on evaluating and challenging the key assumptions used by management in conducting the impairment review. These procedures included: • using our valuation specialists to independently develop expectations for the key macro-economic assumptions used in the impairment analysis, in particular the discount rate and long-term growth rate, and comparing the independent expectations to those used by management; • challenging the cash flow forecasts used, with comparison to recent performance, trend analysis and market expectations; and • by reference to prior years' forecasts, where relevant, assessing whether the Group has achieved them. Based on our procedures, we noted management's key assumptions to be within a reasonable range of our expectations. We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.
Bharti Airtel Bharti Airtel Limited ("**Airtel**"), a joint venture of the Group, has recorded significant goodwill arising from the acquisition of Airtel Africa in June 2010, of which the Group's share is considered material. This goodwill recorded by Airtel is required to be tested for impairment at least annually. As the amount of goodwill recorded is material, an impairment thereof may materially affect the Group's share of the joint venture's results. The impairment assessment requires the exercise of significant judgement about future market conditions, including growth rates and discount rates applicable in a number of markets in Africa. The Group's carrying value in Airtel (which includes the goodwill) is disclosed in Note 22 to the financial statements.	Bharti Airtel Our audit procedures included the review of relevant working papers of the auditors of Airtel (the "**Bharti Airtel Auditors**"), with particular focus on those related to the goodwill impairment review. We also discussed with Airtel management, Bharti Airtel Auditors and specialists used by them, including those engaged to assist the Bharti Airtel Auditors in evaluating and assessing the assumptions adopted in the goodwill impairment model prepared by Airtel management. The Group's share of Airtel's results is calculated based on Airtel's audited financial statements on which the Bharti Airtel Auditors have expressed an unmodified opinion.

Independent Auditor's Report

To the Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2017

Key Audit Matters	Our audit performed and responses thereon
Contingent liabilities: Share of significant joint ventures' and associate's reported regulatory and tax disputes The Group's significant joint ventures and associate have operations across a number of jurisdictions including Africa, India, Indonesia, the Philippines and Thailand, and are subject to periodic challenges by local regulators and tax authorities. Management of these significant joint ventures and associate have engaged and involved specialists to advise them on such disputes as necessary, and to assess whether the risk of loss is remote, possible or probable. Such assessment requires significant judgement given the complexities involved. The joint ventures' contingent liabilities have been disclosed in Note 40 to the financial statements.	Our audit procedures included the review of relevant working papers of the auditors of the significant joint ventures and associate (the "**Component Auditors**"), with particular focus on those related to regulatory and tax disputes. We have also discussed with management of these significant joint ventures and associate, and their respective Component Auditors. We have also reviewed legal advice received by the Component Auditors for certain of the key contingent liabilities that are significant to the Group and assessed the adequacy of disclosure of the contingencies in the financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

Management is responsible for the other information. The other information comprises all the information included in the Annual Report, excluding the Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of our auditor's report on the Financial Statements.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report

To the Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2017

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The engagement partner on the audit resulting in this Independent Auditor's Report is Mr Philip Yuen Ewe Jin.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

17 May 2017

Consolidated Income Statement

For the financial year ended 31 March 2017

	Notes	2017 S$ Mil	2016 S$ Mil
Operating revenue	4	**16,711.4**	16,961.2
Operating expenses	5	**(11,929.0)**	(12,096.8)
Other income	6	**215.3**	148.3
		4,997.7	5,012.7
Depreciation and amortisation	7	**(2,238.9)**	(2,148.8)
Exceptional items	8	**(1.2)**	(44.8)
Profit on operating activities		**2,757.6**	2,819.1
Share of results of associates and joint ventures	9	**2,017.3**	2,026.6
Profit before interest, investment income (net) and tax		**4,774.9**	4,845.7
Interest and investment income (net)	10	**114.8**	94.7
Finance costs	11	**(374.3)**	(359.6)
Profit before tax		**4,515.4**	4,580.8
Tax expense	12	**(684.4)**	(722.5)
Profit after tax		**3,831.0**	3,858.3
Attributable to -			
Shareholders of the Company		**3,852.7**	3,870.8
Non-controlling interests		**(21.7)**	(12.5)
		3,831.0	3,858.3
Earnings per share attributable to shareholders of the Company			
- basic (cents)	13	**23.96**	24.29
- diluted (cents)	13	**23.91**	24.26

The accompanying notes on pages 147 to 227 form an integral part of these financial statements.
Independent Auditor's Report – pages 132 to 136.

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2017

	2017 S$ Mil	2016 S$ Mil
Profit after tax	**3,831.0**	3,858.3
Other comprehensive income/ (loss):		
Items that may be reclassified subsequently to income statement:		
Exchange differences arising from translation of foreign operations and other currency translation differences	**432.7**	(728.0)
Cash flow hedges		
- Fair value changes during the year	**16.3**	(23.3)
- Tax effects	**20.1**	(10.0)
	36.4	(33.3)
- Fair value changes transferred to income statement	**(1.5)**	21.1
- Tax effects	**(18.8)**	11.1
	(20.3)	32.2
	16.1	(1.1)
Available-for-sale investments		
- Fair value changes during the year	**16.5**	(87.5)
Share of other comprehensive income of associates and joint ventures	**223.4**	81.5
Other comprehensive income/ (loss), net of tax	**688.7**	(735.1)
Total comprehensive income	**4,519.7**	3,123.2
Attributable to -		
Shareholders of the Company	**4,541.5**	3,136.7
Non-controlling interests	**(21.8)**	(13.5)
	4,519.7	3,123.2

The accompanying notes on pages 147 to 227 form an integral part of these financial statements.
Independent Auditor's Report – pages 132 to 136.

Statements of Financial Position

As at 31 March 2017

	Notes	Group 2017 S$ Mil	Group 2016 S$ Mil	Company 2017 S$ Mil	Company 2016 S$ Mil
Current assets					
Cash and cash equivalents	15	**533.8**	461.8	**89.2**	83.7
Trade and other receivables	16	**4,924.2**	4,366.4	**1,673.3**	3,029.4
Inventories	17	**352.2**	319.7	**23.8**	21.5
Derivative financial instruments	25	**107.3**	17.5	**107.1**	9.5
		5,917.5	5,165.4	**1,893.4**	3,144.1
Non-current assets					
Property, plant and equipment	18	**11,892.9**	11,154.0	**2,326.5**	2,171.4
Intangible assets	19	**13,072.8**	12,968.4	**–**	0.3
Subsidiaries	20	**–**	–	**17,441.0**	14,182.3
Associates	21	**1,952.2**	356.3	**603.5**	603.5
Joint ventures	22	**12,282.9**	10,729.9	**23.0**	21.2
Available-for-sale ("**AFS**") investments	24	**192.9**	147.5	**37.4**	35.1
Derivative financial instruments	25	**455.2**	622.6	**284.9**	321.0
Deferred tax assets	12	**657.8**	692.3	**–**	–
Loan to an associate	26	**1,100.5**	1,100.5	**1,100.5**	1,100.5
Trade and other receivables	16	**769.5**	628.8	**155.1**	175.4
		42,376.7	38,400.3	**21,971.9**	18,610.7
Total assets		**48,294.2**	43,565.7	**23,865.3**	21,754.8
Current liabilities					
Trade and other payables	27	**4,921.3**	4,594.0	**1,602.0**	1,582.2
Advance billings		**835.4**	800.2	**74.8**	76.2
Provision	28	**1.1**	3.1	**–**	2.2
Current tax liabilities		**296.3**	364.4	**100.6**	94.1
Borrowings (unsecured)	29	**3,046.9**	595.5	**–**	–
Borrowings (secured)	30	**86.7**	90.2	**1.5**	1.5
Derivative financial instruments	25	**15.8**	24.6	**110.0**	13.7
Net deferred gain	26	**68.8**	67.9	**–**	–
		9,272.3	6,539.9	**1,888.9**	1,769.9
Non-current liabilities					
Borrowings (unsecured)	29	**7,852.7**	9,019.0	**746.2**	747.2
Borrowings (secured)	30	**199.6**	236.0	**157.2**	158.8
Advance billings		**245.7**	265.5	**138.3**	139.5
Net deferred gain	26	**1,282.7**	1,323.3	**–**	–
Derivative financial instruments	25	**303.1**	316.2	**370.0**	416.7
Deferred tax liabilities	12	**574.6**	585.3	**282.2**	270.5
Other non-current liabilities	31	**349.9**	278.0	**23.7**	18.4
		10,808.3	12,023.3	**1,717.6**	1,751.1
Total liabilities		**20,080.6**	18,563.2	**3,606.5**	3,521.0
Net assets		**28,213.6**	25,002.5	**20,258.8**	18,233.8
Share capital and reserves					
Share capital	32	**4,127.3**	2,634.0	**4,127.3**	2,634.0
Reserves		**24,086.3**	22,355.2	**16,131.5**	15,599.8
Equity attributable to shareholders of the Company		**28,213.6**	24,989.2	**20,258.8**	18,233.8
Non-controlling interests		**22.4**	35.7	**–**	–
Other reserve		**(22.4)**	(22.4)	**–**	–
Total equity		**28,213.6**	25,002.5	**20,258.8**	18,233.8

The accompanying notes on pages 147 to 227 form an integral part of these financial statements.
Independent Auditor's Report – pages 132 to 136.

Statements of Changes in Equity

For the financial year ended 31 March 2017

Group – 2017	Attributable to shareholders of the Company											
	Share Capital S$ Mil	Treasury Shares [1] S$ Mil	Capital Reserve S$ Mil	Currency Translation Reserve [2] S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Other Reserves [4] S$ Mil	Total S$ Mil	Non-controlling Interests S$ Mil	Other Reserve [5] S$ Mil	Total Equity S$ Mil
Balance as at 1 April 2016	**2,634.0**	**(30.6)**	**(116.4)**	**(4,940.3)**	**(5.0)**	**40.5**	**28,456.9**	**(1,049.9)**	**24,989.2**	**35.7**	**(22.4)**	**25,002.5**
Changes in equity for the year												
Issue of new shares (net of costs)	**1,493.3**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,493.3**	**–**	**–**	**1,493.3**
Performance shares purchased by the Company	**–**	**(1.9)**	**–**	**–**	**–**	**–**	**–**	**–**	**(1.9)**	**–**	**–**	**(1.9)**
Performance shares purchased by Trust [6]	**–**	**(18.2)**	**–**	**–**	**–**	**–**	**–**	**–**	**(18.2)**	**–**	**–**	**(18.2)**
Performance shares vested	**–**	**18.2**	**(18.2)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Equity-settled share-based payment	**–**	**–**	**26.5**	**–**	**–**	**–**	**–**	**–**	**26.5**	**0.7**	**–**	**27.2**
Transfer of liability to equity	**–**	**–**	**4.7**	**–**	**–**	**–**	**–**	**–**	**4.7**	**–**	**–**	**4.7**
Cash paid to employees under performance share plans	**–**	**–**	**(0.3)**	**–**	**–**	**–**	**–**	**–**	**(0.3)**	**–**	**–**	**(0.3)**
Performance shares purchased by Singtel Optus Pty Limited ("**Optus**") and vested	**–**	**–**	**(7.0)**	**–**	**–**	**–**	**–**	**–**	**(7.0)**	**–**	**–**	**(7.0)**
Share of other reserves of associates and joint ventures	**–**	**–**	**2.7**	**–**	**–**	**–**	**–**	**(2.7)**	**–**	**–**	**–**	**–**
Final dividend paid (see **Note 33**)	**–**	**–**	**–**	**–**	**–**	**–**	**(1,705.5)**	**–**	**(1,705.5)**	**–**	**–**	**(1,705.5)**
Interim dividend paid (see **Note 33**)	**–**	**–**	**–**	**–**	**–**	**–**	**(1,110.0)**	**–**	**(1,110.0)**	**–**	**–**	**(1,110.0)**
Dividend paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(5.0)**	**–**	**(5.0)**
Contribution by non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**12.9**	**–**	**12.9**
Others	**–**	**–**	**–**	**–**	**–**	**–**	**(0.2)**	**1.5**	**1.3**	**(0.1)**	**–**	**1.2**
	1,493.3	**(1.9)**	**8.4**	**–**	**–**	**–**	**(2,815.7)**	**(1.2)**	**(1,317.1)**	**8.5**	**–**	**(1,308.6)**
Total comprehensive income/ (loss) for the year	**–**	**–**	**–**	**432.8**	**16.1**	**16.5**	**3,852.7**	**223.4**	**4,541.5**	**(21.8)**	**–**	**4,519.7**
Balance as at 31 March 2017	**4,127.3**	**(32.5)**	**(108.0)**	**(4,507.5)**	**11.1**	**57.0**	**29,493.9**	**(827.7)**	**28,213.6**	**22.4**	**(22.4)**	**28,213.6**

The accompanying notes on pages 147 to 227 form an integral part of these financial statements.
Independent Auditor's Report – pages 132 to 136.

Statements of Changes in Equity

For the financial year ended 31 March 2017

Group – 2016	Share Capital S$ Mil	Treasury Shares [1] S$ Mil	Capital Reserve S$ Mil	Currency Translation Reserve [2][3] S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Other Reserves [4] S$ Mil	Total S$ Mil	Non-controlling Interests S$ Mil	Other Reserve [5] S$ Mil	Total Equity S$ Mil
	Attributable to shareholders of the Company											
Balance as at 1 April 2015	2,634.0	(39.2)	(114.9)	(4,213.3)	(3.9)	128.0	27,471.1	(1,128.5)	24,733.3	34.6	–	24,767.9
Changes in equity for the year												
Performance shares purchased by the Company	–	(5.0)	–	–	–	–	–	–	(5.0)	–	–	(5.0)
Performance shares purchased by Trust [6]	–	(23.5)	–	–	–	–	–	–	(23.5)	–	–	(23.5)
Performance shares vested	–	37.1	(37.1)	–	–	–	–	–	–	–	–	–
Equity-settled share-based payment	–	–	33.2	–	–	–	–	–	33.2	–	–	33.2
Transfer of liability to equity	–	–	16.4	–	–	–	–	–	16.4	–	–	16.4
Cash paid to employees under performance share plans	–	–	(0.5)	–	–	–	–	–	(0.5)	–	–	(0.5)
Performance shares purchased by Optus and vested	–	–	(16.1)	–	–	–	–	–	(16.1)	–	–	(16.1)
Share of other reserves of associates and joint ventures	–	–	2.6	–	–	–	–	(2.9)	(0.3)	–	–	(0.3)
Final dividend paid (see **Note 33**)	–	–	–	–	–	–	(1,705.4)	–	(1,705.4)	–	–	(1,705.4)
Interim dividend paid (see **Note 33**)	–	–	–	–	–	–	(1,083.8)	–	(1,083.8)	–	–	(1,083.8)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(4.9)	–	(4.9)
Contribution by non-controlling interests	–	–	–	–	–	–	–	–	–	21.2	–	21.2
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	(2.4)	(22.4)	(24.8)
Others [7]	–	–	–	–	–	–	(95.8)	–	(95.8)	0.7	–	(95.1)
	–	8.6	(1.5)	–	–	–	(2,885.0)	(2.9)	(2,880.8)	14.6	(22.4)	(2,888.6)
Total comprehensive (loss)/ income for the year	–	–	–	(727.0)	(1.1)	(87.5)	3,870.8	81.5	3,136.7	(13.5)	–	3,123.2
Balance as at 31 March 2016	2,634.0	(30.6)	(116.4)	(4,940.3)	(5.0)	40.5	28,456.9	(1,049.9)	24,989.2	35.7	(22.4)	25,002.5

The accompanying notes on pages 147 to 227 form an integral part of these financial statements.
Independent Auditor's Report – pages 132 to 136.

Statements of Changes in Equity

For the financial year ended 31 March 2017

Company – 2017	Share Capital S$ Mil	Treasury Shares [1] S$ Mil	Capital Reserve S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Total Equity S$ Mil
Balance as at 1 April 2016	**2,634.0**	**(1.2)**	**(71.3)**	**46.7**	**25.5**	**15,600.1**	**18,233.8**
Changes in equity for the year							
Issue of new shares (net of costs) [8]	**1,493.3**	**–**	**109.1**	**–**	**–**	**–**	**1,602.4**
Performance shares purchased by the Company	**–**	**(1.9)**	**–**	**–**	**–**	**–**	**(1.9)**
Performance shares vested	**–**	**2.2**	**(2.2)**	**–**	**–**	**–**	**–**
Equity-settled share-based payment	**–**	**–**	**12.7**	**–**	**–**	**–**	**12.7**
Transfer of liability to equity	**–**	**–**	**4.9**	**–**	**–**	**–**	**4.9**
Cash paid to employees under performance share plans	**–**	**–**	**(0.3)**	**–**	**–**	**–**	**(0.3)**
Contribution to Trust [6]	**–**	**–**	**(14.6)**	**–**	**–**	**–**	**(14.6)**
Final dividend paid (see **Note 33**)	**–**	**–**	**–**	**–**	**–**	**(1,706.0)**	**(1,706.0)**
Interim dividend paid (see **Note 33**)	**–**	**–**	**–**	**–**	**–**	**(1,110.4)**	**(1,110.4)**
	1,493.3	**0.3**	**109.6**	**–**	**–**	**(2,816.4)**	**(1,213.2)**
Total comprehensive income for the year	**–**	**–**	**–**	**13.6**	**2.2**	**3,222.4**	**3,238.2**
Balance as at 31 March 2017	**4,127.3**	**(0.9)**	**38.3**	**60.3**	**27.7**	**16,006.1**	**20,258.8**

The accompanying notes on pages 147 to 227 form an integral part of these financial statements.
Independent Auditor's Report – pages 132 to 136.

Statements of Changes in Equity

For the financial year ended 31 March 2017

Company – 2016	Share Capital S$ Mil	Treasury Shares [1] S$ Mil	Capital Reserve S$ Mil	Hedging Reserve S$ Mil	Fair Value Reserve S$ Mil	Retained Earnings S$ Mil	Total Equity S$ Mil
Balance as at 1 April 2015	2,634.0	(3.9)	(70.8)	12.9	34.0	14,900.4	17,506.6
Changes in equity for the year							
Performance shares purchased by the Company	–	(4.8)	–	–	–	–	(4.8)
Performance shares vested	–	7.5	(7.5)	–	–	–	–
Equity-settled share-based payment	–	–	11.3	–	–	–	11.3
Transfer of liability to equity	–	–	16.4	–	–	–	16.4
Cash paid to employees under performance share plans	–	–	(0.5)	–	–	–	(0.5)
Contribution to Trust [6]	–	–	(20.2)	–	–	–	(20.2)
Final dividend paid (see **Note 33**)	–	–	–	–	–	(1,705.9)	(1,705.9)
Interim dividend paid (see **Note 33**)	–	–	–	–	–	(1,084.2)	(1,084.2)
	–	2.7	(0.5)	–	–	(2,790.1)	(2,787.9)
Total comprehensive income/ (loss) for the year	–	–	–	33.8	(8.5)	3,489.8	3,515.1
Balance as at 31 March 2016	2,634.0	(1.2)	(71.3)	46.7	25.5	15,600.1	18,233.8

Notes:

(1) 'Treasury Shares' are accounted for in accordance with Singapore Financial Reporting Standard ("**FRS**") 32, ***Financial Instruments: Disclosure and Presentation***.

(2) 'Currency Translation Reserve' relates mainly to the translation of the net assets of foreign subsidiaries, associates and joint ventures of the Group denominated mainly in Australian Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Thai Baht and United States Dollar.

(3) In March 2016, the currency translation loss of S$55.9 million in respect of the translation of Pacific Bangladesh Telecom Limited (45%-owned joint venture) has been transferred to the income statement upon the loss of joint control (see **Note 8**).

(4) 'Other Reserves' relate mainly to goodwill on acquisitions completed prior to 1 April 2001 and the share of other comprehensive income or loss of the associates and joint ventures.

(5) This amount relates to a reserve for an obligation arising from a put option written with the non-controlling shareholder of Trustwave Holdings, Inc. ("**Trustwave**"). When exercised under certain conditions, this will require Singtel to purchase the remaining 2% equity interest in Trustwave.

(6) DBS Trustee Limited (the "**Trust**") is the trustee of a trust established to administer the performance share plans.

(7) This includes an amount of S$97.4 million arising from re-assessments of future tax benefits on certain items of property, plant and equipment in respect of prior years (see **Note 12.2**).

(8) The amount credited to 'Capital Reserve' relates to fair value adjustment on the new shares issued on completion of the acquisitions of equity interest in Intouch Holdings Public Company Limited and Bharti Telecom Limited.

The accompanying notes on pages 147 to 227 form an integral part of these financial statements.
Independent Auditor's Report – pages 132 to 136.

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2017

	2017 S$ Mil	2016 S$ Mil
Cash Flows From Operating Activities		
Profit before tax	**4,515.4**	4,580.8
Adjustments for -		
Depreciation and amortisation	**2,238.9**	2,148.8
Share of results of associates and joint ventures	**(2,017.3)**	(2,026.6)
Exceptional items (non-cash)	**(37.1)**	(2.4)
Interest and investment income (net)	**(114.8)**	(94.7)
Finance costs	**374.3**	359.6
Other non-cash items	**25.8**	34.4
	469.8	419.1
Operating cash flow before working capital changes	**4,985.2**	4,999.9
Changes in operating assets and liabilities		
Trade and other receivables	**(561.7)**	(610.0)
Trade and other payables	**93.4**	(402.7)
Inventories	**(23.6)**	(28.9)
Cash generated from operations	**4,493.3**	3,958.3
Dividends received from associates and joint ventures	**1,655.5**	1,350.7
Income tax and withholding tax paid (**Note 1**)	**(833.8)**	(658.2)
Payment to employees in cash under performance share plans	**(0.3)**	(3.1)
Net cash from operating activities	**5,314.7**	4,647.7
Cash Flows From Investing Activities		
Investment in associate and joint ventures (**Note 2**)	**(2,471.8)**	(215.4)
Payment for purchase of property, plant and equipment	**(2,260.6)**	(1,930.0)
Purchase of intangible assets	**(257.7)**	(173.3)
Investment in AFS investments	**(34.6)**	(38.6)
Withholding tax paid on intra-group interest income	**(27.3)**	(26.9)
Payments for acquisition of subsidiaries, net of cash acquired (**Note 3**)	**(4.9)**	(1,059.4)
Repayment of loan by an associate	**–**	510.0
Proceeds from sale of AFS investments	**75.0**	81.3
Deferred proceeds/ proceeds from disposal of associates and joint ventures	**61.5**	15.6
Interest received	**39.4**	68.1
Proceeds from sale of property, plant and equipment	**34.2**	5.7
Contribution from non-controlling interests	**12.9**	21.2
Dividends received from AFS investments (net of withholding tax paid)	**1.7**	1.7
Net cash used in investing activities	**(4,832.2)**	(2,740.0)

The accompanying notes on pages 147 to 227 form an integral part of these financial statements.
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Consolidated Statement of Cash Flows

For the financial year ended 31 March 2017

	Note	2017 S$ Mil	2016 S$ Mil
Cash Flows From Financing Activities			
Proceeds from term loans		**6,174.9**	5,849.5
Repayment of term loans		**(5,263.7)**	(6,058.2)
Proceeds from bond issue		**675.4**	1,321.1
Repayment of bonds		**(404.2)**	–
Proceeds from finance lease liabilites		**10.1**	57.4
Finance lease payments		**(34.9)**	(41.1)
Net proceeds from borrowings		**1,157.6**	1,128.7
Proceeds from issue of shares (**Note 2**)		**1,602.4**	–
Final dividend paid to shareholders of the Company		**(1,705.5)**	(1,705.4)
Interim dividend paid to shareholders of the Company		**(1,110.0)**	(1,083.8)
Net interest paid on borrowings and swaps		**(351.3)**	(335.6)
Settlement of swap for bonds repaid		**16.3**	–
Purchase of performance shares		**(27.2)**	(44.1)
Dividend paid to non-controlling interests		**(5.0)**	(4.9)
Others		**0.3**	1.6
Net cash used in financing activities		**(422.4)**	(2,043.5)
Net change in cash and cash equivalents		**60.1**	(135.8)
Exchange effects on cash and cash equivalents		**11.9**	34.8
Cash and cash equivalents at beginning of year		**461.8**	562.8
Cash and cash equivalents at end of year	15	**533.8**	461.8

The accompanying notes on pages 147 to 227 form an integral part of these financial statements.
Independent Auditor's Report – pages 132 to 136.

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2017

Note 1: Income tax and withholding tax paid

Included a payment of S$142 million (A$134 million) made to the Australian Taxation Office in November 2016 for amended assessments related to the acquisition financing of Optus. This payment has been recorded as a receivable (see **Note 16**).

Note 2: Investment in associate and joint ventures, and proceeds from issue of shares

On 17 November 2016, Singtel completed the acquisitions of 21.0% equity interest in Intouch Holdings Public Company Limited ("**Intouch**") for S$1.59 billion and an additional 7.4% equity interest in Bharti Telecom Limited ("**BTL**") for S$884 million. The acquisitions were partially financed by proceeds of S$1.60 billion from the issuance of 385,581,351 new ordinary shares of Singtel listed on the Singapore Exchange.

Note 3: Payments for acquisition of subsidiaries

(a) During the financial year, deferred payments of S$3.4 million and S$1.5 million were made in respect of the acquisitions of Adconion Media, Inc. and Adconion Pty Limited (together, "**Adconion**") and Ensyst Pty Limited respectively.

(b) In the previous financial year, the Group made a payment of S$1.05 billion to acquire Trustwave Holdings, Inc., and also made deferred payments of S$4.5 million in respect of the acquisition of Adconion.

Note 4: Non-cash transaction

In March 2016, Singtel received a dividend distribution of S$60 million from NetLink Trust, a 100%-owned associate of Singtel, which was offset against an amount due to NetLink Trust.

The accompanying notes on pages 147 to 227 form an integral part of these financial statements.
Independent Auditor's Report – pages 132 to 136.

Notes to the Financial Statements

For the financial year ended 31 March 2017

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

Singtel is domiciled and incorporated in Singapore and is publicly traded on the Singapore Exchange. The address of its registered office is 31 Exeter Road, Comcentre, Singapore 239732.

The principal activities of the Company consist of the operation and provision of telecommunications systems and services, and investment holding. The principal activities of the significant subsidiaries are disclosed in **Note 43**.

In Singapore, the Group has the rights to provide fixed national and international telecommunications services to 31 March 2037, and public cellular mobile telephone services to 31 March 2032.

In addition, the Group is licensed to offer Internet services and has also obtained frequency spectrum and licence rights to install, operate and maintain mobile communication systems and services including wireless broadband systems and services. The Group also holds the requisite licence to provide subscription nationwide television services.

In Australia, Optus was granted telecommunication licences under the Telecommunications Act 1991. Pursuant to the Telecommunications (Transitional Provisions and Consequential Amendments) Act 1997, the licences continued to have effect after the deregulation of telecommunications in Australia in 1997. The licences do not have a finite term, but are of continuing operation until cancelled under the Telecommunications Act 1997.

These financial statements were authorised and approved for issue in accordance with a Directors' resolution dated 17 May 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("**FRS**") including related interpretations, and the provisions of the Singapore Companies Act. They have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement are disclosed in **Note 3**.

The accounting policies have been consistently applied by the Group, and are consistent with those used in the previous financial year. The adoption of the new or revised FRS and Interpretations to FRS ("**INT FRS**") which were mandatory from 1 April 2016 had no significant impact on the financial statements of the Group or the Company in the current financial year.

2.2 Group Accounting

The accounting policy for investments in subsidiaries, associates and joint ventures in the Company's financial statements is stated in **Note 2.4**. The Group's accounting policy on goodwill is stated in **Note 2.15.1**.

2.2.1 Subsidiaries

Subsidiaries are entities (including structured entities) controlled by the Group. Control exists when the Group has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the Group the ability to direct activities that significantly affect the entity's returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above. Subsidiaries are consolidated from the date that control commences until the date that control ceases. All significant inter-company balances and transactions are eliminated on consolidation.

2.2.2 Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Equity accounting involves recording the investment in associates initially at cost, and recognising the Group's share of the post-acquisition results of associates in the consolidated income statement, and the Group's share of post-acquisition reserve movements in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investments in the consolidated statement of financial position.

Where the Group's interest in an associate reduces as a result of a deemed disposal, any gain or loss arising as a result of the deemed disposal is taken to the income statement.

Where the Group increases its interest in its existing associate and it remains as an associate, the incremental cost of investment is added to the existing carrying amount without considering the fair value of the associate's identifiable assets and liabilities.

In the consolidated statement of financial position, investments in associates include goodwill on acquisition identified on acquisitions completed on or after 1 April 2001, net of accumulated impairment losses. Goodwill is assessed for impairment as part of the investment in associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including loans that are in fact extensions of the Group's investment, the Group does not recognise further losses, unless it has incurred or guaranteed obligations in respect of the associate.

Unrealised gains resulting from transactions with associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2.3 Joint ventures

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangements. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing the control.

The Group's interest in joint ventures is accounted for in the consolidated financial statements using the equity method of accounting.

Where the Group's interest in a joint venture reduces as a result of a deemed disposal, any gain or loss arising as a result of the deemed disposal is taken to the income statement.

2.2.3 Joint ventures *(Cont'd)*

Where the Group increases its interest in its existing joint venture and it remains as a joint venture, the incremental cost of investment is added to the existing carrying amount without considering the fair value of the joint venture's identifiable assets and liabilities.

In the consolidated statement of financial position, investments in joint ventures include goodwill on acquisition identified on acquisitions completed on or after 1 April 2001, net of accumulated impairment losses. Goodwill is assessed for impairment as part of the investment in joint ventures.

The Group's interest in its unincorporated joint operations is accounted for by recognising the Group's assets and liabilities from the joint operations, as well as expenses incurred by the Group and the Group's share of income earned from the joint operations, in the consolidated financial statements.

Unrealised gains resulting from transactions with joint ventures are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2.4 Dividends from associates and joint ventures

Dividends are recognised when the Group's rights to receive payment have been established. Dividends received from an associate or joint venture in excess of the Group's carrying value of the equity accounted investee are recognised as dividend income in the income statement where there is no legal or constructive obligation to refund the dividend nor is there any commitment to provide financial support to the investee. Equity accounting is then suspended until the investee has made sufficient profits to cover the income previously recognised for the excess cash distributions.

2.2.5 Structured entity

The Trust has been consolidated in the consolidated financial statements under FRS 110, *Consolidated Financial Statements*.

2.2.6 Business combinations

Business combinations are accounted for using the acquisition method on and after 1 April 2010. The consideration for each acquisition is measured at the aggregate of the fair values of assets given, liabilities incurred and equity interests issued by the Group and any contingent consideration arrangement at acquisition date. Acquisition-related costs, other than those associated with the issue of debt or equity, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

For business combinations that are achieved in stages, any existing equity interests in the acquiree entity are re-measured to their fair values at acquisition date and any changes are taken to the income statement.

Non-controlling interests in subsidiaries represent the equity in subsidiaries which are not attributable, directly or indirectly, to the shareholders of the Company, and are presented separately in the consolidated statement of comprehensive income, statement of changes in equity and within equity in the consolidated statement of financial position. The Group elects for each individual business combination whether non-controlling interests in the acquiree entity are recognised at fair value, or at the non-controlling interests' proportionate share of the fair value of the acquiree entity's identifiable net assets, at the acquisition date.

Total comprehensive income is attributed to non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a debit balance.

Changes in the Group's interest in subsidiaries that do not result in loss of control are accounted for as equity transactions.

2.2.6 Business combinations *(Cont'd)*

When the Group loses control of a subsidiary, any interest retained in the former subsidiary is recorded at fair value with the re-measurement gain or loss recognised in the income statement.

2.3 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new equity shares are taken to equity as a deduction, net of tax, from the proceeds.

When the Company purchases its own equity share capital, the consideration paid, including any directly attributable costs, is recognised as 'Treasury Shares' within equity. When the shares are subsequently disposed, the realised gains or losses on disposal of the treasury shares are included in 'Other Reserves' of the Company.

The Trust acquires shares in the Company from the open market for delivery to employees upon vesting of performance shares awarded under Singtel performance share plans. Such shares are designated as 'Treasury Shares'. In the consolidated financial statements, the cost of unvested shares, including directly attributable costs, is recognised as 'Treasury Shares' within equity.

Upon vesting of the performance shares, the weighted average costs of the shares delivered to employees, whether held by the Company or the Trust, are transferred to 'Capital Reserve' within equity in the consolidated financial statements.

2.4 Investments in Subsidiaries, Associates and Joint Ventures

In the Company's statement of financial position, investments in subsidiaries, associates and joint ventures, including loans that meet the definition of equity instruments, are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable value. On disposal of investments in subsidiaries, associates and joint ventures, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in the income statement of the Company.

2.5 Investments

Purchases and sales of investments are recognised on trade date, which is the date that the Group commits to purchase or sell the investment.

2.5.1 Available-for-sale ("AFS") investments

AFS investments are initially recognised at fair value plus directly attributable transaction costs.

They are subsequently stated at fair value at the end of the reporting period, with all resulting gains and losses, including currency translation differences, taken to the 'Fair Value Reserve' within equity. AFS investments for which fair values cannot be reliably determined are stated at cost less accumulated impairment losses.

When AFS investments are sold or impaired, the accumulated fair value adjustments in the 'Fair Value Reserve' are included in the income statement.

A significant or prolonged decline in fair value below the cost is objective evidence of impairment. Impairment loss is computed as the difference between the acquisition cost and current fair value, less any impairment loss previously recognised in the income statement. Impairment losses recognised in the income statement on equity investments are not reversed through the income statement until the equity investments are disposed.

2.6 Derivative Financial Instruments and Hedging Activities

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair values at the end of each reporting period.

A derivative financial instrument is carried as an asset when the fair value is positive and as a liability when the fair value is negative.

Any gains or losses arising from changes in fair value are recognised immediately in the income statement, unless they qualify for hedge accounting.

2.6.1 Hedge accounting

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, as well as its risk management objectives and strategy for undertaking the hedge transactions. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they are designated.

Fair value hedge

Designated derivative financial instruments that qualify for fair value hedge accounting are initially recognised at fair value on the date that the contract is entered into. Changes in fair value of derivatives are recorded in the income statement together with any changes in the fair value of the hedged items that are attributable to the hedged risks.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the income statement from that date.

Cash flow hedge

The effective portion of changes in the fair value of the designated derivative financial instruments that qualify as cash flow hedges are recognised in 'Other Comprehensive Income'. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in the 'Hedging Reserve' are transferred to the income statement in the periods when the hedged items affect the income statement.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the income statement.

Net investment hedge

Changes in the fair value of designated derivatives that qualify as net investment hedges, and which are highly effective, are recognised in 'Other Comprehensive Income' in the consolidated financial statements and the amounts accumulated in 'Currency Translation Reserve' are transferred to the consolidated income statement in the period when the foreign operation is disposed.

In the Company's financial statements, the gain or loss on the financial instrument used to hedge a net investment in a foreign operation of the Group is recognised in the income statement.

2.6.1 Hedge accounting *(Cont'd)*

The Group has entered into the following derivative financial instruments to hedge its risks, namely –

Cross currency swaps and interest rate swaps are fair value hedges for the interest rate risk and cash flow hedges for the currency risk arising from the Group's issued bonds. The swaps involve the exchange of principal and floating or fixed interest receipts in the foreign currency in which the issued bonds are denominated, for principal and floating or fixed interest payments in the Group's functional currency.

Certain cross currency swaps relate to net investment hedges for the foreign currency exchange risk on the Group's Australia operations.

Forward foreign exchange contracts are cash flow hedges for the Group's exposure to foreign currency exchange risks arising from forecasted or committed expenditure.

2.7 Fair Value Estimation of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

The following methods and assumptions are used to estimate the fair value of each class of financial instrument –

Bank balances, receivables and payables, current borrowings

The carrying amounts approximate fair values due to the relatively short term maturity of these instruments.

Quoted and unquoted investments

The fair value of investments traded in active markets is based on the market quoted mid-price (average of offer and bid price) or the mid-price quoted by the market maker at the close of business at the end of the reporting period.

The fair values of unquoted investments are determined by using valuation techniques. These include the use of recent arm's length transactions, reference to the net asset values of the investee companies or discounted cash flow analysis.

Cross currency and interest rate swaps

The fair value of a cross currency or an interest rate swap is the estimated amount that the swap contract can be exchanged for or settled with under normal market conditions. This fair value can be estimated using the discounted cash flow method where the future cash flows of the swap contract are discounted at the prevailing market foreign exchange rates and interest rates. Market interest rates are actively quoted interest rates or interest rates computed by applying techniques to these actively quoted interest rates.

Forward foreign currency contracts

The fair value of forward foreign exchange contracts is determined using forward exchange market rates for contracts with similar maturity profiles at the end of the reporting period.

Non-current borrowings

For disclosure purposes, the fair values of non-current borrowings which are traded in active markets are based on the market quoted ask price. For other non-current borrowings, the fair values are based on valuations provided by service providers or estimated by discounting the future contractual cash flows using discount rates based on the borrowing rates which the Group expects would be available at the end of the reporting period.

2.8 Financial Guarantee Contracts

Financial guarantees issued by the Company prior to 1 April 2010 are recorded initially at fair values plus transactions costs and amortised in the income statement over the period of the guarantee. Financial guarantees issued by the Company on or after 1 April 2010 are directly charged to the subsidiary as guarantee fees based on fair values.

2.9 Trade and Other Receivables

Trade and other receivables, including loans given by the Company to subsidiaries, associates and joint ventures, are initially recognised at fair values and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the debts. Loss events include financial difficulty or bankruptcy of the debtor, significant delay in payments and breaches of contracts. The impairment loss, measured as the difference between the debt's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate, is recognised in the income statement. When the debt becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in the income statement.

2.10 Trade and Other Payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Borrowings

Borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs. After initial recognition, unhedged borrowings are subsequently stated at amortised cost using the effective interest method.

2.12 Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, balances with banks and fixed deposits with original maturity of mainly three months or less, net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

Bank overdrafts are included under borrowings in the statement of financial position.

2.13 Foreign Currencies

2.13.1 Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The statement of financial position and statement of changes in equity of the Company and consolidated financial statements of the Group are presented in Singapore Dollar, which is the functional and presentation currency of the Company and the presentation currency of the Group.

2.13.2 Transactions and balances

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at exchange rates ruling at that date. Foreign exchange differences arising from translation are recognised in the income statement.

2.13.3 Translation of foreign operations' financial statements

In the preparation of the consolidated financial statements, the assets and liabilities of foreign operations are translated to Singapore Dollar at exchange rates ruling at the end of the reporting period except for share capital and reserves which are translated at historical rates of exchange (see **Note 2.13.4** for translation of goodwill and fair value adjustments).

Income and expenses in the income statement are translated using either the average exchange rates for the month or year, which approximate the exchange rates at the dates of the transactions. All resulting translation differences are taken directly to 'Other Comprehensive Income'.

On loss of control of a subsidiary, loss of significant influence of an associate or loss of joint control of a joint venture, the accumulated translation differences relating to that foreign operation are reclassified from equity to the consolidated income statement as part of gain or loss on disposal.

On partial disposal where there is no loss of control of a subsidiary, the accumulated translation differences relating to the disposal are reclassified to non-controlling interests. For partial disposals of associates or joint ventures, the proportionate accumulated translation differences relating to the disposal are taken to the consolidated income statement.

2.13.4 Translation of goodwill and fair value adjustments

Goodwill and fair value adjustments arising on the acquisition of foreign entities completed on or after 1 April 2005 are treated as assets and liabilities of the foreign entities and are recorded in the functional currencies of the foreign entities and translated at the exchange rates prevailing at the end of the reporting period. However, for acquisitions of foreign entities completed prior to 1 April 2005, goodwill and fair value adjustments continue to be recorded at the exchange rates at the respective dates of the acquisitions.

2.13.5 Net investment in a foreign entity

The exchange differences on loans from the Company to its subsidiaries, associates or joint ventures which form part of the Company's net investment in the subsidiaries, associates or joint ventures are included in 'Currency Translation Reserve' in the consolidated financial statements. On disposal of the foreign entity, the accumulated exchange differences deferred in the 'Currency Translation Reserve' are reclassified to the consolidated income statement in a similar manner as described in **Note 2.13.3**.

2.14 Provisions

A provision is recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. No provision is recognised for future operating losses.

The provision for liquidated damages in respect of information technology contracts is made based on management's best estimate of the anticipated liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

2.15 Intangible Assets

2.15.1 Goodwill

Goodwill on acquisition of subsidiaries on and after 1 April 2010 represents the excess of the consideration transferred, the recognised amount of any non-controlling interest in the acquiree entity and the fair value of any previous equity interest in the acquiree entity over the fair value of the net identifiable assets acquired, including contingent liabilities, at the acquisition date. Such goodwill is recognised separately as intangible asset and stated at cost less accumulated impairment losses.

2.15.1 Goodwill *(Cont'd)*

Acquisitions completed prior to 1 April 2001

Goodwill on acquisitions of subsidiaries, associates and joint ventures completed prior to 1 April 2001 had been adjusted in full against 'Other Reserves' within equity. Such goodwill has not been retrospectively capitalised and amortised.

The Group also had acquisitions where the costs of acquisition were less than the fair value of identifiable net assets acquired. Such differences (negative goodwill) were adjusted against 'Other Reserves' in the year of acquisition.

Goodwill which has been previously taken to 'Other Reserves', is not taken to income statement when the entity is disposed of or when the goodwill is impaired.

Acquisitions completed on or after 1 April 2001

Prior to 1 April 2004, goodwill on acquisitions of subsidiaries, associates and joint ventures completed on or after 1 April 2001 was capitalised and amortised on a straight-line basis in the consolidated income statement over its estimated useful life of up to 20 years. In addition, goodwill was assessed for indications of impairment at the end of each reporting period.

Since 1 April 2004, goodwill is no longer amortised but is tested annually for impairment or whenever there is an indication of impairment (see **Note 2.16**). The accumulated amortisation for goodwill as at 1 April 2004 had been eliminated with a corresponding decrease in the capitalised goodwill.

A bargain purchase gain is recognised directly in the consolidated income statement.

Gains or losses on disposal of subsidiaries, associates and joint ventures include the carrying amount of capitalised goodwill relating to the entity sold.

2.15.2 Other intangible assets

Optus' telecommunication licences are not amortised and are reviewed for impairment on an annual basis. Other expenditure on telecommunication and spectrum licences are capitalised and amortised using the straight-line method over their estimated useful lives of 4 to 18 years.

Other intangible assets which are acquired in business combinations are carried at fair values at the date of acquisition, and amortised on a straight-line basis over the period of the expected benefits. Customer relationships or customer contracts, brand, and technology have estimated useful lives of 4 to 10 years. Other intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

2.16 Impairment of Non-Financial Assets

Goodwill on acquisition of subsidiaries is subject to annual impairment test or is more frequently tested for impairment if events or changes in circumstances indicate that it might be impaired. Goodwill is not amortised (see **Note 2.15.1**).

Other intangible assets of the Group, which have finite useful lives and are subject to amortisation, as well as property, plant and equipment and investments in subsidiaries, associates and joint ventures, are reviewed at the end of each reporting period to determine whether there is any indicator for impairment, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the assets' recoverable amounts are estimated.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value-in-use.

2.16 Impairment of Non-Financial Assets *(Cont'd)*

An impairment loss for an asset, other than goodwill on acquisition of subsidiaries, is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Impairment loss on goodwill on acquisition of subsidiaries is not reversed in the subsequent period.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Work-in-progress is stated at cost and associated profits are recognised based on projects-in-progress, less progress payments received and receivable on uncompleted information technology projects. Costs include third party hardware and software costs, direct labour and other direct expenses attributable to the project activity.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

In the consolidated statement of financial position, work-in-progress is included in "Trade and other receivables", and the excess of progress billings over work-in-progress is included in "Trade and other payables" as applicable.

2.18 Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, where applicable. The cost of self-constructed assets includes the cost of material, direct labour, capitalised borrowing costs and an appropriate proportion of production overheads.

Depreciation is calculated on a straight-line basis to write off the cost of the property, plant and equipment over its expected useful life. Property, plant and equipment under finance lease is depreciated over the shorter of the lease term or useful life. The estimated useful lives are as follows –

	No. of years
Buildings	5 - 40
Transmission plant and equipment	5 - 25
Switching equipment	3 - 10
Other plant and equipment	3 - 20

Other plant and equipment consist mainly of motor vehicles, office equipment, and furniture and fittings.

No depreciation is provided on freehold land, long-term leasehold land with a remaining lease period of more than 100 years and capital work-in-progress. Leasehold land with a remaining lease period of 100 years or less is depreciated in equal instalments over its remaining lease period.

In respect of capital work-in-progress, assets are depreciated from the month the asset is completed and ready for use.

Costs of computer software which are an integral part of the related hardware are capitalised and recognised as assets and included in property, plant and equipment when it is probable that the costs will generate economic benefits beyond one year and the costs are associated with identifiable software products which can be reliably measured by the Group.

2.18 Property, Plant and Equipment *(Cont'd)*

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Costs may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Subsequent expenditure is included in the carrying amount of an asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period.

On disposal of property, plant and equipment, the difference between the disposal proceeds and its carrying value is taken to the income statement.

2.19 Leases

2.19.1 Finance leases

Finance leases are those leasing agreements which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items. Assets financed under such leases are treated as if they had been purchased outright at the lower of fair value and present value of the minimum lease payments and the corresponding leasing commitments are shown as obligations to the lessors.

Lease payments are treated as consisting of capital repayments and interest elements. Interest is charged to the income statement over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding.

2.19.2 Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as expenses in the income statement on a straight-line basis over the period of the lease.

2.19.3 Sales of network capacity

Sales of network capacity are accounted as finance leases where –

(i) the purchaser's right of use is exclusive and irrevocable;
(ii) the asset is specific and separable;
(iii) the terms of the contract are for the major part of the asset's economic useful life;
(iv) the attributable costs or carrying value can be measured reliably; and
(v) no significant risks are retained by the Group.

Sales of network capacity that do not meet the above criteria are accounted for as operating leases.

2.19.4 Gains or losses from sale and leaseback

Gains on sale and leaseback transactions resulting in finance leases are deferred and amortised over the lease term on a straight-line basis, while losses are recognised immediately in the income statement.

Gains and losses on sale and leaseback transactions established at fair value which resulted in operating leases are recognised immediately in the income statement.

2.19.5 Capacity swaps

The Group may exchange network capacity with other capacity or service providers. The exchange is regarded as a transaction which generates revenue unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given up is reliably measurable.

2.20 Revenue Recognition

Revenue for the Group is recognised based on fair value for sale of goods and services rendered, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

Revenue includes the gross income received and receivable from revenue sharing arrangements entered into with overseas telecommunication companies in respect of traffic exchanged.

Revenue from subscription contract is recognised ratably over the service, maintenance or subscription period.

For mobile device repayment plans, the consideration is allocated to its separate revenue-generating activities based on the best estimate of the price of each activity in the arrangement. Handset sales are accounted for in accordance with the sale of equipment accounting policy (see below) of the Group. As the service credits under the device repayment plans are provided over time for services, they are recorded as a reduction of subscription revenue.

For prepaid cards which have been sold, provisions for unearned revenue are made for services which have not been rendered as at the end of the reporting period. Expenses directly attributable to the unearned revenue are deferred until the revenue is recognised.

Revenue from the sale of equipment is recognised upon the transfer of significant risks and rewards of ownership to the customer which generally coincides with delivery and acceptance of the equipment sold.

Revenues for system and network installation and integration projects are recognised based on the percentage of completion of the projects using cost-to-cost basis. Revenues from the rendering of services which involve the procurement of computer equipment, third party software for installation and information technology professional services are recognised upon full completion of the projects.

Revenue from sale of perpetual software licences and the related hardware are recognised when title passes to the customer, generally upon delivery.

Revenue from digital advertising services and solutions is recognised when advertising services are delivered, and when digital advertising impressions are delivered or click-throughs occur. Revenue from selling advertising space is recognised when the advertising space is filled and sold to customers.

Dividend income is recorded gross in the income statement when the right to receive payment is established.

Interest income is recognised on a time proportion basis using the effective interest method.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease.

2.21 Employees' Benefits

2.21.1 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund. The Group has no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

2.21.1 Defined contribution plans *(Cont'd)*

The Group's contributions to the defined contribution plans are recognised in the income statement as expenses in the financial year to which they relate.

2.21.2 Employees' leave entitlements

Employees' entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability of annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

2.21.3 Share-based compensation

Performance shares and share options

The performance share plans of the Group are accounted for either as equity-settled share-based payments or cash-settled share-based payments. The share option plans of the subsidiaries are accounted as equity-settled share-based payments.

Equity-settled share-based payments are measured at fair value at the date of grant, whereas cash-settled share-based payments are measured at current fair value at the end of each reporting period. The share-based payment expense is amortised and recognised in the income statement on a straight-line basis over the vesting period.

At the end of each reporting period, the Group revises its estimates of the number of equity instruments that the participants are expected to receive based on non-market vesting conditions. The difference is charged or credited to the income statement, with a corresponding adjustment to equity or liability for equity-settled and cash-settled share-based payments respectively.

The dilutive effects of the Singtel performance share plans are reflected as additional share dilution in the computation of diluted earnings per share.

2.22 Borrowing Costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in arranging borrowings, and finance lease charges. Borrowing costs are generally expensed as incurred, except to the extent that they are capitalised if they are directly attributable to the acquisition, construction, or production of a qualifying asset.

2.23 Customer Acquisition and Retention Costs

Customer acquisition and retention costs, including related sales and promotion expenses and activation commissions, are expensed as incurred.

2.24 Pre-incorporation Expenses

Pre-incorporation expenses are expensed as incurred.

2.25 Government Grants

Grants in recognition of specific expenses are recognised in the income statement over the periods necessary to match them with the relevant expenses they are intended to compensate. Grants related to depreciable assets are deferred and recognised in the income statement over the period in which such assets are depreciated and used in the projects subsidised by the grants.

2.26 Exceptional Items

Exceptional items refer to items of income or expense within the income statement from ordinary activities that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the financial year.

2.27 Income Tax

Income tax expense comprises current and deferred tax.

The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement as it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by, at the end of the reporting period.

Deferred taxation is provided in full, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit/ loss, it is not recognised. Deferred income tax is also not recognised for goodwill which is not deductible for tax purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates (and tax laws) enacted or substantively enacted in countries where the Company and its subsidiaries operate by, at the end of the reporting period.

Deferred tax liabilities are provided on all taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and carry forward of unutilised tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carry forward of unused losses can be utilised.

At the end of each reporting period, the Group re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Group recognises a previously unrecognised deferred tax asset to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered. The Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable profit will be available to allow the benefit of all or part of the deferred tax asset to be utilised.

Current and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or different period, directly to equity.

2.28 Dividends

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2.29 Segment Reporting

An operating segment is identified as the component of the Group that is regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

2.30 Non-current Assets (or Disposal Groups) Held for Sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amounts are recovered principally through sale transactions rather than through continuing use.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

FRS 1, *Presentation Of Financial Statements*, requires disclosure of the judgements management has made in the process of applying the accounting policies that have the most impact on the amounts recognised in the financial statements. It also requires disclosure about the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The estimates and assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The following presents a summary of the critical accounting estimates and judgements –

3.1 Impairment Reviews

The accounting policies for impairment of non-financial assets are stated in **Note 2.16**.

During an impairment review, the Group assesses whether the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Recoverable amount is defined as the higher of an asset's or cash generating unit's fair value less costs to sell and its value-in-use. In making this judgement, the Group evaluates the value-in-use which is supported by the net present value of future cash flows derived from such assets or cash-generating units using cash flow projections which have been discounted at an appropriate rate. Forecasts of future cash flows are based on the Group's estimates using historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

Goodwill recorded by associates and joint ventures is required to be tested for impairment at least annually. The impairment assessment requires the exercise of significant judgement about future market conditions, including growth rates and discount rates applicable in a number of markets where the associates and joint ventures operate.

The assumptions used by management to determine the value-in-use calculations of goodwill on acquisition of subsidiaries are disclosed in **Note 23**. The carrying values of associates and joint ventures including goodwill capitalised are stated in **Note 21** and **Note 22** respectively.

3.2 Impairment of Trade Receivables

The Group assesses at the end of each reporting period whether there is objective evidence that trade receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated experience.

3.3 Estimated Useful Lives of Property, Plant and Equipment

The Group reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the carrying value of property, plant and equipment.

3.4 Investment in NetLink Trust

Based on facts and circumstances as disclosed in **Note 26**, although the Company holds all the units in NetLink Trust, the Company does not control but has significant influence in the trust in accordance with FRS 28, *Investments in Associates and Joint Ventures*. Therefore, NetLink Trust has been accounted for as an associate of the Group.

3.5 Taxation

3.5.1 Deferred tax asset

The Group reviews the carrying amount of deferred tax asset at the end of each reporting period. Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

3.5.2 Income taxes

The Group is subject to income taxes in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business, including the tax matter disclosed in **Note 39(b)**. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.6 Fair values of derivative financial instruments

The Group uses valuation techniques to determine the fair values of financial instruments. The valuation techniques used for different financial instruments are selected to reflect how the market would be expected to price the instruments, using inputs that reasonably reflect the risk-return factors inherent in the instruments. Depending upon the characteristics of the financial instruments, observable market factors are available for use in most valuations, while others involve a greater degree of judgment and estimation.

3.7 Share-based Payments

Equity-settled share-based payments are measured at fair value at the date of grant, whereas cash-settled share-based payments are measured at current fair value at the end of each reporting period. In addition, the Group revises the estimated number of equity instruments that participants are expected to receive based on non-market vesting conditions at the end of each reporting period.

The assumptions of the valuation model used to determine fair values are set out in **Note 5.3**.

3.8 Contingent Liabilities

The Group consults with its legal counsel on matters related to litigation, and other experts both within and outside the Group with respect to matters in the ordinary course of business. As at 31 March 2017, the Group was involved in various legal proceedings where it has been vigorously defending its claims as disclosed in **Note 39**.

The Group also reports significant contingent liabilities of its associates and joint ventures. Assessment on whether the risk of loss is remote, possible or probable requires significant judgement given the complexities involved. The significant contingent liabilities of the Group's joint ventures have been disclosed in **Note 40**.

3.9 Purchase Price Allocation

The Group completed the acquisition of Intouch Holdings Public Company Limited ("**Intouch**") in November 2016. Purchase price allocation exercise requires a significant amount of management estimation, particularly in relation to the identification and valuation of intangible assets and assignment of their useful lives. The provisional purchase price allocation of Intouch is included in the carrying amount of the investment in associate as disclosed in **Note 21**.

4. OPERATING REVENUE

	Group	
	2017 S$ Mil	**2016 S$ Mil**
Mobile communications	**5,930.6**	6,713.5
Data and Internet	**3,321.2**	3,138.1
Managed services	**2,282.0**	2,013.6
Business solutions	**659.7**	636.9
Infocomm Technology	**2,941.7**	2,650.5
Sale of equipment	**1,903.8**	1,801.9
National telephone	**1,062.4**	1,128.1
Digital businesses	**565.6**	476.2
International telephone	**479.7**	541.9
Pay television	**292.5**	284.9
Others	**213.9**	226.1
Operating revenue	**16,711.4**	16,961.2
Operating revenue	**16,711.4**	16,961.2
Other income	**215.3**	148.3
Interest and dividend income (see **Note 10**)	**99.7**	95.7
Total revenue	**17,026.4**	17,205.2

5. OPERATING EXPENSES

	Group	
	2017 S$ Mil	**2016 S$ Mil**
Selling and administrative cost [1] [2]	**2,921.9**	3,055.6
Staff costs [2]	**2,523.4**	2,434.4
Cost of equipment sold	**2,415.9**	2,224.5
Other cost of sales [2]	**2,115.4**	1,811.7
Traffic expenses	**1,575.6**	2,211.8
Repairs and maintenance	**376.8**	358.8
	11,929.0	12,096.8

Notes:

(1) Includes mobile and broadband subscriber acquisition and retention costs, supplies and services, as well as rentals of properties and mobile base stations.

(2) Comparatives have been reclassified to be consistent with the current year.

5.1 Staff Costs

	Group	
	2017 S$ Mil	**2016 S$ Mil**
Staff costs included the following –		
Contributions to defined contribution plans	**233.9**	240.9
Performance share and share option expenses/ (write-back of expenses)		
- equity-settled arrangements	**33.9**	33.2
- cash-settled arrangements	**2.0**	(5.1)

5.2 Key Management Personnel Compensation

	Group	
	2017 S$ Mil	**2016 S$ Mil**
Key management personnel compensation (1)		
Executive director (2)	**6.6**	6.4
Other key management personnel (3)	**20.8**	11.3
	27.4	17.7
Directors' remuneration (4)	**2.6**	2.6
	30.0	20.3

Notes:

(1) Comprise base salary, bonus, contributions to defined contribution plans and other benefits, but exclude performance share and share option expenses disclosed below.

(2) The Group Chief Executive Officer, an executive director of Singtel, was awarded up to 1,895,988 (2016: 1,743,040) ordinary shares of Singtel pursuant to Singtel performance share plans during the year, subject to certain performance criteria including other terms and conditions being met. The performance share expense computed in accordance with FRS 102, *Share-based Payment*, was S$2.4 million (2016: S$1.7 million).

(3) The other key management personnel of the Group comprise the Chief Executive Officers of Consumer Singapore, Consumer Australia, Group Enterprise, Group Digital Life and International Group, as well as the Group Chief Corporate Officer, Group Chief Financial Officer, Group Chief Human Resources Officer, Group Chief Information Officer and Group Chief Technology Officer. In the previous financial year, the other key management personnel of the Group comprised the Group Chief Corporate Officer and the Chief Executive Officers of Consumer Australia and Group Enterprise.

The other key management personnel were awarded up to 4,331,295 (2016: 2,216,951) ordinary shares of Singtel pursuant to Singtel performance share plans during the year, subject to certain performance criteria including other terms and conditions being met. The performance share expense computed in accordance with FRS 102, *Share-based Payment*, was S$5.6 million (2016: S$2.1 million).

(4) Directors' remuneration comprises the following:

(i) Directors' fees of S$2.5 million (2016: S$2.6 million), including fees paid to certain directors in their capacities as members of the Optus Advisory Committee and the Technology Advisory Panel, and as director of Singtel Innov8 Pte. Ltd.

(ii) Car-related benefits of Chairman of S$21,611 (2016: S$21,879).

In addition to the directors' remuneration, Venkataraman Vishnampet Ganesan, a non-executive director of Singtel, was awarded 750,718 share options pursuant to the Amobee Long-Term Incentive Plan in the previous financial year, subject to certain terms and conditions being met. No similar share option was awarded during the financial year. The share option expense computed in accordance with FRS 102, *Share-based Payment*, was S$0.1 million (2016: S$0.1 million).

5.3 Share-based Payments

5.3.1 Performance share plans

With effect from 1 April 2012, Restricted Share Awards and Performance Share Awards are given to selected employees of Singtel and its subsidiaries. The awards are conditional upon the achievement of predetermined performance targets over the performance period, which is two years for the Restricted Share Awards and three years for the Performance Share Awards. Both awards are generally settled by delivery of Singtel shares, with the awards for certain senior executives to be settled by Singtel shares or cash, at the option of the recipient.

Additionally, early vesting of the performance shares can also occur under special circumstances approved by the Executive Resource and Compensation Committee such as retirement, redundancy, illness and death while in employment.

Though the performance shares are awarded by Singtel, the respective subsidiaries bear all costs and expenses in any way arising out of, or connected with, the grant and vesting of the awards to their employees.

The fair values of the performance shares are estimated using a Monte-Carlo simulation methodology at the measurement dates, which are the grant value dates for equity-settled awards, and at the end of the reporting period for cash-settled awards.

Restricted Share Awards

The movements of the number of performance shares for the Restricted Share Awards during the financial year were as follows –

Group and Company 2017	Outstanding as at 1 April 2016 '000	Granted '000	Awarded from targets exceeded '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2017 '000
Date of grant						
FY2014 [1]						
21 June 2013	**2,482**	**–**	**–**	**(2,441)**	**(41)**	**–**
September 2013 to March 2014	**8**	**–**	**–**	**(5)**	**(3)**	**–**
FY2015						
23 June 2014	**4,514**	**–**	**1,328**	**(2,921)**	**(214)**	**2,707**
September 2014 to March 2015	**14**	**–**	**4**	**(9)**	**–**	**9**
FY2016						
17 June 2015	**3,993**	**–**	**2**	**(54)**	**(262)**	**3,679**
September 2015 to March 2016	**30**	**–**	**–**	**–**	**–**	**30**
FY2017						
20 June 2016	**–**	**5,541**	**–**	**(8)**	**(214)**	**5,319**
September 2016 to March 2017	**–**	**87**	**–**	**–**	**–**	**87**
	11,041	**5,628**	**1,334**	**(5,438)**	**(734)**	**11,831**

Note:
[1] "FY2014" denotes financial year ended 31 March 2014.

5.3.1 Performance share plans *(Cont'd)*

Group and Company 2016	Outstanding as at 1 April 2015 '000	Granted '000	Awarded from targets exceeded '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2016 '000
Date of grant						
FY2013						
26 June 2012	4,164	–	–	(4,068)	(96)	–
October 2012 to March 2013	67	–	–	(67)	–	–
FY2014						
21 June 2013	4,239	–	1,227	(2,707)	(277)	2,482
September 2013 to March 2014	12	–	4	(8)	–	8
FY2015						
23 June 2014	5,073	–	1	(72)	(488)	4,514
September 2014 to March 2015	45	–	–	–	(31)	14
FY2016						
17 June 2015	–	4,338	–	(7)	(338)	3,993
September 2015 to March 2016	–	30	–	–	–	30
	13,600	4,368	1,232	(6,929)	(1,230)	11,041

The fair values of the Restricted Share Awards and the assumptions of the fair value model for the grants were as follows –

Equity-settled	Date of grant 23 June 2014	17 June 2015	20 June 2016
Fair value at grant date	S$3.48	S$3.79	S$3.46
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	15.2%	14.8%	15.6%
MSCI Asia Pacific Telco Index	9.5%	10.2%	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding May 2014	36 months historical volatility preceding May 2015	36 months historical volatility preceding May 2016
Risk free interest rates			
Yield of Singapore Government Securities on	4 June 2014	4 June 2015	1 June 2016

"NA" denotes Not Applicable.

5.3.1 Performance share plans *(Cont'd)*

Cash-settled 2017	Date of grant 23 June 2014	17 June 2015	20 June 2016
Fair value at 31 March 2017	S$3.89	S$3.83	S$3.65
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.5%	14.5%	14.5%
MSCI Asia Pacific Telco Index	11.0%	11.0%	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2017		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2017	31 March 2017	31 March 2017

Cash-settled 2016	Date of grant 21 June 2013	23 June 2014	17 June 2015
Fair value at 31 March 2016	S$3.82	S$3.73	S$3.55
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	16.0%	16.0%	16.0%
MSCI Asia Pacific Telco Index	11.4%	11.4%	11.4%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2016		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2016	31 March 2016	31 March 2016

5.3.1 Performance share plans *(Cont'd)*

Performance Share Awards

The movements of the number of performance shares for the Performance Share Awards during the financial year were as follows –

Group and Company 2017	Outstanding as at 1 April 2016 '000	Granted '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2017 '000
Date of grant					
FY2014					
21 June 2013	**8,313**	**–**	**(1,215)**	**(7,098)**	**–**
September 2013 to March 2014	**15**	**–**	**(2)**	**(13)**	**–**
FY2015					
23 June 2014	**8,169**	**–**	**–**	**(222)**	**7,947**
September 2014 to March 2015	**21**	**–**	**–**	**–**	**21**
FY2016					
17 June 2015	**9,221**	**–**	**–**	**(245)**	**8,976**
September 2015 to March 2016	**157**	**–**	**–**	**–**	**157**
FY2017					
20 June 2016	**–**	**9,133**	**–**	**(65)**	**9,068**
September 2016 to March 2017	**–**	**91**	**–**	**–**	**91**
	25,896	**9,224**	**(1,217)**	**(7,643)**	**26,260**

Group and Company 2016	Outstanding as at 1 April 2015 '000	Granted '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2016 '000
Date of grant					
FY2013					
26 June 2012	6,814	–	(6,795)	(19)	–
October 2012 to March 2013	157	–	(157)	–	–
FY2014					
21 June 2013	8,410	–	–	(97)	8,313
September 2013 to March 2014	15	–	–	–	15
FY2015					
23 June 2014	8,314	–	–	(145)	8,169
September 2014 to March 2015	235	–	–	(214)	21
FY2016					
17 June 2015	–	9,311	–	(90)	9,221
September 2015 to March 2016	–	157	–	–	157
	23,945	9,468	(6,952)	(565)	25,896

5.3.1 Performance share plans *(Cont'd)*

The fair values of the Performance Share Awards and the assumptions of the fair value model for the grants were as follows –

Equity-settled	Date of grant 23 June 2014	17 June 2015	20 June 2016
Fair value at grant date	S$2.36	S$1.17	S$1.81
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	15.2%	14.8%	15.6%
MSCI Asia Pacific Telco Index	9.5%	10.2%	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding May 2014	36 months historical volatility preceding May 2015	36 months historical volatility preceding May 2016
Risk free interest rates			
Yield of Singapore Government Securities on	4 June 2014	4 June 2015	1 June 2016

Cash-settled 2017	Date of grant 23 June 2014	17 June 2015	20 June 2016
Fair value at 31 March 2017	S$0.63	S$0.53	S$2.03
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.5%	14.5%	14.5%
MSCI Asia Pacific Telco Index	11.0%	11.0%	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2017		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2017	31 March 2017	31 March 2017

Cash-settled 2016	Date of grant 21 June 2013	23 June 2014	17 June 2015
Fair value at 31 March 2016	–	S$1.70	S$0.76
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	16.0%	16.0%	16.0%
MSCI Asia Pacific Telco Index	11.4%	11.4%	11.4%
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2016		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2016	31 March 2016	31 March 2016

5.3.2 Amobee's share options - equity-settled arrangement

In April 2015, Amobee Group Pte. Ltd. ("**Amobee**"), a wholly-owned subsidiary of the Company, implemented the 2015 Long-Term Incentive Plan ("**Amobee LTI Plan**"). Selected employees (including executive directors) and non-executive directors of Amobee group are granted options to purchase ordinary shares of Amobee.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of Amobee on the date of grant. Options for employees are scheduled to be fully vested in either 3 years or 3.5 years from the vesting commencement date.

The grant dates, exercise prices and fair values of the share options were as follows –

Equity-settled Date of grant	Exercise price	Fair value at grant/ repriced date
For employees		
13 April 2015	US$0.79	US$0.224 - US$0.261
14 October 2015	US$0.54 - US$0.79	US$0.217 - US$0.287
20 January 2016/ 10 May 2016/ 24 August 2016/ 25 January 2017	US$0.54	US$0.287
23 June 2016	US$0.54	US$0.273 - US$0.287
For non-executive directors		
14 October 2015	US$0.54	US$0.203

The terms of the options granted to employees and non-executive directors are 10 years and 5 years from the date of grant respectively.

The fair values for the share options granted were estimated using the Black-Scholes pricing model.

From 1 April 2016 to 31 March 2017, options in respect of an aggregate of 50.6 million of ordinary shares in Amobee have been granted to the employees and non-executive directors of Amobee and/or its subsidiaries. As at 31 March 2017, options in respect of an aggregate of 36.6 million of ordinary shares in Amobee are outstanding.

5.3.3 Trustwave's share options – equity-settled arrangement

In December 2015, Trustwave Holdings, Inc. ("**Trustwave**"), a 98%-owned subsidiary of the Company, implemented the Stock Option Incentive Plan ("**Trustwave ESOP**"). Selected employees (including executive directors) and non-executive directors of Trustwave and/or its subsidiaries are granted options to purchase common stock of Trustwave.

Options are exercisable at a price no less than 100% of the fair value of the common stock of Trustwave on the date of grant, and are scheduled to be fully vested 4 years from the vesting commencement date.

The grant dates, exercise prices and fair values of the share options were as follows –

Equity-settled Date of grant	Exercise price	Fair value at grant date
1 December 2015	US$16.79	US$6.57
22 January 2016	US$16.79	US$6.28
19 May 2016	US$16.79	US$6.16 - US$6.27
12 September 2016	US$16.79	US$6.03 - US$6.10
20 January 2017	US$16.24	US$5.93 - US$6.57

The term of each option granted is 10 years from the date of grant.

The fair values for the share options granted were estimated using the Black-Scholes pricing model.

5.3.3 Trustwave's share options – equity-settled arrangement *(Cont'd)*

From 1 April 2016 to 31 March 2017, options in respect of an aggregate of 1.2 million of common stock in Trustwave have been granted. As at 31 March 2017, options in respect of an aggregate of 2.5 million of common stock in Trustwave are outstanding.

5.3.4 HOOQ's share options – equity-settled arrangement

In December 2015, HOOQ Digital Pte. Ltd. ("**HOOQ**"), a 65%-owned subsidiary of the Company, implemented the HOOQ Digital Employee Share Option Scheme (the "**Scheme**"). Selected employees (including executive directors) of HOOQ and/or its subsidiaries are granted options to purchase ordinary shares of HOOQ.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of HOOQ on the date of grant, and are scheduled to be fully vested 4 years from the vesting commencement date.

Options have been granted on 16 May 2016 with an exercise price of US$0.07 per share. The fair values of the options granted on that date were between US$0.0445 and US$0.0463. The term of each option granted is 10 years from the date of grant.

The fair values for the share options granted were estimated using the Black-Scholes pricing model.

From 1 April 2016 to 31 March 2017, options in respect of an aggregate of 58.8 million of ordinary shares in HOOQ have been granted. As at 31 March 2017, options in respect of an aggregate of 40.7 million of ordinary shares in HOOQ are outstanding.

5.4 Structured Entity

The Trust's purpose is to purchase the Company's shares from the open market for delivery to the recipients upon vesting of the share-based payments awards.

As at the end of the reporting period, the Trust held the following assets –

	Group		Company	
	2017 S$ Mil	**2016 S$ Mil**	**2017 S$ Mil**	**2016 S$ Mil**
Cost of Singtel shares, net of vesting	**29.0**	26.8	**27.0**	24.8
Cash at bank	**0.4**	0.4	**0.4**	0.4
	29.4	27.2	**27.4**	25.2

The details of Singtel shares held by the Trust were as follows –

	Number of shares		Amount	
Group	**2017 '000**	**2016 '000**	**2017 S$ Mil**	**2016 S$ Mil**
Balance as at 1 April	**6,924**	8,629	**26.8**	32.7
Purchase of Singtel shares	**4,622**	5,762	**18.2**	23.5
Vesting of shares	**(4,142)**	(7,467)	**(16.0)**	(29.4)
Balance as at 31 March	**7,404**	6,924	**29.0**	26.8

Upon consolidation of the Trust in the consolidated financial statements, the weighted average cost of vested Singtel shares is taken to 'Capital Reserve' whereas the weighted average cost of unvested shares is taken to 'Treasury Shares' within equity. See **Note 2.3**.

5.5 Other Operating Expense Items

	Group	
	2017 S$ Mil	**2016 S$ Mil**
Operating expenses included the following –		
Auditors' remuneration		
- Deloitte & Touche LLP, Singapore	**1.5**	1.4
- Deloitte Touche Tohmatsu, Australia	**1.2**	1.1
- Other Deloitte & Touche offices	**1.7**	2.0
Non-audit fees paid to		
- Deloitte & Touche LLP, Singapore [(1)]	**0.4**	0.3
- Deloitte Touche Tohmatsu, Australia [(1)]	**0.3**	0.4
- Other Deloitte & Touche offices	**0.1**	*
Impairment of trade receivables	**139.1**	122.6
Allowance for inventory obsolescence	**1.6**	6.3
Operating lease payments for properties and mobile base stations	**447.8**	412.1

"*" denotes amount of less than S$50,000.

Note:

(1) The non-audit fees for the current financial year ended 31 March 2017 included S$0.2 million (2016: S$0.1 million) and S$0.3 million (2016: S$0.4 million) paid to Deloitte & Touche LLP, Singapore, and Deloitte Touche Tohmatsu, Australia, respectively in respect of tax services, certification and review for regulatory purposes.

The Audit Committee had undertaken a review of the non-audit services provided by the auditors, Deloitte & Touche LLP, and in the opinion of the Audit Committee, these services did not affect the independence of the auditors.

6. OTHER INCOME

Other income included the following items –

	Group	
	2017 S$ Mil	**2016 S$ Mil**
Rental income	**3.3**	3.8
Net gains/ (losses) on disposal of property, plant and equipment	**3.4**	(6.3)
Net foreign exchange (losses)/ gains - trade related	**(6.2)**	6.0

7. DEPRECIATION AND AMORTISATION

	Group 2017 S$ Mil	Group 2016 S$ Mil
Depreciation of property, plant and equipment	**1,959.9**	1,892.1
Amortisation of intangible assets	**282.1**	259.8
Amortisation of deferred gain on sale of a joint venture	**(3.1)**	(3.1)
	2,238.9	2,148.8

8. EXCEPTIONAL ITEMS

	Group 2017 S$ Mil	Group 2016 S$ Mil
Exceptional gains		
Gain on dilution of interests in associates and joint ventures	**33.3**	2.2
Gain on sale of AFS investments	**11.5**	95.9
Reversal of impairment on AFS investments	**4.8**	–
Gain on disposal of a joint venture	**–**	1.7
	49.6	99.8
Exceptional losses		
Ex-gratia costs on staff restructuring	**(38.3)**	(10.2)
Impairment of other non-current assets	**(11.7)**	–
Impairment of AFS investments	**(0.6)**	(11.6)
Loss on sale of AFS investments	**(0.2)**	–
Reclassification of translation loss of a joint venture from equity	**–**	(55.9)
Net expense from legal disputes	**–**	(37.0)
Impairment of carrying value of a subsidiary	**–**	(29.9)
	(50.8)	(144.6)
	(1.2)	(44.8)

9. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	Group	
	2017 S$ Mil	**2016 S$ Mil**
Share of ordinary results		
- joint ventures	**2,693.9**	2,616.7
- associates	**247.8**	171.3
	2,941.7	2,788.0
Share of net exceptional (losses)/ gains of associates and joint ventures (post-tax) [1]	**(75.4)**	70.0
Write-back of impairment provision on an associate	**–**	31.7
Share of tax of ordinary results		
- joint ventures	**(804.9)**	(834.7)
- associates	**(44.1)**	(28.4)
	(849.0)	(863.1)
	2,017.3	2,026.6

Note:

[1] Share of net exceptional (losses)/ gains comprised –

Impairment charges on investments and other one-off items	**(42.4)**	–
Handset subsidy costs	**(44.7)**	(24.9)
Disposal gains on subsidiaries, divestment gains on telecom tower assets, foreign exchanges losses on currency devaluation and other items	**11.7**	69.6
Divestment gains on investments	**–**	25.3
	(75.4)	70.0

10. INTEREST AND INVESTMENT INCOME (NET)

	Group	
	2017 S$ Mil	**2016 S$ Mil**
Interest income from		
- bank deposits	**5.8**	6.3
- others	**31.6**	44.3
	37.4	50.6
Dividends from joint ventures	**60.9**	42.9
Gross dividends from AFS investments	**1.4**	2.2
	99.7	95.7
Net foreign exchange gains – non-trade related	**8.1**	2.1
Other fair value gains/ (losses)	**0.5**	(1.8)
Fair value gains/ (losses) on fair value hedges		
- hedged items	**57.8**	177.7
- hedging instruments	**(51.3)**	(179.0)
	6.5	(1.3)
Fair value (losses)/ gains on cash flow hedges		
- hedged items	**(1.5)**	21.1
- hedging instruments	**1.5**	(21.1)
	–	–
	114.8	94.7

11. FINANCE COSTS

	Group	
	2017 S$ Mil	**2016 S$ Mil**
Interest expense on		
- bonds	**305.5**	283.3
- bank loans	**36.1**	45.4
- others	**28.7**	31.7
	370.3	360.4
Less: Amounts capitalised	**–**	(0.8)
	370.3	359.6
Effects of hedging using interest rate swaps	**(0.2)**	(4.2)
Unwinding of discounts (including adjustments)	**4.2**	4.2
	374.3	359.6

The interest rate applicable to the capitalised borrowings was 5.4 per cent as at 31 March 2016.

12. TAXATION

12.1 Tax Expense

	Group 2017 S$ Mil	Group 2016 S$ Mil
Current income tax		
- Singapore	**235.7**	239.6
- Overseas	**299.4**	356.8
	535.1	596.4
Deferred tax credit	**(3.9)**	(5.7)
Tax expense attributable to current year's profit	**531.2**	590.7
Adjustments in respect of prior years [1] –		
Current income tax		
- over provision	**(34.8)**	(18.7)
Deferred income tax		
- under provision	**26.7**	6.0
Withholding and dividend distribution taxes on dividend income from associates and joint ventures	**161.3**	144.5
	684.4	722.5

Note:
[1] This included certain tax credits upon finalisation of earlier years' tax assessments.

The tax expense on profits was different from the amount that would arise using the Singapore standard rate of income tax due to the following –

	Group 2017 S$ Mil	Group 2016 S$ Mil
Profit before tax	**4,515.4**	4,580.8
Less: Share of results of associates and joint ventures	**(2,017.3)**	(2,026.6)
	2,498.1	2,554.2
Tax calculated at tax rate of 17 per cent (2016: 17 per cent)	**424.7**	434.2
Effects of –		
Different tax rates of other countries	**49.6**	92.0
Income not subject to tax	**(7.4)**	(28.6)
Expenses not deductible for tax purposes	**30.6**	39.4
Deferred tax asset not recognised	**47.5**	42.5
Others	**(13.8)**	11.2
Tax expense attributable to current year's profit	**531.2**	590.7

Notes to the Financial Statements

For the financial year ended 31 March 2017

12.2 Deferred Taxes

The movements of the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year were as follows –

Group – 2017 Deferred tax assets	Provisions S$ Mil	TWDV [1] in excess of NBV [2] of depreciable assets S$ Mil	Tax losses and unutilised capital allowances S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 April 2016	**47.0**	**124.9**	**23.4**	**507.1**	**702.4**
(Charged)/ Credited to income statement	**(8.2)**	**8.5**	**(2.8)**	**(45.6)**	**(48.1)**
Credited to other comprehensive income	**–**	**–**	**–**	**1.3**	**1.3**
Transfer (to)/ from current tax	**(0.6)**	**–**	**0.1**	**0.2**	**(0.3)**
Translation differences	**2.1**	**4.4**	**1.0**	**6.6**	**14.1**
Balance as at 31 March 2017	**40.3**	**137.8**	**21.7**	**469.6**	**669.4**

Group – 2017 Deferred tax liabilities	Accelerated tax depreciation S$ Mil	Offshore interest and dividend not remitted S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 April 2016	**(444.7)**	**(5.3)**	**(145.4)**	**(595.4)**
(Charged)/ Credited to income statement	**(13.0)**	**0.2**	**26.0**	**13.2**
Transfer from current tax	**(0.1)**	**–**	**(1.5)**	**(1.6)**
Translation differences	**–**	**–**	**(2.4)**	**(2.4)**
Balance as at 31 March 2017	**(457.8)**	**(5.1)**	**(123.3)**	**(586.2)**

Group – 2016 Deferred tax assets	Provisions S$ Mil	TWDV [1] in excess of NBV [2] of depreciable assets S$ Mil	Tax losses and unutilised capital allowances S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 April 2015	48.3	231.3	22.0	513.5	815.1
Acquisition of a subsidiary	–	–	–	6.1	6.1
Charged to income statement	(0.7)	(6.3)	–	(9.2)	(16.2)
Credited to other comprehensive income	–	–	–	1.1	1.1
Transfer to retained earnings	–	(97.4)	–	–	(97.4)
Transfer from current tax	0.2	–	–	0.5	0.7
Translation differences	(0.8)	(2.7)	1.4	(4.9)	(7.0)
Balance as at 31 March 2016	47.0	124.9	23.4	507.1	702.4

12.2 Deferred Taxes *(Cont'd)*

Group – 2016 **Deferred tax liabilities**	**Accelerated tax depreciation S$ Mil**	**Offshore interest and dividend not remitted S$ Mil**	**Others S$ Mil**	**Total S$ Mil**
Balance as at 1 April 2015	(416.8)	(5.3)	(110.9)	(533.0)
Acquisition of a subsidiary	–	–	(68.1)	(68.1)
(Charged)/ Credited to income statement	(19.3)	–	23.2	3.9
Transfer from current tax	(9.2)	–	–	(9.2)
Translation differences	0.6	–	10.4	11.0
Balance as at 31 March 2016	(444.7)	(5.3)	(145.4)	(595.4)

Company – 2017 **Deferred tax assets**	**Provisions S$ Mil**	**Others S$ Mil**	**Total S$ Mil**
Balance as at 1 April 2016	**0.4**	**3.3**	**3.7**
Charged to income statement	**(0.1)**	**(0.5)**	**(0.6)**
Balance as at 31 March 2017	**0.3**	**2.8**	**3.1**

Company – 2017 **Deferred tax liabilities**	**Accelerated tax depreciation S$ Mil**	**Total S$ Mil**
Balance as at 1 April 2016	**(274.2)**	**(274.2)**
Charged to income statement	**(11.1)**	**(11.1)**
Balance as at 31 March 2017	**(285.3)**	**(285.3)**

Company – 2016 **Deferred tax assets**	**Provisions S$ Mil**	**Others S$ Mil**	**Total S$ Mil**
Balance as at 1 April 2015	0.5	6.8	7.3
Charged to income statement	(0.1)	(3.5)	(3.6)
Balance as at 31 March 2016	0.4	3.3	3.7

Company – 2016 **Deferred tax liabilities**	**Accelerated tax depreciation S$ Mil**	**Total S$ Mil**
Balance as at 1 April 2015	(256.2)	(256.2)
Charged to income statement	(18.0)	(18.0)
Balance as at 31 March 2016	(274.2)	(274.2)

Notes:

(1) TWDV – Tax written down value

(2) NBV – Net book value

12.2 Deferred Taxes *(Cont'd)*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities, and when deferred income taxes relate to the same fiscal authority.

The amounts, determined after appropriate offsetting, are shown in the statements of financial position as follows –

	Group		Company	
	2017 S$ Mil	**2016 S$ Mil**	**2017 S$ Mil**	**2016 S$ Mil**
Deferred tax assets	**657.8**	692.3	**–**	–
Deferred tax liabilities	**(574.6)**	(585.3)	**(282.2)**	(270.5)
	83.2	107.0	**(282.2)**	(270.5)

Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.

As at 31 March 2017, the subsidiaries of the Group had estimated unutilised income tax losses of approximately S$1.07 billion (2016: $831 million), unutilised investment allowances of S$50 million (2016: S$51 million), unutilised capital tax losses of S$97 million (2016: S$91 million) and unabsorbed capital allowances of approximately S$8.7 million (2016: S$6.2 million).

These unutilised income tax losses and investment allowances, and unabsorbed capital allowances are available for set-off against future taxable profits, subject to the agreement of the relevant tax authorities and compliance with certain provisions of the income tax regulations of the respective countries in which the subsidiaries operate. The unutilised capital tax losses are available for set-off against future capital gains of a similar nature subject to compliance with certain statutory tests in Australia.

As at the end of the reporting period, the potential tax benefits arising from the following items were not recognised in the financial statements due to uncertainty on their recoverability –

	Group	
	2017 S$ Mil	**2016 S$ Mil**
Unutilised income tax losses and investment allowances, and unabsorbed capital allowances	**1,132.4**	887.9
Unutilised capital tax losses	**96.5**	91.2

13. EARNINGS PER SHARE

	Group	
	2017 '000	**2016 '000**
Weighted average number of ordinary shares in issue for calculation of basic earnings per share [1]	**16,082,136**	15,937,017
Adjustment for dilutive effects of performance share plans	**27,115**	15,012
Weighted average number of ordinary shares for calculation of diluted earnings per share	**16,109,251**	15,952,029

Note:
[1] Adjusted to exclude the number of performance shares held by the Trust.

13. EARNINGS PER SHARE *(Cont'd)*

'Basic earnings per share' is calculated by dividing the Group's profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the financial year.

For 'Diluted earnings per share', the weighted average number of ordinary shares in issue included the number of additional shares outstanding if the potential dilutive ordinary shares arising from the performance shares granted by the Group were issued. Adjustment is made to earnings for the dilutive effect arising from the associates and joint ventures' dilutive shares.

14. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Group had the following significant transactions and balances with related parties –

	Group	
	2017 S$ Mil	**2016 S$ Mil**
Income		
Subsidiaries of ultimate holding company		
Telecommunications	**91.8**	110.2
Rental and maintenance	**29.3**	29.5
Associates		
Telecommunications	**49.2**	7.3
Interest on loan	**27.6**	40.5
Joint ventures		
Telecommunications	**35.3**	34.5
Expenses		
Subsidiaries of ultimate holding company		
Telecommunications	**43.9**	54.1
Utilities	**72.0**	95.2
Associates		
Telecommunications	**146.2**	135.2
Postal	**8.8**	8.3
Rental	**3.5**	4.3
Joint ventures		
Telecommunications	**37.0**	53.8
Transmission capacity	**27.0**	30.8
Acquisition of shares in an associate and joint ventures	**2,471.3**	214.2
Issue of new shares	**1,605.1**	–
Due from subsidiaries of ultimate holding company	**23.8**	24.3
Due to subsidiaries of ultimate holding company	**5.2**	13.3

All the above transactions were on normal commercial terms and conditions and market rates.

Please refer to **Note 5.2** for information on key management personnel compensation.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2017 S$ Mil	**2016 S$ Mil**	**2017 S$ Mil**	**2016 S$ Mil**
Fixed deposits	**164.1**	79.2	**27.6**	18.3
Cash and bank balances	**369.7**	382.6	**61.6**	65.4
	533.8	461.8	**89.2**	83.7

The carrying amounts of the cash and cash equivalents approximate their fair values.

Cash and cash equivalents denominated in the non-functional currencies of the Group were as follows –

	Group		Company	
	2017 S$ Mil	**2016 S$ Mil**	**2017 S$ Mil**	**2016 S$ Mil**
USD	**140.7**	74.1	**34.6**	22.4
AUD	**16.9**	3.1	**8.1**	1.1
EUR	**8.8**	8.2	**6.6**	2.2

The maturities of the fixed deposits were as follows –

	Group		Company	
	2017 S$ Mil	**2016 S$ Mil**	**2017 S$ Mil**	**2016 S$ Mil**
Less than three months	**147.8**	59.2	**27.6**	18.3
Over three months	**16.3**	20.0	**–**	–
	164.1	79.2	**27.6**	18.3

As at 31 March 2017, the weighted average effective interest rate of the fixed deposits of the Group and the Company were 1.3 per cent (2016: 1.0 per cent) per annum and 1.1 per cent (2016: 0.5 per cent) per annum respectively.

The exposure of cash and cash equivalents to interest rate risks is disclosed in **Note 35.3**.

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16. TRADE AND OTHER RECEIVABLES

Current	Group 2017 S$ Mil	Group 2016 S$ Mil	Company 2017 S$ Mil	Company 2016 S$ Mil
Trade receivables [1]	**3,826.6**	3,408.0	**492.3**	504.0
Less: Allowance for impairment of trade receivables	**(225.2)**	(245.9)	**(90.7)**	(84.0)
	3,601.4	3,162.1	**401.6**	420.0
Other receivables	**525.0**	471.5	**18.9**	13.1
Loans to subsidiaries	**–**	–	**127.6**	890.3
Less: Allowance for impairment of loans due	**–**	–	**(12.7)**	(12.7)
	–	–	**114.9**	877.6
Amount due from subsidiaries				
- trade	**–**	–	**717.0**	634.6
- non-trade	**–**	–	**363.3**	1,058.4
Less: Allowance for impairment of amount due	**–**	–	**(45.4)**	(45.4)
	–	–	**1,034.9**	1,647.6
Amount due from associates and joint ventures				
- trade	**13.6**	16.3	**4.4**	7.6
- non-trade	**155.2**	159.0	**4.0**	–
	168.8	175.3	**8.4**	7.6
Prepayments	**540.2**	477.2	**60.2**	37.8
Interest receivable	**74.9**	68.8	**34.4**	25.7
Others	**13.9**	11.5	**–**	–
	4,924.2	4,366.4	**1,673.3**	3,029.4

Non-current	Group 2017 S$ Mil	Group 2016 S$ Mil	Company 2017 S$ Mil	Company 2016 S$ Mil
Trade receivables [1]	**417.0**	352.7	**–**	–
Prepayments	**194.5**	193.0	**155.1**	175.4
Payment to the Australian Taxation Office [2]	**143.2**	–	**–**	–
Other receivables	**14.8**	83.1	**–**	–
	769.5	628.8	**155.1**	175.4

Notes:

(1) This included trade receivables under device repayment plans and other handset repayment plans where repayments are made monthly over 24 months.

(2) In the current financial year, the Group paid A$134 million to the Australian Taxation Office ("**ATO**") for amended tax assessments received in respect of the acquisition financing of Optus. This payment has been recorded as a tax recoverable from the ATO pending outcome of its objections to the ATO (see **Note 39(b)**).

16. TRADE AND OTHER RECEIVABLES *(Cont'd)*

Trade receivables are non-interest bearing and are generally on 14-day to 30-day terms, while balances due from carriers are on 60-day terms.

As at 31 March 2017, the effective interest rate of an amount due from a subsidiary of S$153.3 million (2016: S$865.4 million) was 0.01 per cent (2016: 0.01 per cent) per annum. The loans to subsidiaries and amounts due from other subsidiaries, associates and joint ventures were unsecured, interest-free and repayable on demand.

Amounts of S$41.0 million (2016: S$30.4 million) and nil (2016: S$62.3 million) under current and non-current other receivables of the Group respectively are guaranteed by a third party and repayable by 31 March 2018. The weighted average effective interest rate was 5.6% (2016: 3.5%).

The maximum exposure to credit risk for trade receivables by customer type was as follows –

	Group		Company	
	2017 S$ Mil	2016 S$ Mil	2017 S$ Mil	2016 S$ Mil
Individuals	**2,049.5**	2,139.0	**145.9**	139.4
Corporations and others	**1,968.9**	1,375.8	**255.7**	280.6
	4,018.4	3,514.8	**401.6**	420.0

The age analysis of trade receivables (before allowance for impairment) was as follows –

	Group		Company	
	2017 S$ Mil	2016 S$ Mil	2017 S$ Mil	2016 S$ Mil
Not past due or less than 60 days overdue	**3,818.8**	3,286.4	**332.9**	326.8
Past due				
- 61 to 120 days	**114.4**	120.2	**32.4**	22.9
- more than 120 days	**310.4**	354.1	**127.0**	154.3
	4,243.6	3,760.7	**492.3**	504.0

The movement in the allowance for impairment of trade receivables was as follows –

	Group		Company	
	2017 S$ Mil	2016 S$ Mil	2017 S$ Mil	2016 S$ Mil
Balance as at 1 April	**245.9**	236.9	**84.0**	79.7
Acquisition of a subsidiary	**–**	7.2	**–**	–
Allowance for impairment	**142.0**	128.2	**40.0**	37.1
Utilisation of allowance for impairment	**(166.7)**	(119.9)	**(33.3)**	(31.3)
Write-back of allowance for impairment	**(2.9)**	(5.6)	**–**	(1.5)
Translation differences	**6.9**	(0.9)	**–**	–
Balance as at 31 March	**225.2**	245.9	**90.7**	84.0

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17. INVENTORIES

	Group		Company	
	2017 S$ Mil	**2016 S$ Mil**	**2017 S$ Mil**	**2016 S$ Mil**
Equipment held for resale	**320.1**	299.8	**0.2**	2.1
Maintenance and capital works' inventories	**32.1**	19.9	**23.6**	19.4
	352.2	319.7	**23.8**	21.5

18. PROPERTY, PLANT AND EQUIPMENT

Group – 2017	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2016	**21.8**	**265.2**	**776.7**	**18,867.0**	**2,789.7**	**5,847.0**	**1,466.2**	**30,033.6**
Additions (net of rebates)	**–**	**–**	**0.5**	**104.5**	**51.1**	**328.9**	**1,962.5**	**2,447.5**
Disposals/ Write-offs	**–**	**–**	**–**	**(146.9)**	**(45.2)**	**(143.6)**	**(2.6)**	**(338.3)**
Reclassifications/ Adjustments	**–**	**–**	**32.4**	**1,195.0**	**95.7**	**515.1**	**(1,840.4)**	**(2.2)**
Translation differences	**0.7**	**0.5**	**9.9**	**513.6**	**36.5**	**132.2**	**30.5**	**723.9**
Balance as at 31 March 2017	**22.5**	**265.7**	**819.5**	**20,533.2**	**2,927.8**	**6,679.6**	**1,616.2**	**32,864.5**
Accumulated depreciation								
Balance as at 1 April 2016	**–**	**74.1**	**315.0**	**12,111.2**	**2,083.9**	**4,259.6**	**–**	**18,843.8**
Depreciation charge for the year	**–**	**4.1**	**20.9**	**1,188.4**	**161.9**	**584.6**	**–**	**1,959.9**
Disposals/ Write-offs	**–**	**–**	**–**	**(139.4)**	**(44.8)**	**(140.9)**	**–**	**(325.1)**
Reclassifications/ Adjustments	**–**	**–**	**–**	**11.1**	**–**	**(9.1)**	**–**	**2.0**
Translation differences	**–**	**0.5**	**–**	**334.4**	**22.4**	**99.0**	**–**	**456.3**
Balance as at 31 March 2017	**–**	**78.7**	**335.9**	**13,505.7**	**2,223.4**	**4,793.2**	**–**	**20,936.9**
Accumulated impairment								
Balance as at 1 April 2016	**–**	**2.0**	**7.3**	**7.4**	**1.9**	**17.2**	**–**	**35.8**
Impairment charge for the year	**–**	**–**	**–**	**–**	**–**	**2.4**	**–**	**2.4**
Disposals/ Write-offs	**–**	**–**	**–**	**(2.0)**	**(1.6)**	**(0.4)**	**–**	**(4.0)**
Translation differences	**–**	**–**	**–**	**–**	**–**	**0.5**	**–**	**0.5**
Balance as at 31 March 2017	**–**	**2.0**	**7.3**	**5.4**	**0.3**	**19.7**	**–**	**34.7**
Net Book Value as at 31 March 2017	**22.5**	**185.0**	**476.3**	**7,022.1**	**704.1**	**1,866.7**	**1,616.2**	**11,892.9**

18. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Group – 2016	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2015	22.0	266.1	774.7	18,224.8	2,919.8	5,889.8	1,199.3	29,296.5
Additions (net of rebates)	–	–	7.7	119.3	50.6	171.7	2,081.3	2,430.6
Disposals/ Write-offs	–	–	(5.3)	(698.4)	(248.3)	(549.4)	–	(1,501.4)
Acquisition of a subsidiary	–	–	–	–	–	27.8	–	27.8
Reclassifications/ Adjustments	–	(0.6)	2.8	1,367.9	81.1	358.4	(1,818.6)	(9.0)
Translation differences	(0.2)	(0.3)	(3.2)	(146.6)	(13.5)	(51.3)	4.2	(210.9)
Balance as at 31 March 2016	21.8	265.2	776.7	18,867.0	2,789.7	5,847.0	1,466.2	30,033.6
Accumulated depreciation								
Balance as at 1 April 2015	–	69.9	301.4	11,779.8	2,168.6	4,253.6	–	18,573.3
Depreciation charge for the year	–	4.8	18.9	1,121.9	168.5	578.0	–	1,892.1
Disposals/ Write-offs	–	–	(5.3)	(692.0)	(244.5)	(536.5)	–	(1,478.3)
Reclassifications/ Adjustments	–	(0.3)	–	(0.6)	–	(8.3)	–	(9.2)
Translation differences	–	(0.3)	–	(97.9)	(8.7)	(27.2)	–	(134.1)
Balance as at 31 March 2016	–	74.1	315.0	12,111.2	2,083.9	4,259.6	–	18,843.8
Accumulated impairment								
Balance as at 1 April 2015	–	2.0	7.3	7.6	5.2	17.9	–	40.0
Disposals/ Write-offs	–	–	–	(0.2)	(3.3)	(0.4)	–	(3.9)
Translation differences	–	–	–	–	–	(0.3)	–	(0.3)
Balance as at 31 March 2016	–	2.0	7.3	7.4	1.9	17.2	–	35.8
Net Book Value as at 31 March 2016	21.8	189.1	454.4	6,748.4	703.9	1,570.2	1,466.2	11,154.0

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18. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Company – 2017	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2016	0.4	228.2	432.9	3,188.7	925.2	1,563.9	525.1	6,864.4
Additions (net of rebates)	–	–	–	46.9	17.3	199.7	231.5	495.4
Disposals/ Write-offs	–	–	–	(52.9)	(29.3)	(70.6)	–	(152.8)
Reclassifications	–	–	0.1	116.4	17.8	119.7	(254.0)	–
Balance as at 31 March 2017	0.4	228.2	433.0	3,299.1	931.0	1,812.7	502.6	7,207.0
Accumulated depreciation								
Balance as at 1 April 2016	–	53.8	268.2	2,383.1	838.8	1,132.4	–	4,676.3
Depreciation charge for the year	–	2.7	13.6	131.5	43.2	144.8	–	335.8
Disposals/ Write-offs	–	–	–	(46.2)	(29.2)	(69.5)	–	(144.9)
Balance as at 31 March 2017	–	56.5	281.8	2,468.4	852.8	1,207.7	–	4,867.2
Accumulated impairment								
Balance as at 1 April 2016	–	2.0	7.2	5.9	1.2	0.4	–	16.7
Disposals/ Write-offs	–	–	–	(1.8)	(1.2)	(0.4)	–	(3.4)
Balance as at 31 March 2017	–	2.0	7.2	4.1	–	–	–	13.3
Net Book Value as at 31 March 2017	0.4	169.7	144.0	826.6	78.2	605.0	502.6	2,326.5

18. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Company – 2016	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2015	0.4	228.2	431.5	3,143.5	998.1	1,486.0	310.0	6,597.7
Additions (net of rebates)	–	–	–	47.6	12.1	55.0	361.5	476.2
Disposals/ Write-offs	–	–	–	(56.9)	(105.2)	(47.4)	–	(209.5)
Reclassifications	–	–	1.4	54.5	20.2	70.3	(146.4)	–
Balance as at 31 March 2016	0.4	228.2	432.9	3,188.7	925.2	1,563.9	525.1	6,864.4
Accumulated depreciation								
Balance as at 1 April 2015	–	51.1	256.8	2,277.6	895.3	1,052.4	–	4,533.2
Depreciation charge for the year	–	2.7	11.4	156.9	48.7	125.9	–	345.6
Disposals/ Write-offs	–	–	–	(51.4)	(105.2)	(45.9)	–	(202.5)
Balance as at 31 March 2016	–	53.8	268.2	2,383.1	838.8	1,132.4	–	4,676.3
Accumulated impairment								
Balance as at 1 April 2015	–	2.0	7.2	6.1	1.2	0.8	–	17.3
Disposals/ Write-offs	–	–	–	(0.2)	–	(0.4)	–	(0.6)
Balance as at 31 March 2016	–	2.0	7.2	5.9	1.2	0.4	–	16.7
Net Book Value as at 31 March 2016	0.4	172.4	157.5	799.7	85.2	431.1	525.1	2,171.4

Property, plant and equipment included the following –

	Group		Company	
	2017 S$ Mil	2016 S$ Mil	2017 S$ Mil	2016 S$ Mil
Net book value of property, plant and equipment				
Assets acquired under finance leases	**78.6**	102.0	**29.2**	37.7
Staff costs capitalised	**235.4**	236.9	**35.6**	33.9

19. INTANGIBLE ASSETS

	Group		Company	
	2017 S$ Mil	**2016 S$ Mil**	**2017 S$ Mil**	**2016 S$ Mil**
Goodwill on acquisition of subsidiaries	**11,164.6**	11,090.3	**–**	–
Telecommunications and spectrum licences	**1,565.5**	1,439.8	**–**	0.3
Technology and brand	**302.5**	374.1	**–**	–
Customer relationships and others	**40.2**	64.2	**–**	–
	13,072.8	12,968.4	**–**	0.3

19.1 Goodwill on Acquisition of Subsidiaries

	Group	
	2017 S$ Mil	**2016 S$ Mil**
Balance as at 1 April	**11,090.3**	10,123.0
Acquisition of subsidiaries	**–**	1,069.8
Impairment charge for the year	**–**	(29.2)
Translation differences	**74.3**	(73.3)
Balance as at 31 March	**11,164.6**	11,090.3

19.2 Telecommunications and Spectrum Licences

	Group		Company	
	2017 S$ Mil	**2016 S$ Mil**	**2017 S$ Mil**	**2016 S$ Mil**
Balance as at 1 April	**1,439.8**	1,488.2	**0.3**	0.7
Additions	**271.8**	146.6	**–**	–
Amortisation for the year	**(192.2)**	(180.5)	**(0.3)**	(0.4)
Disposals/ Write-offs	**–**	(0.3)	**–**	–
Translation differences	**46.1**	(14.2)	**–**	–
Balance as at 31 March	**1,565.5**	1,439.8	**–**	0.3
Cost	**2,876.4**	2,523.5	**8.4**	8.4
Accumulated amortisation	**(1,304.7)**	(1,077.5)	**(8.4)**	(8.1)
Accumulated impairment	**(6.2)**	(6.2)	**–**	–
Net book value as at 31 March	**1,565.5**	1,439.8	**–**	0.3

19.3 Technology and Brand

	Group	
	2017 S$ Mil	2016 S$ Mil
Balance as at 1 April	**374.1**	296.9
Acquisition of subsidiaries	**–**	171.0
Amortisation for the year	**(71.5)**	(73.8)
Impairment charge for the year	**(9.3)**	(5.0)
Adjustments	**(4.7)**	–
Translation differences	**13.9**	(15.0)
Balance as at 31 March	**302.5**	374.1
Cost	**550.4**	550.6
Accumulated amortisation	**(230.4)**	(168.4)
Accumulated impairment	**(17.5)**	(8.1)
Net book value as at 31 March	**302.5**	374.1

19.4 Customer Relationships and Others

	Group	
	2017 S$ Mil	2016 S$ Mil
Balance as at 1 April	**64.2**	40.5
Acquisition of subsidiaries	**–**	15.8
Additions	**2.9**	14.2
Amortisation for the year	**(18.4)**	(5.5)
Reclassifications/ Adjustments	**(9.6)**	–
Translation differences	**1.1**	(0.8)
Balance as at 31 March	**40.2**	64.2
Cost	**134.6**	128.8
Accumulated amortisation	**(94.4)**	(64.6)
Net book value as at 31 March	**40.2**	64.2

20. SUBSIDIARIES

	Company 2017 S$ Mil	Company 2016 S$ Mil
Unquoted equity shares, at cost	**11,001.2**	7,742.5
Shareholders' advances	**6,423.3**	6,423.3
Deemed investment in a subsidiary	**32.5**	32.5
	17,457.0	14,198.3
Less: Allowance for impairment losses	**(16.0)**	(16.0)
	17,441.0	14,182.3

The advances given to subsidiaries were interest-free except for an amount of S$678.3 million (2016: S$678.3 million) where the effective interest rate for the year ended as at 31 March 2017 was 1.0 per cent (2016: 1.6 per cent) per annum. The advances were unsecured with settlement neither planned nor likely to occur in the foreseeable future.

The deemed investment in a subsidiary, Singtel Group Treasury Pte. Ltd. ("**SGT**"), arose from financial guarantees provided by the Company for loans drawn down by SGT prior to 1 April 2010.

The significant subsidiaries of the Group are set out in **Note 43.1** to **Note 43.3**.

21. ASSOCIATES

	Group 2017 S$ Mil	Group 2016 S$ Mil	Company 2017 S$ Mil	Company 2016 S$ Mil
Quoted equity shares, at cost	**1,589.9**	74.3	**24.7**	24.7
Unquoted equity shares, at cost	**742.6**	743.2	**578.8**	578.8
Shareholder's loan (unsecured)	**1.7**	1.7	**–**	–
	2,334.2	819.2	**603.5**	603.5
Goodwill on consolidation adjusted against shareholders' equity	**(28.3)**	(28.3)	**–**	–
Share of post-acquisition reserves (net of dividends, and accumulated amortisation of goodwill)	**(153.7)**	(143.2)	**–**	–
Translation differences	**65.0**	(17.8)	**–**	–
	(117.0)	(189.3)	**–**	–
Reclassification to 'Net deferred gain' (see **Note 26**)	**(265.0)**	(273.6)	**–**	–
	1,952.2	356.3	**603.5**	603.5

As at 31 March 2017,

(i) The market values of the quoted equity shares in associates held by the Group and the Company were S$2,235.2 million (2016: S$862.4 million) and S$671.8 million (2016: S$807.7 million) respectively.

(ii) The Group's proportionate interest in the capital commitments of the associates was S$227.3 million (2016: S$154.3 million).

The details of associates are set out in **Note 43.4**.

21. ASSOCIATES *(Cont'd)*

The summarised financial information of the Group's significant associate namely Intouch (which was acquired in November 2016), based on its financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements was as follows –

Group – 2017	Intouch S$ Mil
Statement of comprehensive income	
Revenue	**144.1**
Depreciation and amortisation	**(41.7)**
Interest income	**2.7**
Interest expense	**(5.5)**
Income tax expense	**(21.2)**
Profit after tax	**166.1**
Other comprehensive loss	**(1.6)**
Total comprehensive income	**164.5**
Statement of financial position	
Current assets	**701.9**
Non-current assets	**1,607.4**
Current liabilities	**(483.6)**
Non-current liabilities	**(395.3)**
Net assets	**1,430.4**
Less: Non-controlling interests	**(411.6)**
Net assets attributable to equity holders	**1,018.8**
Proportion of the Group's ownership	**21.0%**
Group's share of net assets	**213.9**
Goodwill and other identifiable intangible assets	**1,371.7**
Others	**(8.4)**
Carrying amount of the investment	**1,577.2**
Other items	
Cash and cash equivalents	**144.3**
Non-current financial liabilities excluding trade and other payables	**(350.7)**
Current financial liabilities excluding trade and other payables	**(37.9)**
Group's share of market value	**1,525.0**

21. ASSOCIATES *(Cont'd)*

The aggregate information of the Group's investments in associates which are not individually significant were as follows –

	Group	
	2017 S$ Mil	2016 S$ Mil
Share of profit after tax	**76.3**	112.2
Share of other comprehensive income/ (loss)	**2.9**	(1.8)
Share of total comprehensive income	**79.2**	110.4

22. JOINT VENTURES

	Group		Company	
	2017 S$ Mil	2016 S$ Mil	2017 S$ Mil	2016 S$ Mil
Quoted equity shares, at cost	**2,798.4**	2,798.4	**–**	–
Unquoted equity shares, at cost	**5,240.8**	4,393.6	**23.0**	21.2
	8,039.2	7,192.0	**23.0**	21.2
Goodwill on consolidation adjusted against shareholders' equity	**(1,225.9)**	(1,225.9)	**–**	–
Share of post-acquisition reserves (net of dividends, and accumulated amortisation of goodwill)	**8,715.2**	8,431.2	**–**	–
Translation differences	**(3,215.6)**	(3,637.4)	**–**	–
	4,273.7	3,567.9	**–**	–
Less: Allowance for impairment losses	**(30.0)**	(30.0)	**–**	–
	12,282.9	10,729.9	**23.0**	21.2

As at 31 March 2017,

(i) The market value of the quoted equity shares in joint ventures held by the Group was S$19.55 billion (2016: S$19.15 billion).

(ii) The Group's proportionate interest in the capital commitments of joint ventures was S$1.80 billion (2016: S$1.53 billion).

The details of joint ventures are set out in **Note 43.5**.

Optus has an interest in an unincorporated joint operation to share certain 3G network sites and radio infrastructure across Australia whereby it holds an interest of 50% (2016: 50%) in the assets, with access to the shared network and shares 50% (2016: 50%) of the cost of building and operating the network.

The Group's property, plant and equipment included the Group's interest in the property, plant and equipment employed in the unincorporated joint operation of S$1.03 billion (2016: S$811.0 million).

22. JOINT VENTURES *(Cont'd)*

The summarised financial information of the Group's significant joint ventures namely Bharti Airtel Limited ("**Airtel**"), PT Telekomunikasi Selular ("**Telkomsel**"), Globe Telecom, Inc. ("**Globe**") and Advanced Info Service Public Company Limited ("**AIS**"), based on their financial statements and a reconciliation with the carrying amounts of the investments in the consolidated financial statements were as follows –

Group – 2017	Airtel S$ Mil	Telkomsel S$ Mil	Globe S$ Mil	AIS S$ Mil
Statement of comprehensive income				
Revenue	19,666.4	9,265.4	3,657.1	6,058.2
Depreciation and amortisation	(4,073.3)	(1,352.8)	(690.8)	(967.5)
Interest income	380.9	105.8	3.8	7.9
Interest expense	(1,945.0)	(77.0)	(128.6)	(188.5)
Income tax expense	(718.9)	(1,003.5)	(169.5)	(238.4)
Profit after tax	834.5	3,059.4	439.5	1,191.2
Other comprehensive (loss)/ income	(1,048.7)	(40.6)	4.0	(0.1)
Total comprehensive (loss)/ income	(214.2)	3,018.8	443.5	1,191.1
Statement of financial position				
Current assets	4,378.4	3,562.2	1,490.0	1,299.5
Non-current assets	45,611.2	6,169.6	5,545.0	10,041.0
Current liabilities	(13,568.3)	(2,541.8)	(2,335.1)	(2,994.1)
Non-current liabilities	(20,676.7)	(896.8)	(2,910.8)	(6,816.6)
Net assets	15,744.6	6,293.2	1,789.1	1,529.8
Less: Non-controlling interests	(1,399.0)	–	0.4	(5.7)
Net assets attributable to equity holders	14,345.6	6,293.2	1,789.5	1,524.1
Proportion of the Group's ownership	36.5%	35.0%	47.1%	23.3%
Group's share of net assets	5,230.4	2,202.6	843.6	355.4
Goodwill capitalised	1,229.0	1,403.6	381.7	293.3
Others [(1)]	387.6	–	(139.9)	(2.3)
Carrying amount of the investment	6,847.0	3,606.2	1,085.4	646.4
Other items				
Cash and cash equivalents	348.7	2,371.9	229.1	522.0
Non-current financial liabilities excluding trade and other payables	(19,774.0)	(570.2)	(2,658.7)	(3,690.1)
Current financial liabilities excluding trade and other payables	(3,884.7)	(76.6)	(353.6)	(187.4)
Group's share of market value	10,995.3	NA	3,544.1	5,013.9
Dividends received during the year	16.5	971.2	159.9	330.3

"NA" denotes Not Applicable.

Note:

(1) Others include adjustments to align the respective local accounting standards to FRS.

22. JOINT VENTURES *(Cont'd)*

Group – 2016	Airtel S$ Mil	Telkomsel S$ Mil	Globe S$ Mil	AIS S$ Mil
Statement of comprehensive income				
Revenue	20,460.8	8,069.1	3,704.1	6,020.9
Depreciation and amortisation	(3,697.3)	(1,352.6)	(687.3)	(758.3)
Interest income	677.1	99.1	11.2	7.9
Interest expense	(2,136.7)	(90.3)	(102.4)	(89.2)
Income tax expense	(1,259.7)	(806.4)	(212.4)	(331.5)
Profit after tax	1,162.8	2,449.6	498.5	1,479.6
Other comprehensive loss	(175.7)	–	(11.0)	(20.4)
Total comprehensive income	987.1	2,449.6	487.5	1,459.2
Statement of financial position				
Current assets	4,651.5	3,823.9	1,381.8	1,540.1
Non-current assets	41,075.9	5,708.6	4,353.6	5,864.0
Current liabilities	(11,841.7)	(2,370.6)	(1,976.4)	(3,102.0)
Non-current liabilities	(19,482.6)	(1,255.1)	(1,975.4)	(2,876.2)
Net assets	14,403.1	5,906.8	1,783.6	1,425.9
Less: Non-controlling interests	(1,057.1)	–	0.1	(4.5)
Net assets attributable to equity holders	13,346.0	5,906.8	1,783.7	1,421.4
Proportion of the Group's ownership	32.9%	35.0%	47.2%	23.3%
Group's share of net assets	4,390.8	2,067.4	841.9	331.2
Goodwill capitalised	805.0	1,403.6	386.5	276.4
Others [(1)]	282.9	–	(148.5)	(1.9)
Carrying amount of the investment	5,478.7	3,471.0	1,079.9	605.7
Other items				
Cash and cash equivalents	754.2	2,442.0	302.6	609.4
Non-current financial liabilities excluding trade and other payables	(18,648.4)	(1,010.5)	(1,779.0)	(1,978.6)
Current financial liabilities excluding trade and other payables	(1,699.9)	(66.8)	(281.7)	(163.2)
Group's share of market value	10,244.3	NA	4,073.9	4,827.5
Dividends received during the year	28.0	721.6	156.6	346.2

"NA" denotes Not Applicable.

Note:
(1) Others include adjustments to align the respective local accounting standards to FRS.

22. JOINT VENTURES *(Cont'd)*

The aggregate information of the Group's investments in joint ventures which are not individually significant were as follows –

	Group	
	2017 S$ Mil	**2016 S$ Mil**
Share of profit after tax	**18.1**	8.2
Share of other comprehensive loss	**(0.1)**	(0.4)
Share of total comprehensive income	**18.0**	7.8
Aggregate carrying value	**97.9**	94.6

23. IMPAIRMENT REVIEWS

Goodwill arising on acquisition of subsidiaries

The carrying values of the Group's goodwill on acquisition of subsidiaries as at 31 March 2017 were assessed for impairment during the financial year.

Goodwill is allocated for impairment testing purposes to the individual entity which is also the cash generating unit ("**CGU**").

The Group is structured into three business segments, Group Consumer, Group Enterprise and Group Digital Life. Based on the relative fair value approach, the goodwill of Optus was fully allocated to Consumer Australia included in the Group Consumer segment for the purpose of goodwill impairment test.

			Terminal growth rate [1]		Pre-tax discount rate	
Group	**2017 S$ Mil**	**2016 S$ Mil**	**2017**	**2016**	**2017**	**2016**
Carrying value of goodwill in –						
Optus Group	**9,288.4**	9,283.0	**3.0%**	3.0%	**9.3%**	9.5%
Trustwave Holdings, Inc.	**1,064.2**	1,021.8	**4.0%**	4.0%	**13.1%**	13.2%
Amobee, Inc.	**729.8**	703.3	**4.0%**	4.0%	**14.4%**	15.1%
SCS Computer Systems Pte. Ltd.	**82.2**	82.2	**2.0%**	2.0%	**7.6%**	7.9%

Note:
(1) Weighted average growth rate used to extrapolate cash flows beyond the terminal year.

The recoverable values of cash generating units including goodwill are determined based on value-in-use calculations.

The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management. The Group has used cash flow projections of five years except for Amobee and Trustwave which were based on cash flow projections of ten years to better reflect their stages of growth. Cash flows beyond the terminal year are extrapolated using the estimated growth rates stated in the table above. Key assumptions used in the calculation of value-in-use are growth rates, operating margins, capital expenditure and discount rates.

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23. IMPAIRMENT REVIEWS *(Cont'd)*

The terminal growth rates used do not exceed the long term average growth rates of the respective industry and country in which the entity operates and are consistent with forecasts included in industry reports.

The discount rates applied to the cash flow projections are based on Weighted Average Cost of Capital (WACC) where the cost of a company's debt and equity capital are weighted to reflect its capital structure.

As at 31 March 2017, no impairment charge was required for goodwill arising from acquisition of subsidiaries, with any reasonably possible change to the key assumptions applied not likely to cause the recoverable values to be below their carrying values.

24. AVAILABLE-FOR-SALE ("AFS") INVESTMENTS

	Group		Company	
	2017 S$ Mil	**2016 S$ Mil**	**2017 S$ Mil**	**2016 S$ Mil**
Balance as at 1 April	**147.5**	268.3	**35.1**	43.6
Additions	**39.6**	38.8	**–**	–
Disposals/ Write-offs	**(11.0)**	(40.8)	**–**	–
Write-back of/ (Provision for) impairment	**0.9**	(11.6)	**–**	–
Net fair value gains/ (losses) included in 'Other Comprehensive Income'	**16.5**	(87.5)	**2.3**	(8.5)
Reclassified to 'Associates'	**–**	(21.6)	**–**	–
Translation differences	**(0.6)**	1.9	**–**	–
Balance as at 31 March	**192.9**	147.5	**37.4**	35.1

AFS investments included the following –

	Group		Company	
	2017 S$ Mil	**2016 S$ Mil**	**2017 S$ Mil**	**2016 S$ Mil**
Quoted equity securities				
- Thailand	**21.4**	18.7	**21.4**	18.7
- United States of America	**4.2**	14.1	**–**	–
- Singapore	**7.7**	8.7	**7.7**	8.7
	33.3	41.5	**29.1**	27.4
Unquoted				
Equity securities	**149.4**	95.0	**8.3**	7.7
Others	**10.2**	11.0	**–**	–
	159.6	106.0	**8.3**	7.7
	192.9	147.5	**37.4**	35.1

25. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	2017 S$ Mil	2016 S$ Mil	2017 S$ Mil	2016 S$ Mil
Balance as at 1 April	**299.3**	489.7	**(99.9)**	44.2
Fair value (losses)/ gains				
- included in income statement	**(58.0)**	(186.5)	**(0.8)**	(178.3)
- included in 'Hedging Reserve'	**13.9**	(2.2)	**12.7**	34.2
Settlement of swaps for bonds repaid	**(16.3)**	–	**–**	–
Translation differences	**4.7**	(1.7)	**–**	–
Balance as at 31 March	**243.6**	299.3	**(88.0)**	(99.9)
Disclosed as –				
Current asset	**107.3**	17.5	**107.1**	9.5
Non-current asset	**455.2**	622.6	**284.9**	321.0
Current liability	**(15.8)**	(24.6)	**(110.0)**	(13.7)
Non-current liability	**(303.1)**	(316.2)	**(370.0)**	(416.7)
	243.6	299.3	**(88.0)**	(99.9)

25.1 Fair Values

The fair values of the currency and interest rate swap contracts exclude accrued interest of S$19.6 million (2016: S$18.1 million). The accrued interest is separately disclosed in **Note 16** and **Note 27**.

The fair values of the derivative financial instruments were as follows –

	Group Fair values		Company Fair values	
2017	Assets S$ Mil	Liabilities S$ Mil	Assets S$ Mil	Liabilities S$ Mil
Fair value and cash flow hedges				
Cross currency swaps	**529.1**	**152.2**	**–**	**72.5**
Interest rate swaps	**31.0**	**129.3**	**–**	**7.4**
Forward foreign exchange contracts	**2.1**	**27.0**	**2.1**	**10.2**
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	**–**	**–**	**350.4**	**350.4**
Interest rate swaps	**0.1**	**10.4**	**39.5**	**39.5**
Forward foreign exchange contracts	**0.2**	**–**	**–**	**–**
	562.5	**318.9**	**392.0**	**480.0**
Disclosed as –				
Current	**107.3**	**15.8**	**107.1**	**110.0**
Non-current	**455.2**	**303.1**	**284.9**	**370.0**
	562.5	**318.9**	**392.0**	**480.0**

25.1 Fair Values *(Cont'd)*

2016	Group Fair values Assets S$ Mil	Group Fair values Liabilities S$ Mil	Company Fair values Assets S$ Mil	Company Fair values Liabilities S$ Mil
Fair value and cash flow hedges				
Cross currency swaps	579.2	121.7	–	72.0
Interest rate swaps	47.6	158.2	–	8.7
Forward foreign exchange contracts	10.7	46.7	2.7	21.6
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	–	–	266.4	266.4
Interest rate swaps	2.6	12.7	61.4	61.4
Forward foreign exchange contracts	–	1.5	–	0.3
	640.1	340.8	330.5	430.4
Disclosed as –				
Current	17.5	24.6	9.5	13.7
Non-current	622.6	316.2	321.0	416.7
	640.1	340.8	330.5	430.4

The cash flow hedges are designated for foreign currency commitments and repayments of principal and interest of foreign currency denominated bonds.

The forecast transactions for the foreign currency commitments are expected to occur in the financial year ending 31 March 2018, while the forecast transactions for the repayment of principal and interest of the foreign currency denominated bonds will occur according to the timing disclosed in **Note 29**.

As at 31 March 2017, the details of the outstanding derivative financial instruments were as follows –

	Group 2017	Group 2016	Company 2017	Company 2016
Interest rate swaps				
Notional principal (S$ million equivalent)	**3,680.9**	3,484.7	**4,639.6**	4,336.9
Fixed interest rates	**1.2% to 6.2%**	1.2% to 6.2%	**1.2% to 4.5%**	1.2% to 4.5%
Floating interest rates	**1.8% to 2.3%**	1.8% to 2.3%	**1.1% to 2.3%**	1.5% to 1.8%
Cross currency swaps				
Notional principal (S$ million equivalent)	**6,073.3**	5,327.3	**7,543.6**	6,208.0
Fixed interest rates	**1.9% to 7.5%**	1.8% to 7.5%	**0.9% to 5.2%**	0.9% to 5.2%
Floating interest rates	**1.5% to 3.3%**	1.4% to 3.8%	**1.5% to 3.2%**	1.3% to 3.5%
Forward foreign exchange				
Notional principal (S$ million equivalent)	**1,358.2**	2,122.8	**713.3**	611.1

The interest rate swaps entered into by the Group are re-priced at intervals ranging from monthly to six-monthly periods. The interest rate swaps entered by the Company are re-priced every six months.

26. LOAN TO AN ASSOCIATE/ NET DEFERRED GAIN

	Group		Company	
	2017 S$ Mil	2016 S$ Mil	2017 S$ Mil	2016 S$ Mil
Loan to an associate	**1,100.5**	1,100.5	**1,100.5**	1,100.5
Unamortised deferred gain	**1,616.5**	1,664.8	**–**	–
Reclassification from 'Associates' (see **Note 21**)	**(265.0)**	(273.6)	**–**	–
Net deferred gain	**1,351.5**	1,391.2	**–**	–
Classified as –				
Current	**68.8**	67.9	**–**	–
Non-current	**1,282.7**	1,323.3	**–**	–
	1,351.5	1,391.2	**–**	–

NetLink Trust is a business trust established as part of the Info-communications Media Development Authority of Singapore's ("**IMDA**") effective open access requirements under Singapore's Next Generation Nationwide Broadband Network. In prior years, Singtel had sold certain infrastructure assets, namely ducts and manholes used by OpenNet Pte. Ltd., and exchange buildings ("**Assets**"), and Singtel's business of providing duct and manhole services in relation to the Assets ("**Business**") to NetLink Trust.

Singtel does not have effective control over NetLink Trust and hence it is equity accounted as an associate at the Group.

At the consolidated level, the gain on disposal of Assets and Business recorded by Singtel is deferred in the Group's statement of financial position and amortised over the useful lives of the Assets. The unamortised deferred gain in the Group's statement of financial position will be released to the Group's income statement when NetLink Trust is partially or fully sold, based on the proportionate equity interest disposed. In addition, lease expenses paid to NetLink Trust and interest income earned from NetLink Trust are not eliminated on a line-by-line basis in the Group.

The loan to NetLink Trust carries a fixed interest rate and is repayable on 22 April 2018. The loan is secured by a fixed and floating charge over NetLink Trust's assets and business undertakings. Under the loan agreement, unpaid interest are included as part of the loan.

As at 31 March 2017, the loan principal was S$1.10 billion (2016: S$1.10 billion) and interest included as part of the loan was S$5.5 million (2016: S$5.5 million).

Singtel has given an undertaking to IMDA to divest its stake in NetLink Trust to less than 25% ownership by 22 April 2018, and has since commenced preparation for an initial public offering of NetLink Trust.

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2017 S$ Mil	**2016 S$ Mil**	**2017 S$ Mil**	**2016 S$ Mil**
Trade payables	**3,589.6**	3,409.9	**592.9**	616.6
Accruals	**983.4**	916.1	**160.4**	171.5
Interest payable on borrowings	**142.7**	130.5	**43.6**	35.8
Deferred income	**31.3**	18.4	**11.5**	11.8
Customers' deposits	**26.2**	27.2	**15.8**	16.5
Due to associates and joint ventures				
- trade	**27.9**	27.8	**22.3**	21.3
- non-trade	*****	0.1	**–**	0.1
	27.9	27.9	**22.3**	21.4
Due to subsidiaries				
- trade	**–**	–	**263.8**	271.8
- non-trade	**–**	–	**458.2**	394.9
	–	–	**722.0**	666.7
Other payables	**120.2**	64.0	**33.5**	41.9
	4,921.3	4,594.0	**1,602.0**	1,582.2

"*" denotes amount of less than S$50,000.

The trade payables are non-interest bearing and are generally settled on 30 to 60 days terms, with some payables relating to handset and network investments having payment terms of up to a year.

The interest payable on borrowings are generally settled on a half-year or annual basis except for interest payable on certain bonds and syndicated loan facilities which are settled on quarterly and monthly basis respectively.

The amounts due to subsidiaries are repayable on demand and interest-free.

28. PROVISION

The provision relates mainly to provision for liquidated damages and warranties. The movements were as follows –

	Group		Company	
	2017 S$ Mil	**2016 S$ Mil**	**2017 S$ Mil**	**2016 S$ Mil**
Balance as at 1 April	**3.1**	5.8	**2.2**	3.4
Provision	**1.4**	0.8	**0.9**	0.5
Amount written off against provision	**(3.4)**	(3.5)	**(3.1)**	(1.7)
Balance as at 31 March	**1.1**	3.1	**–**	2.2

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29. BORROWINGS (UNSECURED)

	Group		Company	
	2017 S$ Mil	2016 S$ Mil	2017 S$ Mil	2016 S$ Mil
Current				
Bonds	**978.7**	395.5	**–**	–
Bank loans	**2,068.2**	200.0	**–**	–
	3,046.9	595.5	**–**	–
Non-current				
Bonds	**7,702.7**	7,952.1	**746.2**	747.2
Bank loans	**150.0**	1,066.9	**–**	–
	7,852.7	9,019.0	**746.2**	747.2
Total unsecured borrowings	**10,899.6**	9,614.5	**746.2**	747.2

29.1 Bonds

	Group		Company	
Principal amount	2017 S$ Mil	2016 S$ Mil	2017 S$ Mil	2016 S$ Mil
US$2,300 million [1] (2016: US$1,800 million)	**3,212.7**	2,515.9	**–**	–
US$500 million [1]	**746.2**	747.2	**746.2**	747.2
US$500 million [1][2]	**711.2**	697.5	**–**	–
US$400 million	**559.2**	538.7	**–**	–
€700 million [1][2]	**1,071.0**	1,104.2	**–**	–
A$625 million [2]	**665.0**	642.0	**–**	–
S$600 million [1]	**600.0**	600.0	**–**	–
S$550 million (2016: S$800 million)	**550.0**	800.0	**–**	–
S$150 million [2]	**149.9**	149.9	**–**	–
¥10,000 million	**124.9**	122.3	**–**	–
HK$1,000 million [2]	**179.8**	173.6	**–**	–
HK$620 million (2016: HK$1,450 million)	**111.5**	256.3	**–**	–
	8,681.4	8,347.6	**746.2**	747.2
Classified as –				
Current	**978.7**	395.5	**–**	–
Non-current	**7,702.7**	7,952.1	**746.2**	747.2
	8,681.4	8,347.6	**746.2**	747.2

Notes:

(1) The bonds are listed on the Singapore Exchange.

(2) The bonds, issued by Optus Group, are subject to a negative pledge that limits the amount of secured indebtedness of certain subsidiaries of Optus.

29.2 Bank Loans

	Group	
	2017 S$ Mil	**2016 S$ Mil**
Current	**2,068.2**	200.0
Non-current	**150.0**	1,066.9
	2,218.2	1,266.9

29.3 Maturity

The maturity periods of the non-current unsecured borrowings at the end of the reporting period were as follows –

	Group		Company	
	2017 S$ Mil	**2016 S$ Mil**	**2017 S$ Mil**	**2016 S$ Mil**
Between one and two years	**1,346.0**	2,014.1	**–**	–
Between two and five years	**3,709.2**	3,883.8	**–**	–
Over five years	**2,797.5**	3,121.1	**746.2**	747.2
	7,852.7	9,019.0	**746.2**	747.2

29.4 Interest Rates

The weighted average effective interest rates at the end of the reporting period were as follows –

	Group		Company	
	2017 %	**2016 %**	**2017 %**	**2016 %**
Bonds (fixed rate)	**3.8**	3.8	**7.4**	7.4
Bonds (floating rate)	**2.1**	1.7	**–**	–
Bank loans (floating rate)	**1.6**	2.3	**–**	–

29.5 The tables below set out the maturity profile of borrowings and related swaps based on expected contractual undiscounted cash flows.

Group	Less than 1 year S$ Mil	Between 1 and 2 years S$ Mil	Between 2 and 5 years S$ Mil	Over 5 years S$ Mil
As at 31 March 2017				
Net-settled interest rate swaps	**47.4**	**44.3**	**48.3**	**20.4**
Cross currency interest rate swaps (gross-settled)				
- Inflow	**(208.1)**	**(191.8)**	**(410.4)**	**(600.9)**
- Outflow	**162.4**	**154.7**	**290.7**	**382.0**
	1.7	**7.2**	**(71.4)**	**(198.5)**
Borrowings	**3,258.8**	**1,618.2**	**4,059.6**	**3,629.4**
	3,260.5	**1,625.4**	**3,988.2**	**3,430.9**
As at 31 March 2016				
Net-settled interest rate swaps	30.7	34.7	76.9	10.2
Cross currency interest rate swaps (gross-settled)				
- Inflow	(191.0)	(177.0)	(432.2)	(559.0)
- Outflow	162.8	147.9	337.1	365.8
	2.5	5.6	(18.2)	(183.0)
Borrowings	905.1	1,703.9	4,867.2	3,408.5
	907.6	1,709.5	4,849.0	3,225.5

Company	Less than 1 year S$ Mil	Between 1 and 2 years S$ Mil	Between 2 and 5 years S$ Mil	Over 5 years S$ Mil
As at 31 March 2017				
Net-settled interest rate swaps	**1.4**	**1.4**	**4.1**	**13.7**
Cross currency interest rate swaps (gross-settled)				
- Inflow	**(182.9)**	**(155.4)**	**(358.9)**	**(679.0)**
- Outflow	**161.1**	**133.8**	**293.6**	**461.7**
	(20.4)	**(20.2)**	**(61.2)**	**(203.6)**
Borrowings	**51.5**	**51.6**	**154.7**	**1,396.7**
	31.1	**31.4**	**93.5**	**1,193.1**
As at 31 March 2016				
Net-settled interest rate swaps	1.2	1.2	3.6	13.2
Cross currency interest rate swaps (gross-settled)				
- Inflow	(171.7)	(145.7)	(301.7)	(567.3)
- Outflow	154.4	128.2	249.4	375.6
	(16.1)	(16.3)	(48.7)	(178.5)
Borrowings	49.7	49.7	149.0	1,427.5
	33.6	33.4	100.3	1,249.0

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30. BORROWINGS (SECURED)

	Group		Company	
	2017 S$ Mil	2016 S$ Mil	2017 S$ Mil	2016 S$ Mil
Current				
Finance lease	**29.4**	30.7	**1.5**	1.5
Bank loans	**57.3**	59.5	**–**	–
	86.7	90.2	**1.5**	1.5
Non-current				
Finance lease	**168.8**	189.9	**157.2**	158.8
Bank loans	**30.8**	46.1	**–**	–
	199.6	236.0	**157.2**	158.8
Total secured borrowings	**286.3**	326.2	**158.7**	160.3

Secured borrowings of the Group and the Company comprise finance lease liabilities including lease liabilities in respect of certain assets leased from NetLink Trust. In addition, the Group's secured borrowings included certain bank loans of Trustwave secured on the assets of Trustwave and shares in certain of its subsidiaries.

30.1 Finance Lease Liabilities

The minimum lease payments under the finance lease liabilities were payable as follows –

	Group		Company	
	2017 S$ Mil	2016 S$ Mil	2017 S$ Mil	2016 S$ Mil
Not later than one year	**42.6**	45.3	**13.0**	13.0
Later than one but not later than five years	**59.3**	81.0	**47.2**	48.5
Later than five years	**601.4**	613.0	**601.4**	613.0
	703.3	739.3	**661.6**	674.5
Less: Future finance charges	**(505.1)**	(518.7)	**(502.9)**	(514.2)
	198.2	220.6	**158.7**	160.3

30.2 Maturity

The maturity periods of the non-current secured borrowings at the end of the reporting period were as follows –

	Group		Company	
	2017 S$ Mil	2016 S$ Mil	2017 S$ Mil	2016 S$ Mil
Between one and two years	**11.0**	28.2	**0.9**	1.6
Between two and five years	**33.2**	52.1	**0.9**	1.5
Over five years	**155.4**	155.7	**155.4**	155.7
	199.6	236.0	**157.2**	158.8

30.3 Interest Rates

The weighted average effective interest rates per annum at the end of the reporting period were as follows –

	Group		Company	
	2017 %	2016 %	2017 %	2016 %
Finance lease liabilities	**7.2**	5.9	**7.3**	7.3
Bank loans	**5.8**	6.2	**–**	–

30.4 The tables below set out the maturity profile of the secured bank loans based on expected contractual undiscounted cash flows.

Group	Less than 1 year S$ Mil	Between 1 and 2 years S$ Mil	Between 2 and 5 years S$ Mil
As at 31 March 2017			
Bank loans	**60.5**	**4.4**	**31.7**
As at 31 March 2016			
Bank loans	62.2	2.7	51.6

31. OTHER NON-CURRENT LIABILITIES

	Group		Company	
	2017 S$ Mil	2016 S$ Mil	2017 S$ Mil	2016 S$ Mil
Performance share liability	**7.0**	7.8	**7.0**	7.8
Other payables	**342.9**	270.2	**16.7**	10.6
	349.9	278.0	**23.7**	18.4

Other payables mainly relate to accruals of rental for certain network sites, long-term employee entitlements and asset retirement obligations.

32. SHARE CAPITAL

Group and Company	2017 Number of shares Mil	2017 Share capital S$ Mil	2016 Number of shares Mil	2016 Share capital S$ Mil
Balance as at 1 April	**15,943.5**	**2,634.0**	15,943.5	2,634.0
Issue of shares during the year (net of costs)	**385.6**	**1,493.3**	–	–
Balance as at 31 March	**16,329.1**	**4,127.3**	15,943.5	2,634.0

Singtel issued 385,581,351 new ordinary shares to Temasek Holdings (Private) Limited to partially finance the acquisitions of shares in Intouch and BTL in November 2016.

All issued shares are fully paid and have no par value. The issued shares carry one vote per share and a right to dividends as and when declared by the Company.

Capital Management

The Group is committed to an optimal capital structure while maintaining financial flexibility and investment grade credit ratings. In order to achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or reduce its borrowings.

The Group monitors capital based on gross and net gearing ratios, and the dividend payout ratio ranges from 60% to 75% of underlying net profit. Underlying net profit is defined as net profit before exceptional and other one-off items.

From time to time, the Group purchases its own shares from the market. The shares purchased are primarily for delivery to employees upon vesting of performance shares awarded under Singtel performance share plans. The Group can also cancel the shares which are repurchased from the market.

There were no changes in the Group's approach to capital management during the financial year.

33. DIVIDENDS

	Group 2017 S$ Mil	Group 2016 S$ Mil	Company 2017 S$ Mil	Company 2016 S$ Mil
Final dividend of 10.7 cents (2016: 10.7 cents) per share, paid	**1,705.5**	1,705.4	**1,706.0**	1,705.9
Interim dividend of 6.8 cents (2016: 6.8 cents) per share, paid	**1,110.0**	1,083.8	**1,110.4**	1,084.2
	2,815.5	2,789.2	**2,816.4**	2,790.1

33. DIVIDENDS *(Cont'd)*

During the financial year, a final one-tier tax exempt ordinary dividend of 10.7 cents per share, totalling S$1.71 billion was paid in respect of the previous financial year ended 31 March 2016, and an interim one-tier tax exempt ordinary dividend of 6.8 cents per share totalling S$1.11 billion was paid in respect of the current financial year ended 31 March 2017.

The amount paid by the Group differed from that paid by the Company due to dividends on performance shares held by the Trust that were eliminated on consolidation of the Trust.

The Directors have proposed a final one-tier tax exempt ordinary dividend of 10.7 cents per share, totalling approximately S$1.75 billion in respect of the current financial year ended 31 March 2017 for approval at the forthcoming Annual General Meeting.

These financial statements do not reflect the above final dividend payable of approximately S$1.75 billion, which will be accounted for in the Shareholders' Equity as an appropriation of 'Retained Earnings' in the next financial year ending 31 March 2018.

34. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The Group classifies fair value measurements using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels –

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**);

(b) inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (**Level 2**); and

(c) inputs for the asset or liability which are not based on observable market data (unobservable inputs) (**Level 3**).

34.1 Financial assets and liabilities measured at fair value

Group – 2017	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments [1] (**Note 24**)				
- Quoted equity securities	33.3	–	–	33.3
- Unquoted investments	–	–	90.3	90.3
	33.3	–	90.3	123.6
Derivative financial instruments (**Note 25.1**)	–	562.5	–	562.5
	33.3	562.5	90.3	686.1
Financial liabilities				
Derivative financial instruments (**Note 25.1**)	–	318.9	–	318.9
	–	318.9	–	318.9

34.1 Financial assets and liabilities measured at fair value *(Cont'd)*

Group – 2016	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments [1] (**Note 24**)				
- Quoted equity securities	41.5	–	–	41.5
- Unquoted investments	–	–	42.9	42.9
	41.5	–	42.9	84.4
Derivative financial instruments (**Note 25.1**)	–	640.1	–	640.1
	41.5	640.1	42.9	724.5
Financial liabilities				
Derivative financial instruments (**Note 25.1**)	–	340.8	–	340.8
	–	340.8	–	340.8

Note:
[1] Excluded AFS investments stated at cost of S$69.3 million (2016: S$63.1 million).

Company – 2017	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments (**Note 24**)				
- Quoted equity securities	**29.1**	**–**	**–**	**29.1**
- Unquoted equity securities	**–**	**–**	**8.3**	**8.3**
	29.1	**–**	**8.3**	**37.4**
Derivative financial instruments (**Note 25.1**)	**–**	**392.0**	**–**	**392.0**
	29.1	**392.0**	**8.3**	**429.4**
Financial liabilities				
Derivative financial instruments (**Note 25.1**)	**–**	**480.0**	**–**	**480.0**
	–	**480.0**	**–**	**480.0**

34.1 Financial assets and liabilities measured at fair value *(Cont'd)*

Company – 2016	**Level 1 S$ Mil**	**Level 2 S$ Mil**	**Level 3 S$ Mil**	**Total S$ Mil**
Financial assets				
AFS investments (**Note 24**)				
- Quoted equity securities	27.4	–	–	27.4
- Unquoted equity securities	–	–	7.7	7.7
	27.4	–	7.7	35.1
Derivative financial instruments (**Note 25.1**)	–	330.5	–	330.5
	27.4	330.5	7.7	365.6
Financial liabilities				
Derivative financial instruments (**Note 25.1**)	–	430.4	–	430.4
	–	430.4	–	430.4

See **Note 2.7** for the policies on fair value estimation of the financial assets and liabilities.

The fair values of the unquoted AFS investments included within Level 3 were estimated using the net asset values as reported in the statements of financial position in the management accounts of the AFS investments or the use of recent arm's length transactions.

The following table presents the reconciliation for the unquoted AFS investments measured at fair value based on unobservable inputs (**Level 3**) –

	Group		**Company**	
	2017 S$ Mil	**2016 S$ Mil**	**2017 S$ Mil**	**2016 S$ Mil**
AFS investments - unquoted				
Balance as at 1 April	**42.9**	100.5	**7.7**	9.5
Total gains/ (losses) included in 'Fair Value Reserve'	**15.5**	(43.4)	**0.6**	(1.8)
Additions	**20.7**	1.9	**–**	–
Write-back of/ (Provision) for impairment	**1.5**	(6.4)	**–**	–
Disposals	**(2.4)**	(13.3)	**–**	–
Transfer from Level 3	**(0.9)**	–	**–**	–
Transfer to Level 3	**13.0**	3.6	**–**	–
Balance as at 31 March	**90.3**	42.9	**8.3**	7.7

34.2 Financial assets and liabilities not measured at fair value (but with fair value disclosed)

	Carrying Value	Fair value			
	S$ Mil	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
As at 31 March 2017					
Financial liabilities					
Group					
Bonds (**Note 29.1**)	**8,681.4**	**6,722.9**	**2,402.9**	**–**	**9,125.8**
Company					
Bonds (**Note 29.1**)	**746.2**	**957.0**	**–**	**–**	**957.0**
As at 31 March 2016					
Financial liabilities					
Group					
Bonds (**Note 29.1**)	8,347.6	6,100.1	2,746.3	–	8,846.4
Company					
Bonds (**Note 29.1**)	747.2	969.0	–	–	969.0

See **Note 2.7** on the basis of estimating the fair values and **Note 25** for information on the derivative financial instruments used for hedging the risks associated with the borrowings.

Except as disclosed in the above tables, the carrying values of other financial assets and liabilities approximate their fair values.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

35.1 Financial Risk Factors

The Group's activities are exposed to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk, liquidity risk and market risk. The Group's overall risk management seeks to minimise the potential adverse effects of these risks on the financial performance of the Group.

The Group uses financial instruments such as currency forwards, cross currency and interest rate swaps, and foreign currency borrowings to hedge certain financial risk exposures. No financial derivatives are held or sold for speculative purposes.

The Directors assume responsibility for the overall financial risk management of the Group. For the financial year ended 31 March 2017, the Risk Committee and Finance and Investment Committee ("**FIC**"), which are committees of the Board, assisted the Directors in reviewing and establishing policies relating to financial risk management in accordance with the policies and directives of the Directors.

35.2 Foreign Exchange Risk

The foreign exchange risk of the Group arises from subsidiaries, associates and joint ventures operating in foreign countries, mainly Australia, India, Indonesia, the Philippines, Thailand and United States of America. Additionally, the Group's joint venture in India, Bharti Airtel Limited, is primarily exposed to foreign exchange risks from its operations in Sri Lanka and 15 countries across Africa. Translation risks of overseas net investments are not hedged unless approved by the FIC.

The Group has borrowings denominated in foreign currencies that have primarily been hedged into the functional currency of the respective borrowing entities using cross currency swaps in order to reduce the foreign currency exposure on these borrowings. As the hedges are perfect, any change in the fair value of the cross currency swaps has minimal impact on profit and equity.

The Group Treasury Policy, as approved by the FIC, is to substantially hedge all known transactional currency exposures. The Group generates revenue, receives foreign dividends and incurs costs in currencies which are other than the functional currencies of the operating units, thus giving rise to foreign exchange risk. The currency exposures are primarily for the Australian Dollar, Euro, Hong Kong Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Pound Sterling, Thai Baht, United States Dollar and Japanese Yen.

Foreign currency purchases and forward currency contracts are used to reduce the Group's transactional exposure to foreign currency exchange rate fluctuations. The foreign exchange difference on trade balances is disclosed under **Note 6** and the foreign exchange difference on non-trade balances is disclosed under **Note 10**.

35.3 Interest Rate Risk

The Group has cash balances placed with reputable banks and financial institutions which generate interest income for the Group. The Group manages its interest rate risks on its interest income by placing the cash balances on varying maturities and interest rate terms.

The Group's borrowings include bank borrowings and bonds. The borrowings expose the Group to interest rate risk. The Group seeks to minimise its exposure to these risks by entering into interest rate swaps over the duration of its borrowings. Interest rate swaps entail the Group agreeing to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. As at 31 March 2017, after taking into account the effect of interest rate swaps, approximately 70% (2016: 76%) of the Group's borrowings were at fixed rates of interest.

As at 31 March 2017, assuming that the market interest rate is 50 basis points higher or lower and with no change to the other variables, the annualised interest expense on borrowings would be higher or lower by S$13.5 million (2016: S$14.1 million).

35.4 Credit Risk

Financial assets that potentially subject the Group to concentrations of credit risk consist primarily of trade receivables, cash and cash equivalents and financial instruments used in hedging activities.

The Group has no significant concentration of credit risk from trade receivables due to its diverse customer base. Credit risk is managed through the application of credit assessment and approvals, credit limits and monitoring procedures. Where appropriate, the Group obtains deposits or bank guarantees from customers or enters into credit insurance arrangements.

35.4 Credit Risk *(Cont'd)*

The Group places its cash and cash equivalents with a number of major and high credit rating commercial banks and other financial institutions. Derivative counter-parties are limited to high credit rating commercial banks and other financial institutions. The Group has policies that limit the financial exposure to any one financial institution.

35.5 Liquidity Risk

To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available to ensure that the Group is able to meet the short-term obligations of the Group as they fall due.

35.6 Market Risk

The Group has investments in quoted equity shares. The market value of these investments will fluctuate with market conditions.

36. SEGMENT INFORMATION

Segment information is presented based on the information reviewed by senior management for performance measurement and resource allocation.

Singtel Group is organised by three business segments, Group Consumer, Group Enterprise and Group Digital Life.

Group Consumer comprises the consumer businesses across Singapore and Australia, as well as the Group's investments, mainly AIS and Intouch (which has an equity interest of 40.5% in AIS) in Thailand, Airtel in India, Africa and Sri Lanka, Globe in the Philippines, and Telkomsel in Indonesia. It focuses on driving greater value and performance from the core carriage business including mobile, pay TV, fixed broadband and voice, as well as equipment sales.

Group Enterprise comprises the business groups across Singapore, Australia, United States of America, Europe and the region, and focuses on growing the Group's position in the enterprise markets. Key services include mobile, equipment sales, fixed voice and data, managed services, cloud computing, cyber security, IT and professional consulting.

Group Digital Life ("**GDL**") focuses on using the latest internet technologies and assets of the Group's operating companies to develop new revenue and growth engines by entering adjacent businesses where it has a competitive advantage. It focuses on three key businesses in digital life – digital marketing (Amobee), regional premium over-the-top video (HOOQ) and advanced analytics and intelligence capabilities (DataSpark), in addition to strengthening its role as Singtel's digital innovation engine through Innov8.

Corporate comprises the costs of Group functions not allocated to the business segments.

The measurement of segment results which is before exceptional items, is in line with the basis of information presented to management for internal management reporting purposes.

The costs of shared and common infrastructure are allocated to the business segments using established methodologies.

36. SEGMENT INFORMATION *(Cont'd)*

The Group's reportable segments by the three business segments for the financial years ended 31 March 2017 and 31 March 2016 were as follows –

Group – 2017	Group Consumer S$ Mil	Group Enterprise S$ Mil	Group Digital Life S$ Mil	Corporate S$ Mil	Group Total S$ Mil
Operating revenue	9,572.0	6,600.3	539.1	–	16,711.4
Operating expenses	(6,453.3)	(4,732.0)	(652.6)	(91.1)	(11,929.0)
Other income/ (expense)	176.2	45.0	(8.7)	2.8	215.3
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	3,294.9	1,913.3	(122.2)	(88.3)	4,997.7
Share of pre-tax results of associates and joint ventures					
- Airtel	579.9	–	–	–	579.9
- Telkomsel	1,422.0	–	–	–	1,422.0
- Globe	288.0	–	–	–	288.0
- AIS	389.3	–	–	–	389.3
- Intouch	31.3	–	–	–	31.3
- Others	1.2	–	–	230.0	231.2
	2,711.7	–	–	230.0	2,941.7
EBITDA and share of pre-tax results of associates and joint ventures	6,006.6	1,913.3	(122.2)	141.7	7,939.4
Depreciation and amortisation	(1,524.4)	(644.9)	(68.1)	(1.5)	(2,238.9)
Earnings before interest and tax ("EBIT")	4,482.2	1,268.4	(190.3)	140.2	5,700.5
Segment assets					
Investment in associates and joint ventures					
- Airtel	6,847.0	–	–	–	6,847.0
- Telkomsel	3,606.2	–	–	–	3,606.2
- Globe	1,085.4	–	–	–	1,085.4
- AIS	646.4	–	–	–	646.4
- Intouch	1,577.2	–	–	–	1,577.2
- Others	25.2	–	–	447.7	472.9
	13,787.4	–	–	447.7	14,235.1
Goodwill on acquisition of subsidiaries	9,193.4	1,241.4	729.8	–	11,164.6
Other assets	12,590.8	5,637.4	602.5	4,063.8	22,894.5
	35,571.6	6,878.8	1,332.3	4,511.5	48,294.2

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36. SEGMENT INFORMATION *(Cont'd)*

Group – 2016	Group Consumer S$ Mil	Group Enterprise S$ Mil	Group Digital Life S$ Mil	Corporate S$ Mil	Group Total S$ Mil
Operating revenue	10,110.2	6,396.9	454.1	–	16,961.2
Operating expenses	(6,969.7)	(4,466.6)	(587.7)	(72.8)	(12,096.8)
Other income/ (expense)	125.8	28.4	(3.1)	(2.8)	148.3
EBITDA	3,266.3	1,958.7	(136.7)	(75.6)	5,012.7
Share of pre-tax results of associates and joint ventures					
- Airtel	678.1	–	–	–	678.1
- Telkomsel	1,139.6	–	–	–	1,139.6
- Globe	335.4	–	–	–	335.4
- AIS	453.4	–	–	–	453.4
- Others	1.1	–	–	183.2	184.3
	2,607.6	–	–	183.2	2,790.8
EBITDA and share of pre-tax results of associates and joint ventures	5,873.9	1,958.7	(136.7)	107.6	7,803.5
Depreciation and amortisation	(1,455.4)	(621.6)	(68.8)	(3.0)	(2,148.8)
EBIT	4,418.5	1,337.1	(205.5)	104.6	5,654.7
Segment assets					
Investment in associates and joint ventures					
- Airtel	5,478.7	–	–	–	5,478.7
- Telkomsel	3,471.0	–	–	–	3,471.0
- Globe	1,079.9	–	–	–	1,079.9
- AIS	605.7	–	–	–	605.7
- Others	24.7	–	–	426.2	450.9
	10,660.0	–	–	426.2	11,086.2
Goodwill on acquisition of subsidiaries	9,191.2	1,195.8	703.3	–	11,090.3
Other assets	11,728.9	5,228.5	608.8	3,823.0	21,389.2
	31,580.1	6,424.3	1,312.1	4,249.2	43,565.7

36. SEGMENT INFORMATION *(Cont'd)*

A reconciliation of the total reportable segments' EBIT to the Group's profit before tax was as follows –

	Group	
	2017 S$ Mil	**2016 S$ Mil**
EBIT	**5,700.5**	5,654.7
Share of exceptional items of associates and joint ventures (post-tax)	**(75.4)**	67.2
Share of tax expense of associates and joint ventures	**(849.0)**	(863.1)
Write-back of impairment provision on an associate	**–**	31.7
Exceptional items	**(1.2)**	(44.8)
Profit before interest, investment income (net) and tax	**4,774.9**	4,845.7
Interest and investment income (net)	**114.8**	94.7
Finance costs	**(374.3)**	(359.6)
Profit before tax	**4,515.4**	4,580.8

The Group's revenue from its major products and services are disclosed in **Note 4**.

The Group's revenue is mainly derived from Singapore and Australia which respectively accounted for approximately 40% (2016: 40%) and 53% (2016: 55%) of the total revenue for the financial year ended 31 March 2017, with the remaining 7% (2016: 5%) from the United States of America and other countries where the Group operates in. The geographical information on the Group's non-current assets is not presented as it is not used for segmental reporting purposes.

The Group has a large and diversified customer base which consists of individuals and corporations. There was no single customer that contributed 10% or more of the Group's revenue for the financial years ended 31 March 2017 and 31 March 2016.

37. OPERATING LEASE COMMITMENTS

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, were as follows –

	Group		Company	
	2017 S$ Mil	**2016 S$ Mil**	**2017 S$ Mil**	**2016 S$ Mil**
Not later than one year	**468.8**	364.8	**103.3**	101.7
Later than one but not later than five years	**1,573.2**	1,245.8	**306.2**	298.7
Later than five years	**1,623.5**	1,773.3	**358.5**	427.2
	3,665.5	3,383.9	**768.0**	827.6

Sale and operating leaseback contracts were entered into for certain property, plant and equipment for a period of 20 years commencing on 2 March 2005 and 1 November 2010. The above commitments included the minimum amounts payable of S$42.6 million (2016: S$41.8 million) per annum under those contracts. The operating lease payments under such contracts are subject to review every year with a general increase not exceeding the higher of 2% or Consumer Price Index percentage of the preceding year.

Notes to the Financial Statements

For the financial year ended 31 March 2017

38. COMMITMENTS

38.1 The commitments for capital and operating expenditures, and investments which had not been recognised in the financial statements, excluding the commitments shown under **Note 38.2**, were as follows –

	Group		Company	
	2017 S$ Mil	2016 S$ Mil	2017 S$ Mil	2016 S$ Mil
Authorised and contracted for	**1,916.0**	1,618.7	**301.7**	346.5

38.2 As at 31 March 2017, the Group's commitments for the purchase of broadcasting programme rights were S$936 million (2016: S$904 million). The commitments included only the minimum guaranteed amounts payable under the respective contracts and do not include amounts that may be payable based on revenue share arrangement which cannot be reliably determined as at the end of the reporting period.

39. CONTINGENT LIABILITIES OF SINGTEL AND ITS SUBSIDIARIES

(a) **Guarantees**

As at 31 March 2017,

(i) The Group and Company provided bankers' and other guarantees, and insurance bonds of S$437.5 million and S$268.1 million (31 March 2016: S$264.4 million and S$480.3 million) respectively.

(ii) The Company provided guarantees for loans of S$1.16 billion (31 March 2016: S$740 million) drawn down under various loan facilities entered into by Singtel Group Treasury Pte. Ltd. ("**SGT**") with maturities between May 2017 and September 2018.

(iii) The Company provided guarantees for SGT's notes issue of an aggregate equivalent amount of S$4.92 billion (31 March 2016: S$4.63 billion) due between September 2017 and October 2026.

(b) In December 2013, Singapore Telecom Australia Investments Pty Limited ("**STAI**") received a tax position paper from the Australian Taxation Office ("**ATO**") in connection with the acquisition financing of Optus, and on 22 October 2014, received a Statement of Audit Position. On 30 November 2015, STAI received the final Statement of Audit Position from the ATO, and on 18 July 2016, received the findings and recommendations of ATO's Independent Review. On 25 October 2016, STAI received the determinations from the ATO and on 2 November 2016, received the amended assessments totalling A$326 million, comprising primary tax of A$268 million and interest of A$58 million. STAI's holding company, Singtel Australia Investment Ltd, would be entitled to refund of withholding tax, estimated at A$89 million.

On 21 March 2017, STAI received further notices of assessment totalling A$67 million for penalties.

STAI has received advice from external experts in relation to the matter and has objected to the amended assessments and will vigorously defend its position. Accordingly, no provision has been made as at 31 March 2017.

In accordance with the ATO administrative practice, STAI paid a minimum amount of 50% of the assessed primary tax on 21 November 2016. This payment has been recognised as a receivable (see **Note 16**) as at 31 March 2017.

39. CONTINGENT LIABILITIES OF SINGTEL AND ITS SUBSIDIARIES *(Cont'd)*

(c) Optus (and certain subsidiaries) is in dispute with third parties regarding certain transactions entered into in the ordinary course of business. Some of these disputes involve legal proceedings relating to the contractual obligations of the parties and/or representations made, including the amounts payable by Optus' companies under the contracts and claims against Optus' companies for compensation for alleged breach of contract and/or representations. Optus is vigorously defending all these claims.

40. SIGNIFICANT CONTINGENT LIABILITIES OF JOINT VENTURES

(a) Airtel, a joint venture of the Group, has disputes with various government authorities in the respective jurisdictions where its operations are based, as well as with third parties regarding certain transactions entered into in the ordinary course of business.

On 8 January 2013, the local regulator, Department of Telecommunications ("**DOT**") issued a demand on Airtel Group for Rs. 52.01 billion (S$1.12 billion) towards levy of one time spectrum charge. The demand included a retrospective charge of Rs. 9.09 billion for holding GSM spectrum beyond 6.2 MHz for the period from 1 July 2008 to 31 December 2012 and also a prospective charge of Rs. 42.92 billion for GSM spectrum held beyond 4.4 MHz for the period from 1 January 2013, till the expiry of the initial terms of the respective licences.

In the opinion of Airtel, inter-alia, the above demand amounts to alteration of the terms of the licences issued in the past. Airtel believes, based on independent legal opinion and its evaluation, that it is not probable that any material part of the claim will be awarded against Airtel and therefore, pending outcome of this matter, no provision has been recognised.

As at 31 March 2017, other taxes, custom duties and demands under adjudication, appeal or disputes amounted to approximately Rs. 135 billion (S$2.91 billion). In respect of some of the tax issues, pending final decisions, Airtel had deposited amounts with statutory authorities.

(b) AIS, a joint venture of the Group, has various commercial disputes and significant litigations.

In 2008, TOT Public Company Limited ("**TOT**") and CAT Telecom Public Company Limited ("**CAT**") demanded that AIS and its subsidiary, Digital Phone Company Limited ("**DPC**") respectively pay additional revenue shares of THB 31.5 billion (S$1.28 billion) and THB 3.4 billion (S$139 million) arising from the abolishment of excise tax. These claims were dismissed by the lower tribunals and are now pending appeal by TOT and CAT before the Supreme Administrative Court and Central Administrative Court respectively.

In 2015, TOT demanded that AIS pays additional revenue share of THB 62.8 billion (S$2.55 billion) arising from what TOT claims to be an illegality of two amendments made to the Concession Agreement, namely, Amendment 6 (regarding reduction in prepaid revenue share rate) made in 2001 and Amendment 7 (regarding deduction of roaming expense from revenue share) made in 2002, which have resulted in lower revenue share. This case is pending arbitration.

Between 2011 and 2016, TOT demanded that AIS pays additional revenue share based on gross interconnection income from 2007 to 2015 amounting to THB 36.2 billion (S$1.47 billion) plus interest. The claims are pending arbitration.

Between 2014 to 2016, TOT demanded that AIS pays THB 41.1 billion (S$1.67 billion) plus interest for the porting of subscribers from 900MHz to 2100MHz network. This case is pending arbitration.

As at 31 March 2017, there are a number of other claims filed by third parties against AIS and its subsidiaries amounting to THB 29.7 billion (S$1.21 billion) which are pending adjudication.

AIS believes that the above claims will be settled in favour of AIS and will have no material impact to its financial statements.

40. SIGNIFICANT CONTINGENT LIABILITIES OF JOINT VENTURES *(Cont'd)*

(c) Globe, a joint venture of the Group, is contingently liable for various claims arising in the ordinary conduct of business and certain tax assessments which are either pending decision by the Courts or are being contested, the outcome of which are not presently determinable. In the opinion of Globe's management and legal counsel, the eventual liability under these claims, if any, will not have a material or adverse effect on Globe Group's financial position and results of operations.

In June 2016, the Philippine Competition Commission ("**PCC**") claimed that the Joint Notice ("**Notice**") filed by Globe, PLDT Inc. and San Miguel Corporation ("**SMC**") on the acquisition of SMC's telecommunications business was deficient and cannot be claimed to be deemed approved. Globe responded that the Notice was filed in accordance with the prevailing rules and regulations of the Philippine Competition Act. In July 2016, Globe filed a petition with the Court of Appeals ("**CA**") to stop the PCC from reviewing the acquisition, and in August 2016, the PCC requested the CA to declare the acquisition to be void.

PLDT filed a similar petition to the CA and secured a temporary restraining order ("**TRO**") in August 2016. Thereafter, Globe's petition was consolidated with that of PLDT's and the consolidation effectively extended the benefit of PLDT's TRO to Globe.

In April 2017, the PCC filed a petition before the Supreme Court to lift the CA's order that has prevented the PCC on any review of the transaction. Globe then filed a motion before the Supreme Court to dismiss the petition filed by the PCC.

(d) As at 31 March 2017, Telkomsel, a joint venture of the Group, has filed appeals and cross-appeals amounting to approximately IDR 828 billion (S$87 million) for various tax claims arising in certain tax assessments which are pending final decisions, the outcome of which is not presently determinable.

41. SUBSEQUENT EVENT

On 10 April 2017, Amobee, Inc. completed its acquisition of 100% of the share capital of Turn, Inc. for an aggregate consideration of US$290 million after adjustments for working capital and net debt. Turn, Inc., a corporation organised under the laws of Delaware, USA, is a leading provider of a global technology platform for marketers and agencies. The purchase price allocation exercise for this acquisition will be performed in the financial year ending 31 March 2018.

42. EFFECTS OF FRS AND INT FRS ISSUED BUT NOT YET ADOPTED

The following new or revised FRS are mandatory for adoption by the Group for financial year beginning on or after 1 April 2018:

FRS 115, *Revenue from Contracts with Customers*.

FRS 115 was issued in November 2014, which established a single comprehensive model of accounting for revenue arising from contracts with customers. The standard requires companies to apportion revenue earned from contracts to performance obligations, on a relative standalone selling price basis, based on a five-step model. It also requires certain additional disclosures. FRS 115 will supersede the revenue recognition guidance under FRS 18, *Revenue* and FRS 11, *Construction Contracts* as well as the related interpretations when it becomes effective. This will take effect from financial year beginning on 1 April 2018, with retrospective application.

The key changes in the standard that impact the Group relate to the allocation of contract revenues between various services and equipment, and the timing of revenue recognition and capitalisation of contract and customer acquisition costs. The Group is currently in the process of assessing the impact, which is expected to be significant.

42. EFFECTS OF FRS AND INT FRS ISSUED BUT NOT YET ADOPTED *(Cont'd)*

FRS 109, *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39, *Financial Instruments: Recognition and Measurement.* The standard introduced new requirements for classification and measurement of financial assets and financial liabilities, general hedge accounting and impairment requirements for financial assets. It also requires certain additional disclosures. This will take effect from financial year beginning on 1 April 2018, with retrospective application.

The standard is not expected to have a significant impact on the Group's current accounting treatments or hedging activities, other than classification of certain financial assets and financial liabilities.

FRS 116, *Leases*

FRS 116 was issued in June 2016 to replace FRS 17, *Leases* and its associated interpretative guidance and will take effect from financial year beginning on 1 April 2019, with retrospective application.

The standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It retains substantially the lessor accounting approach under FRS 17, but requires the recognition of right-of-use asset and liability for future payments for leases. The Group is still in the process of assessing the impact of adoption of this standard.

The other new or revised FRS and INT FRS are not expected to have a significant impact on the financial statements of the Group.

Convergence with International Financial Reporting Standards

On 29 May 2014, the Accounting Standards Council (ASC) announced that Singapore-incorporated companies listed on the Singapore Exchange will be required to apply a new financial reporting framework identical to the International Financial Reporting Standards (referred to as "**SG-IFRS**" in these financial statements). This will take effect from the financial year beginning on 1 April 2018.

The Group has performed a preliminary assessment of the impact of SG-IFRS 1, *First-time adoption of International Financial Reporting Standards* for transition to the new framework. The Group expects the impact on adoption of SG-IFRS 15, *Revenue from Contracts with Customers* and SG-IFRS 9, *Financial Instruments* to be similar to the adoption of FRS 115 and FRS 109 as described above.

The Group does not expect to change its existing accounting policies on adoption of the new framework, other than that arising from the adoption of new or revised standards.

The Group is currently performing a detailed analysis of the available policy choices, transitional optional exemptions and transitional mandatory exceptions under SG-IFRS 1.

43. COMPANIES IN THE GROUP

The Company's immediate and ultimate holding company is Temasek Holdings (Private) Limited, a company incorporated in Singapore. The following were the significant subsidiaries as well as associates and joint ventures as at 31 March 2017 and 31 March 2016.

Notes to the Financial Statements

For the financial year ended 31 March 2017

43.1 Significant subsidiaries incorporated in Singapore

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2017 %	2016 %
1.	Amobee Group Pte. Ltd.	Provision of digital marketing services	**100**	100
2.	DataSpark Pte. Ltd.	Develop and market data analytics and insights products and services	**100**	100
3.	Group Enterprise Pte. Ltd.	Telecommunications resellers and third party telecommunications providers	**100**	100
4.	HOOQ Digital Pte. Ltd.	Provision of regional premium over-the-top video services	**65**	65
5.	NCS Communications Engineering Pte. Ltd.	Provision of facilities management and consultancy services, and distributor of specialised telecommunications and data communication products	**100**	100
6.	NCS Pte. Ltd.	Provision of information technology and consultancy services	**100**	100
7.	NCSI Solutions Pte. Ltd.	Provision of information technology services	**100**	100
8.	SCS Computer Systems Pte. Ltd.	Provision of information technology and consultancy services	**100**	100
9.	SingNet Pte Ltd	Provision of internet access and pay television services	**100**	100
10.	Singtel Innov8 Ventures Pte. Ltd.	Provision of fund management services	**100**	100
11.	Singtel Mobile Singapore Pte. Ltd.	Operation and provision of cellular mobile telecommunications systems and services, resale of fixed line and broadband services	**100**	100
12.	ST-2 Satellite Ventures Private Limited	Provision of satellite capacity for telecommunications and video broadcasting services	**61.9**	61.9
13.	Sembawang Cable Depot Pte Ltd	Provision of storage facilities for submarine telecommunication cables and related equipment	**60**	60
14.	Singtel Digital Media Pte Ltd	Development and management of on-line internet portal	**100**	100
15.	SingtelSat Pte Ltd	Provision of satellite capacity for telecommunications and video broadcasting services	**100**	100

43.1 Significant subsidiaries incorporated in Singapore *(Cont'd)*

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2017 %	2016 %
16.	Telecom Equipment Pte Ltd	Engaged in the sale and maintenance of telecommunications equipment, and mobile finance services	**100**	100
17.	Trustwave Pte. Ltd.	Provision of information security services and products	**98**	98

All companies are audited by Deloitte & Touche LLP.

43.2 Significant subsidiaries incorporated in Australia

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2017 %	2016 %
1.	Adconion Pty Limited	Provision of digital marketing services	**100**	100
2.	Amobee ANZ Pty Ltd	Provision of digital marketing services	**100**	100
3.	Alphawest Services Pty Ltd (1)	Provision of information technology services	**100**	100
4.	Ensyst Pty Limited	Provision of cloud services	**100**	100
5.	NCSI (Australia) Pty Limited	Provision of information technology services	**100**	100
6.	Optus Administration Pty Limited (1)	Provision of management services to the Optus Group	**100**	100
7.	Optus ADSL Pty Limited (formerly known as Optus Backbone Investments Pty Limited) (1)	Provision of carriage services	**100**	100
8.	Optus Billing Services Pty Limited (*) (1)	Provision of billing services to the Optus Group	**100**	100
9.	Optus C1 Satellite Pty Limited (1)	C1 Satellite contracting party	**100**	100
10.	Optus Content Pty Limited (1)	Provision of digital content acquisition	**100**	100
11.	Optus Data Centres Pty Limited (1)	Provision of data communication services	**100**	100
12.	Optus Fixed Infrastructure Pty Limited (1)	Provision of telecommunications services	**100**	100

Notes to the Financial Statements

For the financial year ended 31 March 2017

43.2 Significant subsidiaries incorporated in Australia *(Cont'd)*

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2017 %	2016 %
13.	Optus Insurance Services Pty Limited	Provision of handset insurance and related services	**100**	100
14.	Optus Internet Pty Limited [(1)]	Provision of services over Hybrid Fibre Co-Axial network and National Broadband Network	**100**	100
15.	Optus Mobile Pty Limited [(1)]	Provision of mobile phone services	**100**	100
16.	Optus Networks Pty Limited [(1)]	Provision of telecommunications services	**100**	100
17.	Optus Satellite Pty Limited [(1)]	Provision of satellite services to customers	**100**	100
18.	Optus Systems Pty Limited [(1)]	Provision of information technology services to the Optus Group	**100**	100
19.	Optus Vision Media Pty Limited [(*) (2)]	Provision of broadcasting related services	**20**	20
20.	Optus Vision Pty Limited [(1)]	Provision of telecommunications services	**100**	100
21.	Optus Wholesale Pty Limited [(1)]	Provision of services to wholesale customers	**100**	100
22.	Prepaid Services Pty Limited [(1)]	Distribution of prepaid mobile products	**100**	100
23.	Reef Networks Pty Ltd [(1)]	Operation and maintenance of fibre optic network between Brisbane and Cairns	**100**	100
24.	TWH Australia Pty. Ltd.	Provision of information security services and products	**98**	98
25.	Uecomm Operations Pty Limited [(1)]	Provision of data communication services	**100**	100
26.	Virgin Mobile (Australia) Pty Limited [(1)]	Provision of mobile phone services	**100**	100
27.	Vividwireless Group Limited [(1)]	Provision of wireless broadband services	**100**	100

All companies are audited by Deloitte Touche Tohmatsu, Australia, except for those companies denoted (*) where no statutory audit is required.

Notes:

(1) These entities are relieved from the Australian Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports pursuant to ASIC Class Order 2016/785 (as amended) dated 30 March 2007.

(2) Optus Vision Media Pty Limited is deemed to be a subsidiary by virtue of control.

Notes to the Financial Statements

For the financial year ended 31 March 2017

43.3 Significant subsidiaries incorporated outside Singapore and Australia

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2017 %	2016 %
1.	Adconion EMEA Limited	Provision of digital marketing services	United Kingdom	**100**	100
2.	Amobee, Inc. (2)	Provision of digital marketing services	USA	**100**	100
3.	GB21 (Hong Kong) Limited	Provision of telecommunications services and products	Hong Kong	**100**	100
4.	Global Enterprise International Malaysia Sdn. Bhd.	Provision of data communication and value added network services	Malaysia	**100**	100
5.	Lanka Communication Services (Pvt) Limited	Provision of telecommunications services	Sri Lanka	**82.9**	82.9
6.	M86 Security International, Ltd.	Provision of information security services and products	United Kingdom	**98**	98
7.	NCS Information Technology (Suzhou) Co., Ltd. (3)	Software development and provision of information technology services	People's Republic of China	**100**	100
8.	NCSI (Chengdu) Co., Ltd (3)	Provision of information technology research and development, and other information technology related services	People's Republic of China	**100**	100
9.	NCSI (HK) Limited	Provision of information technology services	Hong Kong	**100**	100
10.	NCSI (Malaysia) Sdn Bhd	Provision of information technology services	Malaysia	**100**	100
11.	NCSI (Philippines) Inc.	Provision of information technology and communication engineering services	Philippines	**100**	100
12.	NCSI (Shanghai), Co. Ltd (3)	Provision of system integration, software research and development and other information technology-related services	People's Republic of China	**100**	100
13.	SCS Information Technology Sdn Bhd	Consultancy, sale of computer equipment and software including provision of marketing, maintenance and other related services	Brunei	**100**	100
14.	Singtel Global Private Limited	Provision of infotainment products and services, and investment holding	Mauritius	**100**	100

43.3 Significant subsidiaries incorporated outside Singapore and Australia *(Cont'd)*

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2017 %	2016 %
15.	Singtel Global India Private Limited	Provision of telecommunications services and all related activities	India	**100**	100
16.	Singapore Telecom Hong Kong Limited	Provision of telecommunications services and all related activities	Hong Kong	**100**	100
17.	Singapore Telecom Japan Co Ltd	Provision of telecommunications services and all related activities	Japan	**100**	100
18.	Singapore Telecom Korea Limited	Provision of telecommunications services and all related activities	South Korea	**100**	100
19.	Singapore Telecom USA, Inc.	Provision of telecommunications, engineering and marketing services	USA	**100**	100
20.	Singtel (Europe) Limited	Provision of telecommunications services and all related activities	United Kingdom	**100**	100
21.	Singtel Taiwan Limited	Provision of telecommunications services and all related activities	Taiwan	**100**	100
22.	STI Solutions (Shanghai) Co., Ltd	Provision of telecommunications services and all related activities	People's Republic of China	**100**	100
23.	Sudong Sdn. Bhd.	Management, provision and operations of a call centre for telecommunications services	Malaysia	**100**	100
24.	Trustwave Canada, Inc.	Provision of information security services and products	Canada	**98**	98
25.	Trustwave Government Solutions, LLC	Provision of information security services and products	USA	**98**	98
26.	Trustwave Holdings, Inc.	Provision of information security services and products	USA	**98**	98
27.	Trustwave Holdings Limited	Provision of information security services and products	United Kingdom	**98**	98
28.	Trustwave SecureConnect Inc.	Provision of information security services and products	USA	**98**	98

All companies are audited by a member firm of Deloitte Touche Tohmatsu Limited.

Notes:

(1) The place of the business of the subsidiaries are the same as their country of incorporation, unless otherwise specified.

(2) The company has operations mainly in the USA, Israel, Singapore and the United Kingdom.

(3) Subsidiary's financial year-end is 31 December.

43.4 Associates of the Group

	Name of associate	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2017 %	2016 %
1.	2359 Media Pte. Ltd.	Development and design of mobile-based advertising	Singapore	**28.6**	28.6
2.	APT Satellite Holdings Limited [(2)]	Investment holding	Bermuda	**20.3**	20.3
3.	APT Satellite International Company Limited [(2)]	Investment holding	British Virgin Islands	**28.6**	28.6
4.	HOPE Technik Pte Ltd	Provision of high performance unique engineering solutions	Singapore	**21.3**	21.3
5.	IGA Limited	Provision of online digital advertising platform	Cayman Islands	**22.1**	22.1
6.	Intouch Holdings Public Company Limited [(3)]	Investment holding	Thailand	**21.0**	–
7.	Kai Square	Provision of next generation cloud-based video surveillance services, monitoring and analytics based on a unified platform	Singapore	**39.2**	39.2
8.	MassiveImpact International Ltd	Provision of performance based mobile advertising platform	British Virgin Islands	**48.9**	48.9
9.	NetLink Trust [(4)]	To own, install, operate and maintain the passive infrastructure for Singapore's Next Generation Nationwide Broadband Network	Singapore	**100.0**	100.0
10.	Sentilla Corporation	Provision of energy management services for data centres	USA	**31.0**	23.4
11.	Singapore Post Limited [(5)]	Operation and provision of postal, eCommerce logistics and retail services	Singapore	**21.7**	22.8
12.	Viewers Choice Pte Ltd	Provision of services relating to motor vehicle rental and retail of general merchandise	Singapore	**49.2**	49.2

Notes:

(1) The place of business of the associates are the same as their country of incorporation.

(2) The company has been equity accounted for in the consolidated financial statements based on results ended, or as at, 31 December 2016, the financial year-end of the company.

(3) Audited by Deloitte Touche Tohmatsu Jaiyos Audit Co. Ltd, Bangkok.

(4) Audited by Deloitte & Touche LLP, Singapore. NetLink Trust is regarded as an associate as Singtel does not have effective control in the trust.

(5) Audited by PricewaterhouseCoopers LLP, Singapore.

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For the financial year ended 31 March 2017

43.5 Joint ventures of the Group

	Name of joint venture	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2017 %	2016 %
1.	Acasia Communications Sdn Bhd [3]	Provision of networking services to business customers operating within and outside Malaysia	Malaysia	**14.3**	14.3
2.	ACPL Marine Pte Ltd	To own, operate and manage maintenance-cum-laying cableships	Singapore	**41.7**	41.7
3.	Advanced Info Service Public Company Limited [4] [5]	Provision of mobile, broadband, international telecommunications services, call centre and data transmission	Thailand	**23.3**	23.3
4.	ASEAN Cableship Pte Ltd	Operation of cableships for laying, repair and maintenance of submarine telecommunication cables	Singapore	**16.7**	16.7
5.	ASEAN Telecom Holdings Sdn Bhd [3]	Investment holding	Malaysia	**14.3**	14.3
6.	Asiacom Philippines, Inc. [3]	Investment holding	Philippines	**40.0**	40.0
7.	Bharti Airtel Limited [6]	Provision of mobile, long distance, broadband and telephony telecommunications services, enterprise solutions, pay television and passive infrastructure	India	**36.5**	32.9
8.	Bharti Telecom Limited [6]	Investment holding	India	**47.2**	39.8
9.	Bridge Mobile Pte. Ltd.	Provision of regional mobile services	Singapore	**34.2**	33.8
10.	Globe Telecom, Inc. [7] [8]	Provision of mobile, broadband, international and fixed line telecommunications services	Philippines	**21.5**	21.5
11.	Grid Communications Pte. Ltd. [3]	Provision of public trunk radio services	Singapore	**50.0**	50.0
12.	Indian Ocean Cableship Pte. Ltd.	Leasing, operating and managing of maintenance-cum-laying cableship	Singapore	**50.0**	50.0
13.	International Cableship Pte Ltd	Ownership and chartering of cableships	Singapore	**45.0**	45.0

43.5 Joint ventures of the Group *(Cont'd)*

	Name of joint venture	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2017 %	2016 %
14.	Main Event Television Pty Limited	Provision of cable television programmes	Australia	**33.3**	33.3
15.	Pacific Bangladesh Telecom Limited	Provision of mobile telecommunications, broadband and data transmission services	Bangladesh	**45.0**	45.0
16.	Pacific Carriage Holdings Limited (9)	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	**39.99**	39.99
17.	PT Telekomunikasi Selular (10)	Provision of mobile telecommunications and related services	Indonesia	**35.0**	35.0
18.	Radiance Communications Pte Ltd (3)	Sale, distribution, installation and maintenance of telecommunications equipment	Singapore	**50.0**	50.0
19.	Southern Cross Cables Holdings Limited (9) (11)	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	**39.99**	39.99
20.	Telescience Singapore Pte Ltd	Sale, distribution and installation of telecommunications and information technology equipment and services	Singapore	**50.0**	50.0
21.	VA Dynamics Sdn. Bhd. (3)	Distribution of networking cables and related products	Malaysia	**49.0**	49.0

Notes:

(1) The place of business of the joint ventures are the same as their country of incorporation, unless otherwise specified.

(2) The Group holds substantive participating rights over the significant financial and operating decisions of the above joint ventures, which enables the Group to exercise joint control with the other shareholders.

(3) The company has been equity accounted for in the consolidated financial statements based on the results ended, or as at, 31 December 2016, the financial year-end of the company.

(4) Audited by Deloitte Touche Tohmatsu Jaiyos Audit Co. Ltd, Bangkok.

(5) This represents the Group's direct interest in AIS.

(6) Audited by S.R.Batliboi & Associates, New Delhi (a member firm of Ernst & Young). The company has operations in India, Sri Lanka, and 15 countries across Africa.

(7) Audited by Navarro Amper & Co. (a member firm of Deloitte Touche Tohmatsu Limited).

(8) The Group has a 47.1% effective economic interest in Globe.

(9) The Southern Cross Cable Consortium operates through two separate companies. Southern Cross Cables Holdings Limited owns a cable network between Australia and the USA, with operations outside the USA. Pacific Carriage Holdings Limited has operations within the USA.

(10) Audited by Purwantono, Sungkoro & Surja (a member firm of Ernst & Young).

(11) Audited by KPMG, Bermuda.

ISSUER

Singtel Group Treasury Pte. Ltd.
31 Exeter Road
Comcentre
Singapore 239732

GUARANTOR

Singapore Telecommunications Limited
31 Exeter Road
Comcentre
Singapore 239732

DEALERS

Citigroup Global Markets Singapore Pte. Ltd.
8 Marina View
#21-00, Asia Square Tower 1
Singapore 018960

The Hongkong and Shanghai Banking Corporation Limited
21 Collyer Quay
#10-01 HSBC Building
Singapore 049320

TRUSTEE

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

ARRANGERS

Citigroup Global Markets Singapore Pte. Ltd.
8 Marina View
#21-00, Asia Square Tower 1
Singapore 018960

The Hongkong and Shanghai Banking Corporation Limited
21 Collyer Quay
#10-01 HSBC Building
Singapore 049320

AUDITORS
To the Issuer and the Guarantor

KPMG LLP
16 Raffles Quay
#22-00
Hong Leong Building
Singapore 048581

LEGAL ADVISERS
To the Issuer and the Guarantor in respect of Singapore law

Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

To the Arrangers in respect of English law

Allen & Overy LLP
50 Collyer Quay
#09-01 OUE Bayfront
Singapore 049321

ISSUING AND PAYING AGENT AND PAYING AGENT
in respect of Notes other than Notes cleared through CDP and DTC

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

CDP PAYING AGENT, TRANSFER AGENT AND REGISTRAR
in respect of Notes cleared through CDP

The Bank of New York Mellon, Singapore Branch
One Temasek Avenue
#02-01 Millenia Tower
Singapore 039192

TRANSFER AGENT AND REGISTRAR
in respect of Notes other than Notes cleared through CDP and DTC

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building — Polaris–
2-4 rue Eugène Ruppert–
L-2453 Luxembourg

DTC PAYING AGENT, TRANSFER AGENT, EXCHANGE AGENT AND REGISTRAR
in respect of Notes cleared through DTC

The Bank of New York Mellon
240 Greenwich Street
New York, NY 10286

CALCULATION AGENT

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom