Singtel

Connecting Your World

ANNUAL REPORT 2017

Connecting Your World

Technology has the power to enrich lives and draw people closer. Two friends across continents connect in an instant, businesses reach customers in a flash, and entertainment is available round the clock, thanks to a host of technologies working hard behind the scenes.

As a leader in communications technology, Singtel is proud to play a critical role in enabling such interactivity for millions of people across the world every day, through our investments in network infrastructure, product innovation and service excellence. But that's not all. We believe the digital revolution should benefit everyone and empower even those who may not have ready access to digital technology.

This year's report throws the spotlight on how our staff and company initiatives are championing positive change in our communities, from training youth in digital literacy to supporting social entrepreneurs who are innovating tech solutions or simply helping the elderly use mobile devices to plug into the web. Because at Singtel, it is not simply about technology – it's about you and connecting your world.

CHUN HUI EN

NCS Senior Assistant, Business Development

Before she embarked on her volunteering trip in the Philippines, Hui En was worried she wouldn't be able to communicate with the children. As it turned out, all it took was a hug and a smile to break the ice. Despite the language barriers, many memorable moments were created and friendships forged. Today, Hui En remains in touch with her Pinoy friends via social media and looks forward to the next overseas volunteering opportunity.

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CHONG POH YOKE

NCS Systems Consultant

Poh Yoke is no stranger to volunteering. But when she went to the Philippines to teach English to the street children, she learned once again how little acts of kindness could make a big difference to others. The smiles and easy laughter of the children have not just taught her to appreciate the simple things in life, but have brought her out of her comfort zone. She feels this has made her a better person.

Financial Highlights

OPERATING REVENUE [1]

2017	S$16,711M	-1.5%
2016	S$16,961M	

EBITDA

2017	S$4,998M	STABLE
2016	S$5,013M	

NET PROFIT

2017	S$3,853M	STABLE
2016	S$3,871M	

UNDERLYING NET PROFIT

2017	S$3,915M	+2.9%
2016	S$3,805M	

FREE CASH FLOW

2017	S$3,054M	+12.4%
2016	S$2,718M	

SHAREHOLDER PAYOUT

2017	S$2,857M	+2.4%
2016	S$2,789M	

RETURN ON EQUITY

2017	14.5% [2]	-1.1 percentage points
2016	15.6%	

RETURN ON INVESTED CAPITAL

2017	11.1% [2]	-0.6 percentage point
2016	11.7%	

Constant Currency

NET PROFIT

2017	S$3,832M	-1.0%
2016	S$3,871M	

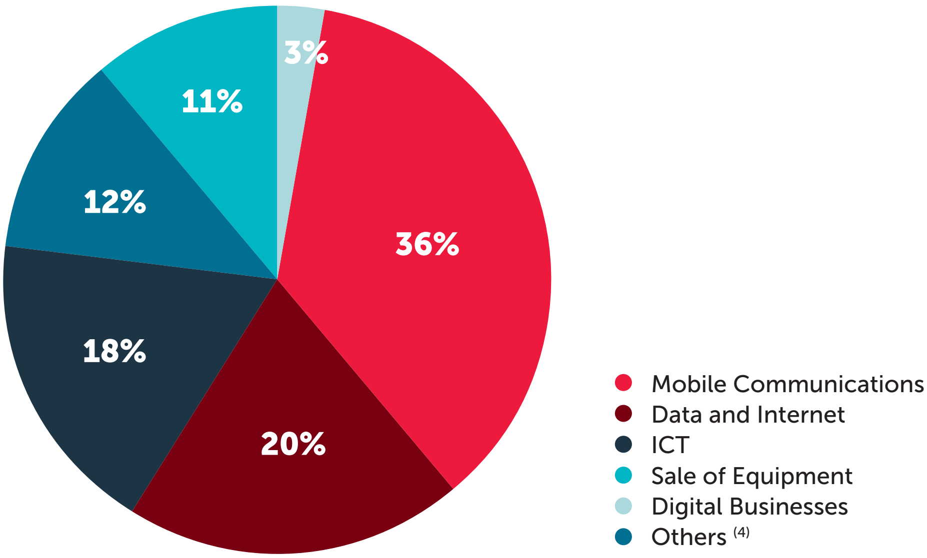
UNDERLYING NET PROFIT

2017	S$3,894M	+2.3%
2016	S$3,805M	

NET PROFIT

Contribution by Geography

REVENUE BREAKDOWN BY PRODUCTS AND SERVICES



SHAREHOLDER PAYOUT

Singtel has a track record of generous shareholder returns.

We pay between 60% and 75% of underlying net profit as ordinary dividends.

For the financial year ended 31 March 2017, the Board has recommended a final ordinary dividend of 10.7 Singapore cents a share. Together with the interim dividend of 6.8 Singapore cents, the total ordinary dividends for the year is 17.5 Singapore cents, unchanged from the previous year. It also represents 73% of the Group's underlying net profit.

Dividend per share (S¢)

Notes:

(1) Impacted by regulated reduction in Australian mobile termination rates from 1 January 2016. Excluding this, operating revenue would be up 2.0%.
(2) Based on enlarged equity base, as the Group issued new shares to acquire stakes in the associates.
(3) Includes losses from Trustwave and Amobee.
(4) Includes National telephone, International telephone and Pay television.

Achievements in FY 2017

The Group has achieved a lot since our last annual report. We launched new products and services, bolstered our core and digital capabilities, and deepened our relationships with our regional associates.

APRIL 2016

Launched Cyber Security Training for C-Suites

The Singtel Cyber Security Institute in Singapore is the first of its kind in Asia Pacific to hone cyber skills and preparedness of businesses and governments.

MAY 2016

Launched All-in-one Mobile Payments

Introduced Singtel Dash, Singapore's first all-in-one mobile payments solution for transit, retail and money transfers.

JUNE 2016

Extended Global Connectivity

Formed a strategic alliance with Airtel in India to provide high speed data connectivity through **370** points of presence in **325** cities worldwide.

Established Content Creation Arm

Globe in the Philippines set up Globe Studios and Globe Live to create original shows and world-class live entertainment events.

OCTOBER 2016

Launched Cyber Security Services in Japan

Partnered TIS Inc to provide Trustwave's cyber security services in Japan to help businesses build cyber resilience and protect critical infrastructure.

Invested in Cyber R&D

Established NUS-Singtel Cyber Security R&D Lab to create innovative cyber security solutions for a smarter, safer Singapore.

NOVEMBER 2016

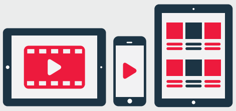
Deepened Relations with Regional Associates

Increased effective interests in AIS and Airtel in the high-growth Thai and Indian markets through acquisition of shares in Intouch Holdings and Bharti Telecom.

Launched Security Operations Centre in Australia

Optus Advanced Security Operations Centre in Australia helps protect enterprises against cyber threats.

Enhanced Digital Content



Launched Cast OTT video portal app offering Hollywood and Asian content, and Singtel Newsstand offering digital subscriptions to leading local and international news publications and SPH lifestyle magazines in Singapore.

Launched 24/7 Sports Channel

Optus Sport with on-demand and live multi-screen capability was launched in Australia.

JULY 2016

Launched International Mobile Video Competition

Launched "The 5-min Video Challenge" across the Group to generate original content.

AUGUST 2016

Tripled the Data

Launched DataX3 mobile data add-on to offer triple the mobile data allowance in Singapore.

SEPTEMBER 2016

JANUARY 2017

Introduced Fastest Mobile Network

Launched **450** Mbps mobile data speeds nationwide in Singapore.

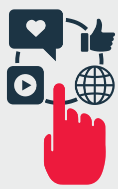
Launched First Payments Bank

Airtel India launched India's first payments bank, offering customers the convenience of cashless purchases using mobile money at over

250,000 Airtel retail outlets and over **1m** merchants.

FEBRUARY 2017

Invested in Digital Marketing Technology



Amobee strengthened its technological edge and scale with the acquisition of Turn, a leading data management platform and multi-channel programmatic media buying platform.

MARCH 2017

Launched Cyber Security Services in the Philippines

Trustwave Managed Security Services was launched in the Philippines with Globe to help enterprises protect against cyber attacks.

Chairman's Message

"Transformation is at the heart of repositioning Singtel to remain relevant to our customers as well as building new sources of revenue for the mid to long term."

Dear Shareholders,

FY 2017 was a challenging year as competition intensified across markets for both our consumer and enterprise businesses. Taken in this context, Singtel delivered a resilient performance while continuing to make significant investments for the future. Our net profit for the year was stable at S$3.85 billion, underpinned by growth in mobile data, ICT and digital services.

INVESTING FOR THE FUTURE

We continue to invest in the digital transformation we began five years ago, transforming our core business and investing to grow to scale new global businesses in digital marketing and cyber security. Transformation is at the heart of repositioning Singtel to remain relevant to our customers as well as building new sources of revenue for the mid to long term.

STRENGTHENING OUR NETWORKS POSITION

Network performance is a key competitive differentiator for Singtel, and increasingly important with the growing consumption of video and the demands that places on network performance. We continue to invest in networks ahead of demand to ensure a leading customer experience.

It is notable that the technology investment cycle is compressing – it took eight years to go from 2G to 3G and only four years to go to 4G. We are now implementing 4.5G and in the exploratory stage of 5G networks.

At the same time, the cost of spectrum has soared given it is finite in nature and required for growth. Spectrum auctions around the region have been fiercely contested by incumbents as well as new entrants. Singtel has emerged with strong spectrum holdings, providing the Group with competitive advantage.

BUILDING OUR LEADING POSITIONS IN THE REGION

Beyond the developed markets in Singapore and Australia, we are making the investments needed to build on our leading positions across the region. Last year, we increased our effective interests in our associates in Thailand and India by acquiring stakes in Intouch Holdings and Bharti Telecom.

We believe both markets are favourably positioned for mobile revenue growth given their younger population demographics and data growth. While the entry of a new operator in the Indian telecoms industry has triggered unprecedented industry disruption and consolidation, we believe this will lead to a healthier industry structure for the long term.

CAPTURING NEW GROWTH IN DIGITAL

As the public and private sectors increasingly go digital, demand for ICT-based solutions such as cloud, software as a service and cyber security are providing growth opportunities.

Cyber security is a high-growth sector where we have established a global platform by leveraging our acquisition of Trustwave, a US-based leading managed security services provider. We are building out a global cyber security business which we expect to become a key growth driver in our future. Coupled with our existing ICT assets and capabilities, we are well placed to provide a comprehensive set of managed services with carriage solutions that will create more value in the long term.

In digital marketing, Amobee's recent acquisition of Turn, a global technology platform for marketers and agencies, adds programmatic capabilities and brings Amobee to scale. Amobee is now in a stronger position to capture the global digital marketing opportunity.

OUR WORK CONTINUES

I am encouraged to see our investments in our core and digital transformation delivering tangible results. It shows our efforts over the last five years are making a difference. In fact, we are now in a much stronger position to compete and thrive in this new economy and are well positioned to participate in the opportunities that will emerge around Smart Nation. Amid this fast-changing world, our Board and management remain committed to the highest standards of corporate governance and sustainable long-term value creation.

I would like to thank our directors, management and employees for their unstinting commitment to this journey. We do realise that there is still much to do and our work continues.

Yours sincerely,

SIMON ISRAEL
Chairman

GCEO Review

"Singtel today is markedly different from the traditional telco we were five years ago. We've strengthened our competitiveness, and we're also more diversified and resilient. While our transformation continues, I'm confident that a strong foundation is now in place to evolve our business and capture the opportunities ahead."

A STRONG, RESILIENT FOUNDATION

In the fast-moving digital world, much has changed for us in the past year, our fifth since embarking on a journey to transition from a traditional telco into that of a communications technology company. I'm pleased to inform that we've managed to hold our own in the new economy by building digital capabilities to capture growth while strengthening our core businesses. At the close of the financial year, our digital and cyber security businesses, while at the early stages of value creation, now contribute over S$1 billion, or 6% of Group revenue.

Our overall business has stayed resilient and we continue to deliver strong core earnings despite the challenging business environment. Our net profit for FY 2017 was stable at S$3.85 billion even with the costs of investing in our new businesses and in network and spectrum. In terms of Total Returns to Shareholders, we have been disciplined with our dividend payout and outperformed the STI index over the past five years.

DRIVING VALUE FROM THE CORE

Our core consumer businesses in Singapore and Australia performed well amid heightened competition. Both Optus and Singtel rolled out a host of differentiated services to win over customers who are spending more time on various mobile devices. Value-for-money data plans, sports and entertainment content and smart home services were some of the new offerings introduced. This strategy mitigated the decline in voice and roaming services in both markets, and saw Optus achieve its strongest quarter of mobile handset growth in five years in the quarter ended March 2017.

To provide our customers with the best data experience possible, we continue to invest in network and spectrum. Singtel successfully secured spectrum at the recent spectrum auction which will enable us to further extend our network leadership and support the growth of the Internet of Things and 5G initiatives in the future. In Australia, Optus has been enhancing the competitiveness of its network with unprecedented plans to improve coverage across regional and rural Australia.

While a fourth mobile network operator is set to enter Singapore and Australia next year, neither Singtel nor Optus are new to competition. We remain focused on our customers and will continue to work diligently at earning their loyalty.

DEEPENING RELATIONS WITH OUR REGIONAL ASSOCIATES

Mobile data was also a key theme for our regional associates in the emerging markets. They are reaping the benefits of strategic investments made in networks and spectrum as more customers take to affordable smartphones and digital lifestyles.

Telkomsel was the standout performer, posting its fifth straight year of double-digit growth in revenues, EBITDA and profits, boosted by higher demand for voice, data and digital services. Its strong performance mitigated lower contributions from Airtel which is facing intense price competition in India. Airtel's earnings were adversely impacted by the entry of a new operator which offered free voice and data, despite a better performance in Africa. In the Philippines, Globe gained revenue market share while in Thailand, AIS rolled out its 4G network in record time to cover 98% of the population.

Last November, we increased our effective interests in both AIS and Airtel, through an acquisition of shares in Intouch Holdings and Bharti Telecom. It has always been our intent to raise our investments in our associates under the right terms. While there are headwinds in India now and we recognise the need for regulatory reforms to ensure sustainable investment, we take a long-term view of the business. Airtel, our strategic partner of more than 16 years, is a strong market leader in a market with rapidly increasing smartphone penetration and mobile data adoption.

As a Group which reaches some 640 million mobile subscribers across the region, we enjoy great synergies, economies of scale and collaborative innovation

GCEO Review

"As a Group which reaches some 640 million mobile subscribers across the region, we enjoy great synergies, economies of scale and collaborative innovation with all our associates. We work closely with them, sharing insights from our own transformation efforts, to drive mobile data growth and digital empowerment in their markets."

with all our associates. We work closely with them, sharing insights from our own transformation efforts, to drive mobile data growth and digital empowerment in their markets.

ICT STAYS STRONG WITH NEW GROWTH

Our enterprise business delivered a strong performance for the year. Demand for ICT services, particularly cyber security, remained resilient despite the subdued economic and business environment.

As cyber security emerged as a critical issue for governments and businesses, we were in a good position to win new business with our cyber security arm Trustwave. To further strengthen our cyber capabilities and expand our cyber network globally, we launched a new advanced security operations centre in Sydney as well as the NUS-Singtel Cyber Security R&D Lab in Singapore to innovate new IP and technologies. We also formed the Singtel Cyber Security Institute to lift the cyber security expertise and preparedness of C-suites in the region. These investments are designed to develop a comprehensive cyber eco-system and grow our leadership in this space.

We made further progress in securing contracts to build Smart Nation solutions in the areas of transportation, security and building infrastructure. We will leverage advanced analytics and next-generation technologies to deliver innovative solutions that empower residents and create vibrant and sustainable communities.

One key element of Singapore's Smart Nation initiative is the nationwide fibre network which NetLink Trust owns but operates as an independently managed business trust. For regulatory reasons, we will divest our stake in NetLink Trust to less than 25% through an initial public offering in FY 2018.

ACCELERATING OUR DIGITAL STRATEGIES

Our digital strategy to focus on digital marketing, OTT video and data analytics is paying off. These are three areas that best leverage our telco assets and contribute to our core business.

Amobee, our global digital marketing arm and the largest of our digital businesses, did well for the year. In April 2017, it acquired Turn, a leading global technology platform with advanced data analytics capabilities for marketers and agencies. This strategic investment strengthens Amobee's technological edge, allowing it to offer marketers an independent end-to-end advertising and data management platform across all channels, formats and devices. We are confident this will accelerate Amobee's growth into a significant global player as it expands beyond the US and into the Asia Pacific.

HOOQ, our mobile streaming service, launched in Singapore and steadily added to its subscriber base in India, Indonesia, the Philippines and Thailand.

DataSpark, our advanced analytics business, is deploying its products beyond Singapore in markets such as Australia, Indonesia, the Philippines and Thailand.

"We believe the digital revolution should benefit and empower everyone, not just those who can afford it or have ready access to such technology."

While Amobee is on the cusp of breaking even in FY 2018, our other businesses will take time to scale and mature.

A FUTURE-READY TEAM

As we continue our transformation, the composition of our workforce will naturally evolve, affecting the scope of many jobs. We have therefore placed a priority on training and reskilling our people so they can be gainfully redeployed within the Group. We have implemented long-term initiatives to attract, nurture and retain talent, especially in our new growth areas of cyber security, cloud and analytics.

ENSURING DIGITAL BENEFITS EVERYONE

As a communications technology company which touches millions of lives across the region, we recognise that we are in a privileged position to create positive change in our communities even as we grow our business. We believe the digital revolution should benefit and empower everyone, not just those who can afford it or have ready access to such technology.

This is why we collaborate with partners to ensure our communities are not left behind as we all race into an increasingly connected world. Some of the commitments we've made include teaching digital literacy to particularly vulnerable children and youth, training persons with disabilities in new technologies so they can find gainful employment, and supporting social entrepreneurs who are tapping technology to grow their businesses. We're encouraged that our efforts have been acknowledged through our recent ranking among the Global 100 Most Sustainable Companies in 2017.

THRIVING IN A DIGITAL WORLD

Singtel today is markedly different from the traditional telco we were five years ago. We've strengthened our competitiveness, and we're also more diversified and resilient.

I would like to thank the Board for their guidance, and our partners and shareholders for their support. Thanks are also very much due to the Singtel team whose unwavering passion, dedication and hard work have propelled us here.

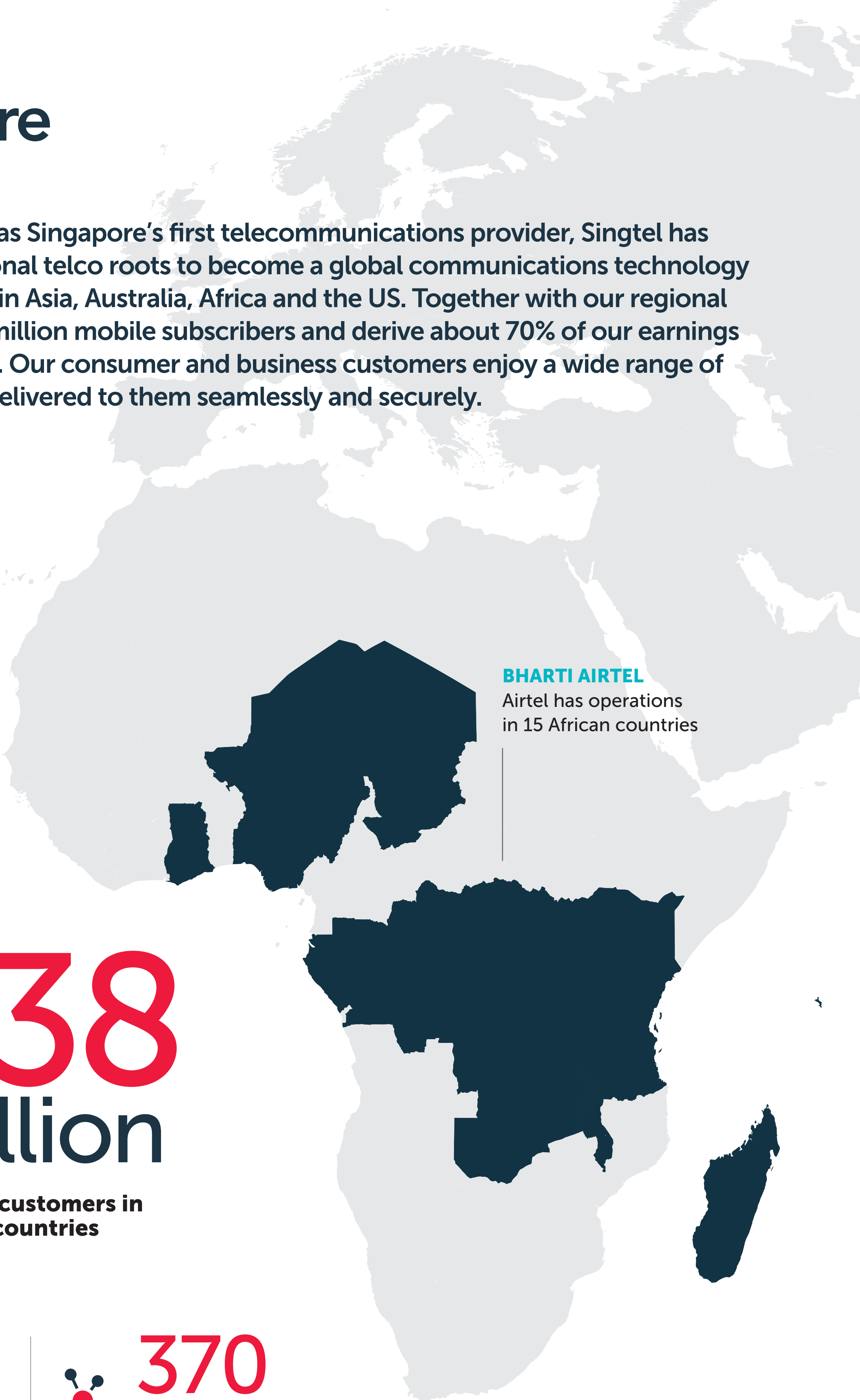
While our transformation continues, I'm confident that a strong foundation is now in place to evolve our business and capture the opportunities ahead.

Yours sincerely,

CHUA SOCK KOONG
Group Chief Executive Officer

Who We Are

Established 138 years ago as Singapore's first telecommunications provider, Singtel has grown beyond our traditional telco roots to become a global communications technology company with a presence in Asia, Australia, Africa and the US. Together with our regional associates, we reach 638 million mobile subscribers and derive about 70% of our earnings from outside of Singapore. Our consumer and business customers enjoy a wide range of essential digital services, delivered to them seamlessly and securely.



138 years

of operating experience

638 million

mobile customers in 22 countries

75
global offices in
29 countries

370
points of presence in
325
cities to serve enterprises

airtel

36.5% effective interest
Mobile customers:
274m (India)
2m (South Asia)
80m (Africa)
23% market share (India)

No.1 in India

AIS

23.3% of ordinary shares
41m mobile customers
45% market share

No.1 in Thailand

INTOUCH

21.0% of ordinary shares
An investor in telcos, media and technology

About
70%
of earnings from operations outside of Singapore

Globe

47.1% of ordinary shares [1]
59m mobile customers
48% market share

No.2 in the Philippines

TELKOMSEL

35.0% effective interest
169m mobile customers
46% market share

No.1 in Indonesia

Singtel

4.1m mobile customers
49% market share (mobile)
0.6m broadband customers
42% market share (broadband)

No.1 in Singapore

OPTUS

100% subsidiary
9.7m mobile customers
27% market share [2] (mobile)
1.1m broadband customers

No.2 in Australia

Notes:
(1) Singtel has 21.5% interest in Globe's voting shares.
(2) Revenue market share for the six months to 31 December 2016.
All figures as at 31 March 2017 unless otherwise stated.

Our Businesses

The Singtel Group is organised according to three business segments – Group Consumer, Group Enterprise and Group Digital Life – to serve the evolving needs of our customers. Group Consumer and Group Enterprise are our core businesses, enabling consumers, businesses and governments to connect, communicate, collaborate and transact. Group Digital Life is designed to develop new growth engines in the digital space by leveraging our unique telco assets and customer knowledge.

Read more about our businesses from page 29 onwards.

GROUP BUSINESSES

GROUP CONSUMER

Offers a range of digital services from music, OTT video, to mobile payments in addition to voice, messaging, broadband and pay-TV.

- Singtel
- Optus
- REGIONAL ASSOCIATES

GROUP ENTERPRISE

Delivers core enterprise ICT services as well as cloud, cyber security and smart city solutions.

- Singtel
- Optus
- ncs
- Trustwave

GROUP DIGITAL LIFE

Focuses on digital marketing, data analytics and OTT video.

- Amobee
- HOOQ
- DataSpark
- Singtel Innov8

REGIONAL ASSOCIATES

- airtel
- AIS
- Globe
- Telkomsel

Our Strategy

The telco business remains the bedrock of our business, but we no longer see ourselves as just a telco. Our vision is to be Asia Pacific's best communications technology company. We have identified new ways to use our assets to develop new revenue streams, especially in the digital space. This is why our transformation is dual track.

In our core consumer business, we are shifting from voice to data, expanding our pricing plans and content mix to meet increasingly data-centric lifestyles and more demand for entertainment on the go. In our enterprise business, we are going big on cloud, cyber security and smart city solutions. We have identified these as the three new growth drivers of our ICT business.

The second track of our transformation involves growing a new digital business to take advantage of digital disruptions. The third arm to our business, Group Digital Life, captures opportunities in digital marketing, data analytics and over-the-top (OTT) video.

VISION

To be Asia Pacific's best communications technology company

GOAL

To create sustainable long-term growth, to deliver superior returns to shareholders and positive impact to stakeholders

TRANSFORMATION STRATEGY

Strengthen and drive growth from the core | Create innovative, differentiated digital services

STRATEGIC PRIORITIES

GROUP CONSUMER

Data

Content

GROUP ENTERPRISE

Cloud

Cyber security

Smart cities

GROUP DIGITAL LIFE

Digital marketing

Data analytics

OTT video

STAKEHOLDERS

Customers | Investors | Staff | Communities

The Value We Create

We focus not only on connecting people and businesses but also creating value for our customers, our investors, our people and the communities in which we operate.

FOR OUR CUSTOMERS

Our 4G coverage is the widest at

99.98%

in Singapore

and covers

96.10%

of Australia's population

Our associates now have more than **220m** mobile data users, a **12%** increase from last year

Together with our associates, our capital expenditure was **S$10.6b**, a **12%** increase from a year before

We increased coverage for secured, high-speed data connectivity from **160** cities to **325** globally

We bolstered our global cyber security capabilities with

- Singtel Cyber Security Institute
- NUS-Singtel Cyber Security R&D Lab
- **9** Advanced Security Operations Centres
- More than **2,000** Cyber Security Experts

FOR OUR INVESTORS

We paid **S$2,816m** in dividends and **S$351m** in interest

5-YEAR TOTAL SHAREHOLDER RETURN (TSR)

Singtel	9.4%
MSCI Asia Pacific Telecommunications Index	9.3%
Straits Times Index	4.4%

Source: Bloomberg, 2012–2017

ACCOLADES

- No.1 in Singapore Governance and Transparency Index 2016
- Best Managed Company in Singapore at FinanceAsia's Asia's Best Companies Poll 2016
- Best Managed Board Award – Gold at Singapore Corporate Awards 2016 (Companies with S$1 billion and above in market cap)

FOR OUR PEOPLE

We have supported about

200

students through our scholarship programmes

We invested

S$500,000

to upgrade our office accessibility for persons with disabilities

We invested

S$25m

in learning and development to train staff in Singapore and Australia and our staff clocked

665,000

learning hours

FOR OUR COMMUNITIES

We contributed

S$17m

in community investment and spent

34,000

hours in staff volunteering

To encourage social innovation, Singtel and Optus Future Makers supported

18 start-ups and non-profit organisations with over

S$480,000

in cash grants

More than

2,500

SMEs participated in 99%SME Week 2016 to rally Singapore consumers to buy SME products and services, a

50% increase from 2015

Our Digital Citizenship programmes taught digital literacy to

60,000

students in Australia and Singapore

We were ranked

GLOBAL

100

WORLD'S MOST SUSTAINABLE CORPORATIONS

Board of Directors

SIMON ISRAEL

- Non-executive and non-independent Director
- Chairman, Singtel Board
- Chairman, Finance and Investment Committee
- Member, Corporate Governance and Nominations Committee
- Member, Executive Resource and Compensation Committee
- Member, Optus Advisory Committee
- Date of appointment: Director on 4 Jul 2003 and Chairman on 29 Jul 2011
- Last re-elected: 29 Jul 2016
- Number of directorships in listed companies (including Singtel): 3

Mr Simon Israel, 64, 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 Holdings (Private) Limited 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.

CHUA SOCK KOONG

- Executive and non-independent Director
- Member, Optus Advisory Committee
- Date of appointment: Director on 12 Oct 2006 and Group Chief Executive Officer (CEO) on 1 Apr 2007
- Last re-elected: 21 Jul 2015
- Number of directorships in listed companies (including Singtel): 2

Ms Chua Sock Koong, 59, was appointed Group CEO on 1 April 2007. She has overall responsibility for the Group's businesses.

Sock Koong joined Singtel in June 1989 as Treasurer before becoming Chief Financial Officer (CFO) in April 1999. She held the positions of Group CFO and CEO, International from February 2006 to 12 October 2006, when she was appointed Deputy Group CEO.

Sock Koong sits on the boards of Bharti Airtel Limited, Bharti Telecom Limited and key subsidiaries of the Singtel Group. She is also a member of the Research, Innovation and Enterprise Council, the Singapore Management University Board of Trustees and the Public Service Commission.

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.

VENKY GANESAN

- Non-executive and independent Director
- Member, Finance and Investment Committee
- Member, Technology Advisory Panel
- Date of appointment: 2 Feb 2015
- Last re-elected: 21 Jul 2015
- Number of directorships in listed companies (including Singtel): 1

Mr Venkataraman (Venky) Ganesan, 43, is one of the Managing Partners of Menlo Ventures, a 41-year-old 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, namely, Avi Networks, Inc., BitSight Technologies, Inc, Breather Products Inc., Dedrone Inc., Machine Zone, Inc., OverOps Inc. (formerly known as Takipi, Inc.), Rover, Inc., Unravel Inc., UpCounsel Inc. and Waterline Data Science, Inc. He is also a Board member of Amobee, Inc., a wholly-owned subsidiary of Singtel.

Prior to joining Menlo Ventures, Venky was a 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 Chairman of the National Venture Capital Association and a former Director of Gild, Inc., Handle, Inc., Palo Alto Networks Inc, Strong View, Inc and Virident Systems (acquired by Western Digital Corporation).

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.

LOW CHECK KIAN

- Non-executive and Lead Independent Director
- Chairman, Corporate Governance and Nominations Committee
- Member, Finance and Investment Committee
- Date of appointment: Director on 9 May 2011 and Lead Independent Director on 21 Jul 2015
- Last re-elected: 25 Jul 2014
- Number of directorships in listed companies (including Singtel): 2

Mr Low Check Kian, 58, 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 the 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.

Board of Directors

PETER MASON AM

- Non-executive and independent Director
- Chairman, Executive Resource and Compensation Committee
- Chairman, Optus Advisory Committee
- Date of appointment: 21 Sep 2010
- Last re-elected: 29 Jul 2016
- Number of directorships in listed companies (including Singtel): 2

Mr Peter Mason, 70, is the Chairman of AusNet Services Limited and a Senior Advisor to UBS Australia. He is a Trustee of the Sydney Opera House Trust and the Chairman of the Centre for Independent Studies.

Peter has more than 40 years' experience in investment banking, including JP Morgan and Schroders. He has been Chairman and a Director of a number of Australian companies.

Peter is a Member of the Order of Australia. He holds a Bachelor of Commerce (First Class Honours), an MBA and an Honorary Doctorate from The University of New South Wales, Australia.

CHRISTINA ONG

- Non-executive and independent Director
- Member, Audit Committee
- Member, Corporate Governance and Nominations Committee
- Date of appointment: 7 Apr 2014
- Last re-elected: 29 Jul 2016
- Number of directorships in listed companies (including Singtel): 3

Mrs Christina Ong, 65, 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 Oversea-Chinese Banking Corporation Limited, SIA Engineering Company Limited, Singapore Tourism Board, Trailblazer Foundation Ltd and Epimetheus Ltd. Christina is a member of the Catalist Advisory Panel and also a trustee of The Stephen A. Schwarzman Scholars Trust. She also sits on the boards of companies and entities which are owned by Allen & Gledhill LLP.

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.

PETER ONG

- Non-executive and non-independent Director
- Member, Audit Committee
- Member, Risk Committee

- Date of appointment: 1 Sep 2010
- Last re-elected: 25 Jul 2014
- Number of directorships in listed companies (including Singtel): 1

Mr Peter Ong, 55, is the Head of Singapore's Civil Service and Permanent Secretary (Strategy) in the Prime Minister's Office. He previously held the positions of Permanent Secretary in the Ministry of Finance, the National Security and Intelligence Co-ordination Secretariat, Ministry of Trade and Industry, Ministry of Transport and Ministry of Defence. Prior to that, he was an Executive Vice President of Temasek Holdings (Private) Limited.

Peter currently sits on the boards of the Monetary Authority of Singapore, the National Research Foundation and Calvary Community Care. He was the Chairman of the Inland Revenue Authority of Singapore and a Director of the ASEAN+3 Macroeconomic Research Office.

Peter was conferred the Meritorious Service Medal (Pingat Jasa Gemilang) at the Singapore National Day Awards 2010. He was also conferred the (Honorary) Knight of the Most Distinguished Order of the Crown by the Yang di-Pertuan Agong Malaysia XIV in June 2012 (with the title of "Tan Sri").

Peter holds a Bachelor of Economics (Honours) from the University of Adelaide, Australia and an MBA from Stanford University, US.

TEO SWEE LIAN

- Non-executive and independent Director
- Chairman, Risk Committee
- Member, Audit Committee
- Member, Executive Resource and Compensation Committee

- Date of appointment: 13 Apr 2015
- Last re-elected: 21 Jul 2015
- Number of directorships in listed companies (including Singtel): 2

Ms Teo Swee Lian, 57, is a non-executive and independent Director of AIA Group Ltd (AIA) and a member of AIA's Nomination Committee and Risk Committee. She is also a non-executive and independent Director of Avanda Investment Management Pte Ltd (Avanda), and is Chairman of Avanda's Audit and Risk Committee. Swee Lian is also a member of the Corporate Governance Council formed by the Monetary Authority of Singapore (MAS).

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 in Singapore. During her time with MAS, she also worked in reserves management, development, external relations and strategic planning. Swee Lian was also a member of the Singapore Exchange Diversity Action Committee.

Swee Lian was awarded the Public Administration Medal (Gold) (Bar) at the Singapore National Day Awards 2012. She holds a B. Sc (First Class Honours) in Mathematics from Imperial College, London University and a M. Sc in Applied Statistics from Oxford University.

Board of Directors

BOBBY CHIN

- Non-executive and independent Director
- Chairman, Audit Committee
- Member, Risk Committee
- Date of appointment: 1 May 2012
- Last re-elected: 21 Jul 2015
- Number of directorships in listed companies (including Singtel): 4

Mr Bobby Chin, 65, is a member of the Council of Presidential Advisers and the Chairman of the Housing & Development Board, NTUC Fairprice Co-operative Limited and NTUC Fairprice Foundation Ltd. He is the Deputy Chairman of NTUC Enterprise Co-operative Limited. He serves on the boards of the Singapore Labour Foundation and Temasek Holdings (Private) Limited. He is also a Director of several listed companies, namely Yeo Hiap Seng Limited, Ho Bee Land Limited and AV Jennings Limited.

Bobby was the Managing Partner of KPMG Singapore from 1992 until his retirement in September 2005. He was a Director of Oversea-Chinese Banking Corporation Limited, SembCorp Industries Ltd and Singapore Power Limited.

Bobby holds a Bachelor of Accountancy from the University of Singapore. He is an associate member of the Institute of Chartered Accountants in England and Wales.

NOTE:
Bobby was appointed to the Board of Temasek Holdings (Private) Limited (Temasek), the major shareholder of Singtel, on 10 June 2014. After due consideration, Bobby continues to be regarded as independent as he does not represent Temasek on the Singtel Board and he is not accustomed or under an obligation whether formal or informal, to act in accordance with the directions, instructions or wishes of Temasek. As Bobby has demonstrated independence in character and judgement in the discharge of his responsibilities, the Singtel Board is satisfied that he will continue to exercise independent judgement and act in the best interests of Singtel and its security holders generally.

Note:
Information as at 17 May 2017.

Organisation Structure

With effect from 1 April 2017

GROUP CHIEF EXECUTIVE OFFICER
Chua Sock Koong

GROUP BUSINESSES

CHIEF EXECUTIVE OFFICER CONSUMER AUSTRALIA / CHIEF EXECUTIVE OFFICER OPTUS
Allen Lew

CHIEF EXECUTIVE OFFICER CONSUMER SINGAPORE
Yuen Kuan Moon

CHIEF EXECUTIVE OFFICER GROUP ENTERPRISE / COUNTRY CHIEF OFFICER SINGAPORE
Bill Chang

CHIEF EXECUTIVE OFFICER GROUP DIGITAL LIFE
Samba Natarajan

CHIEF EXECUTIVE OFFICER INTERNATIONAL
Arthur Lang

CORPORATE FUNCTIONS

AUDIT COMMITTEE

GROUP CHIEF INTERNAL AUDITOR
Chor Khee Yang

GROUP CHIEF CORPORATE OFFICER
Jeann Low

GROUP CHIEF FINANCIAL OFFICER
Lim Cheng Cheng

GROUP CHIEF HUMAN RESOURCES OFFICER
Aileen Tan

GROUP CHIEF INFORMATION OFFICER
Wu Choy Peng

GROUP CHIEF TECHNOLOGY OFFICER
Mark Chong

Management Committee

CHUA SOCK KOONG

Ms Chua Sock Koong, 59, was appointed Group Chief Executive Officer on 1 April 2007. She has overall responsibility for the 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 CFO and CEO, International from February 2006 to 12 October 2006, when she was appointed Deputy Group CEO.

Sock Koong sits on the boards of Bharti Airtel Limited, Bharti Telecom Limited and key subsidiaries of the Singtel Group. She is also a member of the Research, Innovation and Enterprise Council, the Singapore Management University Board of Trustees and the Public Service Commission.

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.

BILL CHANG

Mr Bill Chang, 50, was appointed Chief Executive Officer, Group Enterprise on 16 July 2012. He leads the team that provides infocomm and technology (ICT) solutions to enterprise customers. He also assumed the role of Country Chief Officer Singapore on 1 October 2014, and is the principal liaison with local and regulatory bodies.

Bill joined Singtel on 15 November 2005 as Executive Vice President of Corporate Business and later assumed the role of Managing Director, Business Group.

Bill is the Chairman of the Singapore Polytechnic Board of Governors. He also co-chaired the Future Jobs and Skills sub-committee of the Committee on the Future Economy of Singapore. He was conferred the Singapore Computer Society's IT Leader of the Year award in 2017 and the honorary Fellow of the society in 2014 for his contributions to Singapore's IT industry.

Bill graduated with a Bachelor of Engineering (Honours) in Electrical and Computer Systems Engineering from Monash University, Australia.

MARK CHONG

Mr Mark Chong, 53, was appointed Group Chief Technology Officer on 1 April 2017. He leads the Group's technology strategy and innovations in the transformation of its networks and businesses across Singapore and Australia. Prior to his appointment, Mark was CEO, International.

Mark joined Singtel in 1997 and has held various executive positions in the company including the roles of EVP (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, CSLox (Thailand) and other non-listed companies such as OpenNet. He is currently the Chairman of Bridge Alliance.

He graduated with a Bachelor of Electronics Engineering and Master in Research in Electronic Systems from ENSERG, Grenoble, France, on a Singapore Government scholarship. Mr Chong also obtained his MBA from the National University of Singapore. He is a senior fellow with the Singapore Computer Society.

ARTHUR LANG

Mr Arthur Lang, 45, joined Singtel on 9 January 2017, as Chief Executive Officer, International (Designate) and became Chief Executive Officer, International on 1 April 2017. His main responsibilities are to oversee the growth of the Group's regional associates across India, Indonesia, the Philippines and Thailand, strengthen its relationship with overseas partners, and drive regional initiatives for scale and synergies.

Prior to joining Singtel, Arthur was Group Chief Financial Officer of CapitaLand Limited, where he directly oversaw the functions of treasury, financial reporting and controls, risk management, strategic projects, tax, investor relations and private equity fund management. As Group CFO of CapitaLand, Arthur received the Best CFO of the Year Award for listed companies with market capitalisation of S$1 billion and above at the Singapore Corporate Awards 2015.

Prior to CapitaLand, Arthur was at Morgan Stanley where he was co-head of the Southeast Asia investment banking division and prior to that, Chief Operating Officer of the Asia Pacific investment banking division.

Arthur is a board member of Globe Telecom, Bharti Infratel Limited, NetLink Trust, the Land Transport Authority of Singapore and the National Kidney Foundation.

Arthur holds an MBA from Harvard Business School and a Bachelor of Arts in Economics (magna cum laude) from Harvard University.

ALLEN LEW

Mr Allen Lew, 62, was appointed Chief Executive Officer, Consumer Australia and Chief Executive Officer, Optus on 1 October 2014.

Prior to that, Allen was CEO, Group Digital Life and 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 CEO 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, US.

Management Committee

LIM CHENG CHENG

Ms Lim Cheng Cheng, 45, 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 23 years of experience in finance and mergers and acquisitions. She joined Singtel in 2012 as Vice President, Group Strategic Investment and was appointed Deputy GCFO on 1 October 2014. Prior to that, she was Managing Director, Group Strategic Investments.

Before joining Singtel, Cheng Cheng was Executive Vice President and CFO at SMRT Corporation. She also worked at Singapore Power for 10 years in various corporate planning, investments and finance roles, the last of which was Head and Vice President (Financial Planning and Analysis). She started her career with PricewaterhouseCoopers.

Cheng Cheng was appointed as a non-executive, non-independent director at SingPost on 1 April 2017.

Cheng Cheng holds an MBA from the University of Chicago Booth School of Business (formerly known as University of Chicago Graduate 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.

JEANN LOW

Ms Jeann Low, 56, was appointed Group Chief Corporate Officer on 10 April 2015. She is responsible for the 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 CFO 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.

SAMBA NATARAJAN

Mr Samba Natarajan, 51, 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.

AILEEN TAN

Ms Aileen Tan, 50, is Group Chief Human Resources Officer, responsible for the development of human resources across the Singtel Group. She also leads its corporate sustainability function.

Aileen joined Singtel on 2 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.

Aileen is the Chairperson of Workforce Singapore's National HR Professional Certification Taskforce and co-chairs the Ministry of Manpower's HR Sectoral Tripartite Committee. She is a member of the Media Literacy Council and also a member of the Institute for Human Resource Professionals Board and the Home Nursing Foundation Board.

Aileen graduated with a Bachelor of Arts from the National University of Singapore. She also holds a Master of Science in Organisational Behaviour from the California School of Professional Psychology, Alliant International University, US.

Management Committee

WU CHOY PENG

Ms Wu Choy Peng, 52, joined Singtel as Group Chief Information Officer on 6 August 2012. She is responsible for driving the Group's IT vision and roadmap to establish excellence in technology management.

Prior to joining Singtel, Choy Peng was Group CIO of Neptune Orient Lines Group and Chief Information Officer of the Singapore Government.

Choy Peng is a member of the National University Health System (NUHS) Board and the Chairperson of the NUHS Information Technology (IT) Committee.

Choy Peng holds a Bachelor of Science (Honours with Highest Distinction) in Computer/Communication Science and Mathematics, and a Master of Science in Computer Science/Engineering, both from the University of Michigan, US.

YUEN KUAN MOON

Mr Yuen Kuan Moon, 50, was appointed Chief Executive Officer, Consumer Singapore on 1 June 2012. He is responsible for leading the Singapore consumer business to deliver a complete and integrated suite of services, including mobile, broadband and TV solutions to consumers.

Moon began his career with Singtel on 1 February 1993 and has over 20 years of experience in the consumer business, including Marketing, Business Development, Retail and Channel Sales. He has held several leadership roles, including Vice President of Regional Operations and Executive Vice President of Digital Consumer.

Earlier in his career, Moon was posted to PT Telekomunikasi Selular (Telkomsel), Singtel's regional associate, as General Manager for Product Development in 2003 and was 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 on 3 October, 2016.

Moon graduated with a First Class Honours degree in Engineering from the University of Western Australia. He also holds a Master of Science in Management from Stanford University, US.

Senior Management

CHIA WEE BOON
Chief Executive Officer
NCS
Group Enterprise

HUI WENG CHEONG
Chief Operating Officer
AIS

MURRAY KING
Chief Financial Officer
Optus

ROBERT J. MCCULLEN
Chief Executive Officer & President
Trustwave
Group Enterprise

JOHN PAITARIDIS
Managing Director
Optus Business
Group Enterprise

KIM PERELL
Chief Executive Officer
Amobee
Group Digital Life

WILLIAM WOO
Managing Director
Enterprise Data & Managed Services
Group Enterprise

Group Consumer

We are here to ensure devices come to life in your hands. We invest in networks, spectrum and new technologies to keep powering your digital lifestyles. We offer new ways to access a rich variety of content and deliver it ever faster. And we are working to furnish your future with even more smart conveniences, just the way you would want it. For those who need a little help to get into the digital game, we have also developed community programmes that extend the benefits of connectivity to everyone.

JOSHUA SIM BOON HONG

Singtel Creative Lead, Associate Director

Joshua Sim is a lead volunteer with Singtel's Savvy Silvers programme which is designed to enrich the lives of our senior citizens with technology. Seniors enrol in the programme to pick up skills such as the taking and sending of photographs with their mobile phones. Joshua finds volunteering rewarding because of his own experience of teaching his parents to plug into the digital world. When his mother finally learned how to play Candy Crush and watch YouTube videos on her iPad, he could feel her joy and sense of accomplishment. Now he wants others in her generation to feel the same sense of empowerment.

Group Consumer
Singapore

Our customers' increasingly connected lifestyles have produced a transformation at Singtel. Against this backdrop, we have embraced digital, coming up with new offerings that will enhance our customers' lives at home, at work and on the go.

We are focusing on delivering data-centric plans, innovative digital services and differentiated content underpinned by seamless, secure and high-speed connections to serve our customers in today's digital world and tomorrow's connected future.

IMPROVING CONNECTIVITY FOR CUSTOMERS

We are offering our customers flexibility and greater value when it comes to their data plans. A big highlight was a new data add-on called DataX3 for postpaid customers to enjoy triple their data and a 1-for-1 data add-on offer for customers on SIM Only plans.

As we connect customers at home and on the go, Singtel has achieved many firsts along the way. Last year, our customers were the first in Singapore to enjoy seamless call connectivity and crystal-clear conversations with WiFi Calling. We gave our fibre broadband customers extra value on their plans by extending Singtel WiFi access to them. Along with our mobile customers, they now enjoy free and unlimited data usage at more than 1,000 Singtel WiFi hotspots across Singapore.

We introduced ReadyRoam, Singapore's first multi-destination data roaming service, offering customers a convenient and affordable way to stay connected on their travels. ReadyRoam was an instant hit and we quickly expanded the service from five to 31 countries across the Asia Pacific, Europe, USA and Canada.

CREATING NEW SERVICES FOR DIGITAL LIFESTYLES

To enrich our customers' connected lifestyles, we have created a range of digital services from entertainment and mobile payments to smart living which can be conveniently accessed from their smart devices.

We introduced Singtel Newsstand, another data-free service following the popularity of Singtel Music. Singtel Newsstand offers digital subscriptions to leading local and international news publications such as The Straits Times, The Wall Street Journal, The Economist and 12 leading Singapore Press Holdings lifestyle magazines. We also brought the big screen to our customers' mobile devices with the launch of CAST, our OTT video portal app, so they can watch their favourite shows on the go.

Singtel Dash, our all-in-one mobile payments app, is leading the way for mobile payments in Singapore and has crossed 500,000 registered users. It offers in-store and online retail payments, transit payments and top-

What the media said

"Simply put, there is no such thing as too much data. And Singtel gets it, because they've just launched DataX3 ... which will triple your mobile data allowance." — Janine Lee, Stuff.tv

Gan Siok Hoon, VP, Retail & Channel Sales of Consumer Singapore (left), and Yuen Kuan Moon, Consumer Singapore CEO, launching Singtel Dash, Singapore's first all-in-one mobile payments solution.

What the media said

"Singtel ups the ante in fragmented mobile payment market." – Jacquelyn Cheok, The Business Times

ups, and secure, real-time mobile remittance such as the service with Telkomsel which lets customers send money to 4,500 remittance cash-out points across Indonesia.

In the home, we introduced a smart lifestyle solution, Singtel SmartHome, which lets users securely monitor and manage their home wherever they are. Powered by Singtel fibre broadband, Singtel SmartHome can connect with over 200 compatible smart devices, helping busy Singaporeans live more comfortably and safely through technology.

To offer customers even more convenience at home, HungryGoWhere, our food portal, added online delivery and takeaway services to its existing reservations service.

DEMONSTRATING NETWORK SUPERIORITY

We deepened our commitment to provide customers with faster speeds and wider connections with the nationwide deployment of our 450Mbps 4G LTE-Advanced service, Singapore's fastest mobile network. The performance of our mobile and fibre broadband networks have come

Group Consumer
Singapore

out tops in the Info-communications Media Development Authority's reports. We achieved Singapore's widest LTE coverage for a record 10 consecutive quarters while our fibre broadband speeds are consistently rated as one of the fastest.

We continue on our Journey to 5G, deploying key pre-5G technology such as Massive MIMO and NB-IoT. We also made 5G innovation a reality with the first 5G showcase in Southeast Asia last year, demonstrating ground-breaking peak throughputs of 27.5Gbps and latency as low as 2 milliseconds. With our successful acquisition of spectrum in April 2017, we will be able to expand and evolve our network to support the growth of the Internet of Things and 5G initiatives in the future.

BOOSTING CUSTOMER EXPERIENCE

Recognising that many of our customers prefer using online channels to engage us at their convenience, we have stepped up our digitalisation efforts. We introduced new features such as Visual IVR (Interactive Voice Response) and Message Us on My Singtel App to augment our self-help options. We have also integrated our online and offline channels to provide customers with a seamless experience no matter which channel they choose to start interacting with us and continue with. One innovation is Collect@Store which enables customers to purchase their device on singtelshop.com and then pick the item up at any Singtel Shop on the same day.

We connect customers of all age groups to activities that interest them and give them new experiences. These include exclusive live performances by music stars Jessie J and Nathan Hartono, and events for children such as Dream Big, Princess Academy. To help seniors to develop the skills and confidence to use digital technology, we conduct regular Singtel Silvers workshops and events such as the Silver Photography Extravaganza, which teaches them basic smartphone, social media and photography skills so that they can participate in the digital world.

What the media said

"Singtel's move [to 5G] ties in with the government's 'smart nation' vision aiming for total connectivity for a safer, more efficient society through optimal use of data."
– Mayuko Tani, Nikkei Asian Review

From left: Martin Wiktorin, Country Head of Singapore and Brunei, Ericsson; Tay Soo Meng, Singtel Group Advisor; Khoong Hock Yun, Assistant Chief Executive (Development), IMDA; Yuen Kuan Moon, Singtel Consumer Singapore CEO; and Magnus Ewerbring, CTO, Asia Pacific, Ericsson celebrating the opening of the 'Making 5G Innovation A Reality' showcase.

Group Consumer Australia

Optus is responding to the evolving needs of our customers by growing our business beyond the traditional telecommunications company model into a mobile-led multimedia content provider. In 2016 we embarked on a transformation to deliver on this ambition, offering game-changing experiences for customers via our products and services.

Allen Lew, Optus CEO, launching Optus Sport

Customers have watched almost

13m

hours of Premier League and international football content on Optus Sport

DELIVERING BETTER PRODUCTS AND SERVICES

Optus broke new ground as a telecommunications provider in Australia with the launch of Optus Sport, a 24/7 sports channel with on-demand and live multi-screen capability to broadcast the Premier League. Since the launch, customers have watched almost 13 million hours of Premier League and international football content including live matches, highlights and expert analysis.

We are delivering more than just sport, and we know our customers want the freedom to stream TV, movies and music, at home or on the go, without worrying about their data allowance.

With this in mind, Optus introduced data-free music and content streaming in selected prepaid and postpaid plans so our customers can enjoy their favourite entertainment from our streaming partners, including Netflix, Stan, ABC iView, Spotify, Pandora, iHeart Radio, and Google Play.

We have seen the best half of branded growth in eight years since the introduction of these product

Group Consumer
Australia

The Optus fixed network was rated

#1 for

19

consecutive months on the Australian Netflix ISP Speed Index

offerings, with our mobile customer base reaching 9.72 million users.

Recognising the diverse needs of our customers, we also have products and plans to suit a wide range of lifestyles, including improved Mobile Broadband plans offering great value and generous data inclusions, and the Home Wireless Broadband solution providing connectivity via the Optus 4G network.

In addition, we are continuing to find extra value for our customers through innovation, with the release of Optus Xtra by our in-house innovation team at Yes Labs. Optus Xtra is an Android-based app which allows prepaid customers to earn extra data or credit by viewing tailored ads on their smartphone.

INVESTING IN OUR NETWORK

A quality network underpins everything we offer. Our commitment to continually improve our network has received independent recognition from leading industry benchmarks. The 2016 P3 CommsDay Mobile Benchmark rated the Optus network No. 1 for voice, and the Optus fixed network was rated No. 1 for 19 consecutive months on the Australian Netflix ISP Speed Index (September 2015 to March 2017).

Our 4G Plus Network expanded further into regional Australia using the newly acquired 1800MHz spectrum band. The network now reaches 96.1% of the Australian population.

We secured A$26.4 million in funding as part of the Federal Government's Mobile Black Spots Programme and will contribute a further A$36.4 million to provide connectivity to thousands of people across regional and rural Australia.

Our networks also support incredible growth for mobile virtual network operator clients, making us the leading mobile network wholesale service provider in the Australian market.

TRANSFORMING CUSTOMER SERVICE

Just as the way our customers are using their devices has changed, so too have their support needs. We have made it easier for them to engage with us by enhancing our online customer service platforms such as Live Chat, My Optus App and My Account to see and pay bills, add

services to their accounts, and access support functionality including live chat assistance.

The volume of interactions through these channels has grown, indicating the increasing preference for digital engagement. This means Optus call centres are freed up to respond to customers with more complex enquiries. There has been a 10% reduction in the volume of calls to support centres in FY 2017 as a result of the focus on digital customer support.

With a growing customer base, the Optus customer service teams operate around the clock. In the last 12 months, 79% of 134 million customer interactions occurred in digital channels – a 2% growth over the previous year.

Recognising that the needs of Australia's more than two million small business owners are different to the traditional business customer, we have also refocused on delivering tailored small and medium business solutions via specialist in-store and call centre support resources.

EXCITING OUR CUSTOMERS

Optus is engaging with our customers through the things that interest and excite them. Through partnerships with major sporting organisations such as the Australian Olympic Committee, Australian Paralympic Committee and Swimming Australia prior to the Rio 2016 Olympic and Paralympic Games, we established our credentials as a supporter of Australian sport and are developing strong links with the sport-loving Australian community.

During the Games, the award-winning #FanUpAUS campaign helped deliver 45,398 messages of support to Australian athletes via social media. Our Australian Olympic Committee partnership allowed exclusive access behind the scenes to create unique social media content featuring Australian Olympic swimmer Ian Thorpe inside the athletes village providing a unique look at the event as it happened.

These campaigns proved popular with Australians, and delivered impressive results including more than 44 million uses of the #FanUpAUS hashtag and 16.4 million content views via the Optus social media channels.

The CEO Conversation

"Competition is not new to us. To stay at the top of our game, we keep our customers at the centre of our strategy."

YUEN KUAN MOON
CEO, CONSUMER SINGAPORE

Innovating around customer experience

In the dynamic world of telecommunications, the only constant is change. How do Singtel and Optus navigate the challenging terrain and keep customers happy? Consumer Singapore CEO Yuen Kuan Moon and Optus CEO Allen Lew share their insights.

How has digital disruption impacted your market in recent years?

Moon: There's been a dramatic shift in our customers' lifestyle needs and the way they engage us. They're connected all the time, wherever they are. We're seeing an accelerated shift from voice as they consume more data than ever before. So we've been actively digitalising our business and innovating, not just in the products and services we offer but also in the way we sell and serve to reflect today's digital lifestyles. There are many exciting opportunities for us to create value and reinvent our relationship with customers. We want them to see us as enablers. We want them to feel empowered through the technology and services that we provide.

Allen: The impact that digital companies have had in Australia is to increase the plethora of personal applications for consumers and small and medium businesses on their mobile devices. This implies that Optus has to deliver the best mobile network quality in terms of speed and reliability. In addition, the customer has to be at the front and centre of everything we do and we have to deliver on our pledge to provide them with an exceptionally good customer experience in our stores, on the phone, online and in our app. Engaging us through an app is becoming increasingly important in the era of the mobile internet and it's an area of increasing focus for us especially with the commissioning of our new customer care and billing system.

We've seen both Optus and Singtel make significant investments in content in the last two years. Tell us about your content strategy.

Moon: The reality is that globally, content has gone online, and is consumed on the go. We're no longer just looking at linear delivery now since our customers have a big appetite for online entertainment. The way they experience content is now multiscreen. We've set out to establish partnerships with traditional and non-traditional content providers to offer a wider range of entertainment options to our customers across TV and mobile devices. There's also CAST, our video portal app, which gives customers the flexibility to choose individual content packs. Besides video, we look to enrich our customers' experience with other content such as music and news that they want.

"Our goal is to build a digital organisation that provides converged fixed, mobile and video services by using deep insights into customer behaviour and business fundamentals to create a sustainable competitive advantage."

ALLEN LEW
CEO, OPTUS

Allen: Premium video content is important to us because it has the power to create distinctiveness for us in a competitive market. It has been a catalyst for the improved performance of the consumer broadband business and has been instrumental in elevating our brand position. I believe the combination of good content and an advanced network with technology that is designed and built for the unique needs of video are essential pillars to ensure Optus has sustained profitable revenue growth.

Competition is heating up in both your markets. How do Singtel and Optus view competition?

Moon: Competition is not new to us. To stay at the top of our game, we keep our customers at the centre of our strategy. We adapt to their lifestyle needs and preferences and focus on offering them a differentiated experience. Innovation is key to set ourselves apart so we're continuing to invest in our fixed and mobile networks, and in technology such as artificial intelligence and predictive analytics to get a better handle on what our customers want. We're also optimising our platform and processes to find innovative and more efficient ways of getting things done and passing on savings to our customers.

Allen: We welcome competition because it provides choice for customers and gives us the impetus to continually innovate and improve our products and services and the way we do things. Optus has a formidable set of assets, such as our unrivalled spectrum holdings, the quality of our people and the expertise in the Singtel Group. We will use these, together with our focus on delivering a great customer engagement, a high quality mobile network and transforming our cost structure, to ensure we stay ahead in this intensely price-competitive market.

What can consumers look forward to from Singtel and Optus in the near future?

Moon: We're focusing on data centricity – what else our customers can use data for, and how we can deliver the best mobile data experience. With our strategic investment in spectrum at the recent spectrum auction, we'll be able to extend our network leadership and support the growth of IOT and 5G initiatives in the future.

Allen: Our goal is to build a digital organisation that provides converged fixed, mobile and video services by using deep insights into customer behaviour and business fundamentals to create a sustainable competitive advantage. Customers can expect continued investment by us in our network so we can innovatively deliver greater capacity and faster speeds. In addition, we will raise our standards so we can enable our customers' digital lives with the most personalised services, the most innovative integrated products and the best customer experience. In short, our goal is to deliver surprise and excitement beyond their expectations for our customers and profitable growth for our investors.

Group Consumer
Regional Associates

There is a data revolution going on in the emerging markets, fuelled by the availability of affordable smartphone devices. Our regional associates are riding the wave by innovating to deliver new experiences, creating new lines of business beyond traditional mobile services, and investing in spectrum and future-ready networks. As a Group, we are fostering closer collaboration with our associates to gain a stronger competitive edge in the region's rapidly evolving telco landscape.

SERVING INCREASINGLY DIGITAL LIFESTYLES

Across our associates' markets, the biggest growth has been in data, as consumers embrace connected, digital lifestyles. The number of data subscribers surged past 220 million – a 12% increase from the previous year. For many of our customers, the mobile phone is a primary way for them to access the internet, and digital services are driving social and financial inclusion in ways that were never possible before.

Mobile payments have proved popular in these emerging markets, where a large part of the population does not have credit cards or bank accounts. In order to capitalise on this trend, our associates now offer a range of banking and financial services to support their customers' needs. In India, Airtel became the first entity to receive a payments bank licence from the Reserve Bank of India. In January 2017, it launched Airtel Payments Bank to offer banking services across the country, with 250,000 Airtel retail outlets doubling as banking points and a network of over 1 million merchants accepting digital payments.

In the Philippines, Globe's wholly owned subsidiary, Mynt, has partnered Ant Financial Services Group, one of the world's leading digital financial services providers, to accelerate financial inclusion and upgrade payments services in the Philippines. This includes the use of GCash, a micropayment service, to top up pre-paid balances, pay bills, send money, make donations, shop online and purchase goods without the use of cash. By leveraging the power of mobile and digital technology, Mynt has been able to pioneer initiatives that provide Filipinos with safe, secure and convenient financial services that were previously not available to them.

As mobile entertainment consumption continues to enjoy exponential growth, our associates are offering exclusive content to differentiate themselves. In the Philippines, Globe created Globe Studios and Globe Live, which are revolutionising the entertainment landscape in the Philippines with the production of original shows from top film directors and world-class live entertainment events. In another first for Globe, it partnered Netflix to offer customers access to a wide range of TV shows and movies via their mobile or broadband service. In Thailand, AIS signed exclusive deals with HBO and NBA to offer content to customers over the AIS Play mobile app, and AIS Playbox service for the latter. AIS also acquired the rights to 21 Fox channels on AIS Play and Playbox to further strengthen their suite of content offerings. In Indonesia, Telkomsel launched VideoMAX, a service which gives customers access to thousands of premium movies and TV series on demand from HOOQ and Viu, directly on their smartphones and tablets.

With more customers spending longer hours on their smartphones each day, our associates are also finding innovative ways to engage their customers by positioning their mobile apps as lifestyle tools. In India, Airtel re-launched its My Airtel App to offer customers 2GB of free cloud storage to store their data, and a dialler to manage their calls. Globe's Switch and Telkomsel's LOOPkita apps come with data management features to improve the data experience for first-time users by allowing them to control their usage. Each app also serves as a convenient channel for customers to recharge their prepaid balance, upgrade their subscription plans and discover new content or data services.

Globe has launched Gie, a virtual assistant available over Viber and Facebook Messenger, to enable one-on-one conversations with customers. Since its launch, employee productivity has increased threefold, along with a 50% reduction in calls to Globe's call centres.

Group Consumer
Regional Associates

What the media said

"Singtel's Intouch, Bharti Telecom deals promise long-term benefits" – Amit Choudhury, The Business Times

INVESTING IN SPECTRUM AND FUTURE-READY NETWORKS

To meet the growing demand for faster and more reliable data services, our associates are boosting their 3G and 4G network quality and capacity. Airtel India, AIS and Globe have acquired more spectrum to improve network coverage and user experience. In Thailand, AIS has expanded its coverage to 98% since the launch of 4G in 2016 and introduced VoLTE for crystal clear voice service. Airtel now has 4G coverage in all 22 circles in India, giving it the widest mobile broadband footprint in the country. In the Philippines, Globe has been expanding its 4G coverage and capacities, including the roll-out of 500 LTE700 sites while in Indonesia, Telkomsel has 22 million LTE subscribers as of March 2017.

ENHANCING GROUP COLLABORATION

Collaboration is key to our engagements with our associates, and in 2016, we deepened our relationships with Airtel and AIS through an acquisition of shares in Bharti Telecom and Intouch Holdings. We work together closely through the Centres of Excellence framework, which provides a platform to exchange ideas on innovations, product strategies and operational best practices. Some of the initiatives include our Regional CEO Forum, Product Innovation Fair, joint negotiation for devices and SIM cards, as well as our first regional video competition, "The 5-Min Video Challenge".

Content is a significant part of our Group's strategy to connect with our customers. "The 5-Min Video Challenge" represents our efforts to drive content creation and innovation across our markets by nurturing and giving talented film makers a platform for their creative vision, while giving our mobile subscriber base new original content. The inaugural competition attracted a rich variety of original content with close to 600 video submissions, and the shortlisted entries drew over 1 million views. We hope to work with the newly discovered talent and their ideas on future projects for the Group's mobile and video platforms, such as Globe Studios and AIS Play.

Our collaborative efforts in the region also extend to sharing a payment gateway for the Group – the Singtel Open Platform. The Singtel Open Platform is a common payment gateway for Singtel, Optus and our regional associates. This one-stop shop significantly reduces the integration effort and time for our business partners. Customers can also conveniently pay for services through direct carrier billing and mobile wallets.

What the media said

"Why five minutes? Because that reflects the current online video trend where short-form content dominates the mobile market. Users demand content that can be consumed on the go. The competition was designed to represent this change." – Chanon Wongsatayanont, The Nation

Simon Israel, Singtel Chairman (far left), Ririek Adriansyah, Telkomsel CEO (second from left), and Chua Sock Koong, Singtel Group CEO (right), presenting prizes to the grand winner of "The 5-Min Video Challenge", team Rotasi from Indonesia.

Group Enterprise

For most businesses today, a strong online presence is a prerequisite for success. Singtel provides enterprises with global connectivity 24/7 by harnessing the powers of our core ICT services while our focus on cyber security keeps out unwanted connections. We have also been expanding our cloud capabilities and devising smart city solutions to help government agencies and companies in their own digital transformation. Starting out small? You can still dream big with our raft of initiatives to encourage technology adoption and networking opportunities that cater to the needs of small and medium businesses.

LOW FANG LING

Sales Manager, Group Enterprise

Wei Chan, the CEO of Pine Garden, dreams of turning his family-run chain of cake shops into what he calls “new old-school bakeries”. After learning about the 99%SME programme, which helps small businesses to maximise their online potential, he placed promotions of his fresh cream cakes on its website and was pleased with the exposure. Fang Ling is encouraged by his experience, and eagerly shares with other SMEs the benefits of expanding their customer base by moving online and tapping into the power of e-commerce.

Group Enterprise

Today's enterprises and governments are adopting secure, high-speed unified communications, mobility and digital solutions to improve the way they operate and engage with their customers in the digital economy. Singtel is building successful partnerships with enterprises, large and small, to support their digital transformation through our core ICT services and strategic focus areas of cloud, cyber security and smart city solutions.

STRENGTHENING OUR CORE ICT CAPABILITIES

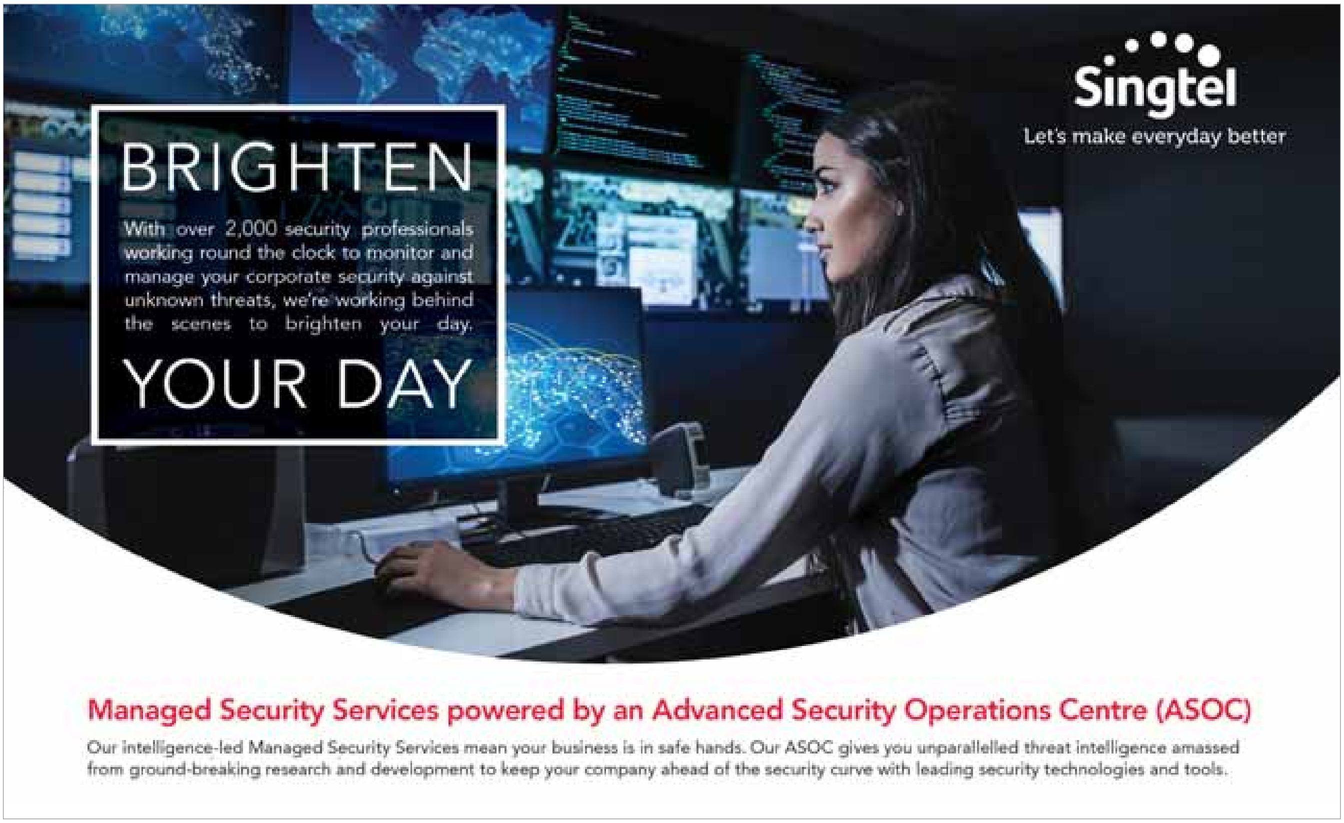
As ICT traffic grows, we continue to invest in building out and enhancing our networks to deliver seamless, high-speed global connectivity to our customers.

We expanded our global coverage to 370 points of presence in 325 cities across the world through a partnership with our regional associate, Airtel. The combined network is the largest Internet Protocol Virtual Private Network (IP VPN) in the Asia Pacific.

We are also leading a consortium to build a new 9,000-kilometre INDIGO submarine cable (formerly known as APX-West) linking Singapore, Jakarta (Indonesia), and Perth and Sydney (Australia). Once completed in mid-2019, it will expand data connectivity and capacity between Singapore and Australia, providing network redundancy and low latency. This will allow us to meet the growing demand for bandwidth-intensive applications such as unified communications and enterprise data exchange.

EXPANDING OUR CLOUD SERVICES

The demand for cloud services is steadily growing as enterprises seek to transform their business processes and models for the speed, agility and efficiency that they need in today's digital economy.



What the media said

"Over the past few years, Singtel has also been very shrewd in investing in a bunch of cyber security companies, the latest being Trustwave, and making alliances with others. This has already had a positive impact on its Group Enterprise business and this impact will only grow." – Amit Choudhury, The Business Times

We added a suite of hybrid cloud solutions, including the Data Centre and Cloud Connect (DC Connect) service, to cater to enterprises requiring both the easy scalability afforded by the public cloud, and the improved security and control of a private cloud. With DC Connect, enterprises can easily access and seamlessly move their workloads between multiple data centres and various cloud services through a single connection. This enables them to build a hybrid cloud environment where they can shift the mix between public and private clouds according to their business priorities.

BOLSTERING OUR CYBER SECURITY EXPERTISE

As enterprises and governments transform themselves in the digital space, they also need to protect themselves against cyber threats which are growing in frequency and sophistication.

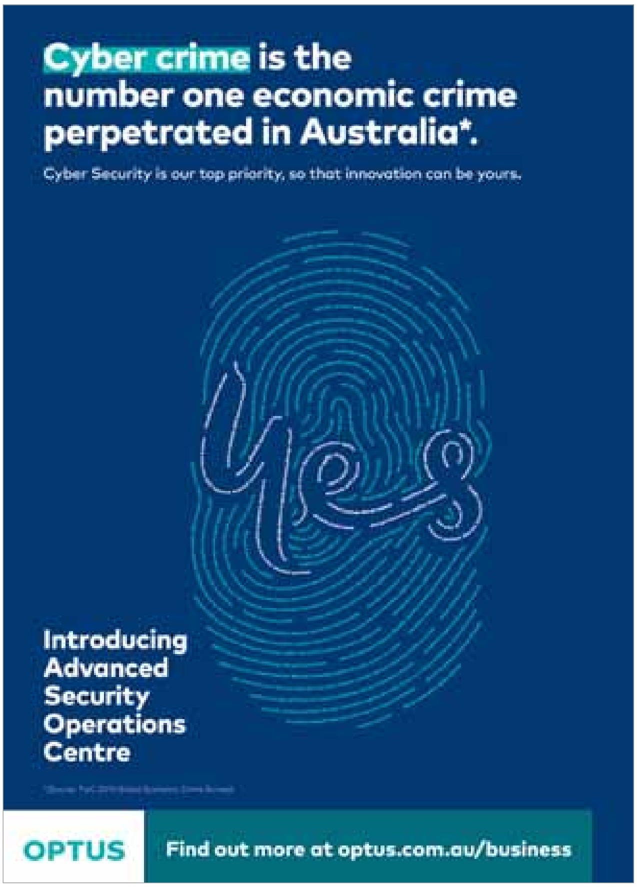
In the past year, we focused on developing a comprehensive cyber ecosystem by strengthening our cyber expertise and expanding our global cyber network.

We established the NUS-Singtel Cyber Security R&D Lab with the National University of Singapore. This collaboration allows us to conduct research into next-generation cyber security technologies which are based on data analytics, machine learning for automatic detection of cyber attacks, and tamper-proof encryption techniques over the next five years. The facility, which is supported by the National Research Foundation, will train 120 new cyber security R&D

Group Enterprise

professionals from undergraduate to postdoctoral level. It will also develop intellectual property that can be commercialised through our global network of product engineering and development centres.

We launched the Optus Advanced Security Operations Centre (ASOC) in Sydney, Australia, and we will soon operate a new ASOC in Tokyo, Japan. The two centres add to our existing global network of seven ASOCs which monitor cyber threats round the clock, help enterprises build cyber resilience and protect their critical infrastructure. Trustwave, our cyber security arm, provides managed security services, including comprehensive threat intelligence, threat data analytics, and advanced security automation for incident response, backed by its elite SpiderLabs team. We also partnered our regional associate Globe to provide managed security services in the Philippines. The services will be delivered through Globe's ASOC in Manila, which will be powered by Trustwave.



We set up the Singtel Cyber Security Institute in Singapore. Our advanced cyber range and educational institute is the first of its kind in the region to provide holistic training for company boards, management, and technology and operations personnel to deal with cyber attacks.

ENABLING THE SMART CITY VISION

As cities grow, city planners increasingly recognise that cities need to be smart and sustainable to overcome the attendant environmental, economic and social challenges. They rely on smart technology solutions for the efficient and effective delivery of public services, better traffic management, and a safer home and living environment.

In Singapore, we support the country's vision of becoming the world's first Smart Nation by 2025 with our advanced capabilities in smart city operating platforms, data analytics and agile application development. These capabilities are being deployed in a number of

What the media said

"In the last two years, Singtel has accelerated efforts to grow the business – securing partnerships with global big names, and launching new facilities in cyber security. It is approaching the field of cyber security in trailblazer fashion."
– Jacquelyn Cheok, The Business Times

What the media said

"SMEs in Singapore are getting a little digital love from DBS Bank and major telco Singtel ... they're launching a bunch of resources meant to help small businesses with e-commerce and cashless payments." – Michael Tegos, TechInAsia

areas, including urban infrastructure, transport, healthcare and public safety.

Following our winning bid in early 2016 to deliver a next-generation Electronic Road Pricing system for the Land Transport Authority, we scored a significant contract with the Housing & Development Board (HDB) to develop a blueprint for smart HDB towns of the future under the Smart Urban Habitat Masterplan, and a Smart Hub intelligent analytics and data platform. With more than 80% of Singapore's population living in public housing, this will help the HDB to enhance the planning, design and management of public housing estates, to create a more conducive and sustainable urban environment.

In Australia, we are rolling out smart retail WiFi services at Vicinity Centres' 81 shopping centres and six corporate offices, as well as property group Mirvac's flagship shopping centres. More than 120 major malls now use these services to deliver personalised content and improve the shopping experience for their customers.

EQUIPPING SMEs IN THE DIGITAL ECONOMY

Small and medium enterprises (SMEs) are the bedrock of the Singapore economy, accounting for 99% of all registered businesses. To help SMEs evolve and connect with increasingly digital-savvy consumers, we launched 99%SME in 2015, a five-year campaign to spur the adoption of digital technologies. Digitalisation will enable SMEs to increase productivity, reduce staff workload, improve customer experience and reach new customers.

The second year of the campaign focused on encouraging SMEs to adopt e-commerce and cashless solutions. More than 2,500 SMEs signed up in 2016, up from 1,670 in 2015. The campaign rallied consumers across Singapore to buy SME products and services through year-round promotions on the dedicated 99%SME website and shop at participating stores during a 10-day 99%SME Week.

We partnered online shopping website Lazada Singapore to launch a 99%SME e-marketplace, which provides SMEs with an online marketing platform to reach a wider audience. We also collaborated with two polytechnics in Singapore – Nanyang Polytechnic and Singapore Polytechnic – to train SMEs in the retail and food and beverage sectors to use tools and resources to get online, establish e-commerce capabilities and to market themselves more effectively.

The CEO Conversation

BILL CHANG
CEO, GROUP ENTERPRISE

Why cyber security is a must-have

With cyber attacks on the rise, what can companies do to protect themselves and their assets? We talk to Group Enterprise CEO Bill Chang about overcoming today's security challenges.

Incidents of cyber attacks are well-reported, but far less is known about how companies can defend themselves. What should they be doing?

Bill: Almost every day, the media uncovers a new massive data breach or cyber security incident. Most cyber attacks involve cross-border criminal activities and can take place anytime. So it's really a question of when a cyber breach will occur, not if.

While everyone accepts this, many companies still don't quite know where to start in terms of protecting themselves and are simply not doing enough. In fact, many are still leaving cyber security to their technical staff. We believe leadership from the top is essential. Everyone needs to know what the risks are and what they should do to manage risk effectively. A lot is at stake here. Cyber breaches can affect operations, cause the loss of intellectual property or market-sensitive information, reputation and even enterprise value.

How should company leaders get involved?

Bill: For starters, board members have to work closely with top management to understand the value of the company's data, the associated risks and impact of losing key data within their overall enterprise risk management framework. They also need to understand how their data is being protected and who has access to it. This way, they can make accurate cyber risk assessments and implement appropriate defence strategies.

Next, they should assess cyber security capabilities within the company to ensure there is enough bench strength to mitigate the cyber risks. The reality is few boards and management have such expertise.

Are there training sessions that can help build up such expertise?

Bill: Yes. Company leaders need to invest in training in areas such as risk assessment and mitigation. They also need training in crisis management and communications, which are crucial in today's world of instant news and active social media.

But classroom training can only do so much. You need highly realistic simulations where board members, C-suites and technical staff are made to work together to manage

"Everyone needs to know what the risks are and what they should do to manage risk effectively. A lot is at stake here. Cyber breaches can affect operations, cause the loss of intellectual property or market-sensitive information, reputation and even enterprise value."

BILL CHANG
CEO, GROUP ENTERPRISE

a cyber incident. This is the true test of a company's cyber preparedness. We've been conducting such simulations at the Singtel Cyber Security Institute, which was set up to educate and train companies to better handle cyber breach incidents.

How do they foster cyber security awareness among their staff too?

Bill: Cyber resilience requires active participation by all members of staff. Company directors and top management need to create a culture of cyber preparedness and sound security practices. Given how quickly cyber threats evolve, they also need to regularly review and update their cyber defence strategies across all levels of their operations. This means ensuring adequate funding and resources to support such strategies.

Top management should also examine their organisations' supply chain, to assess the cyber risk posed by their contractors and suppliers. The negligence and lapses of supply chains have been known to contribute to serious breaches as well.

What about companies that lack the resources to focus on cyber capabilities?

Bill: With cyber threats increasing in frequency, scale and sophistication, the reality is no single company or country can address these cyber threats alone. Many companies also lack the manpower to maintain an effective 24/7 cyber defence. The good news is, they can tap on the resources and capabilities of credible managed security services providers (MSSPs) that are global, have highly-trained cyber security professionals and offer real-time intelligence on cyber threats.

MSSPs themselves collaborate with global providers of cyber security technology solutions. This gives companies the convenience of dealing with only one party instead of multiple providers, each offering its solution to only one particular form of cyber threat.

This trend of engaging MSSPs has already caught on globally. We have seen more and more companies taking up partnerships with cyber security firms to install, monitor and maintain their cyber defence systems. Singtel's cyber security arm, Trustwave, has reported that the number of companies worldwide that are partnering MSSPs has risen from 24% in 2015 to 33% in 2017.

What other services can managed security services providers provide companies with?

Bill: Our cyber security solutions and services cover everything a company needs before, during and after a cyber breach. Managed advanced threat prevention and threat protection for a comprehensive range of endpoint devices and DDoS protection are just some of the solutions we offer. Our services include cyber security readiness assessment, vulnerability and penetration testing, incident response and forensic investigation.

The cyber security industry as a whole is facing a shortage of trained professionals. What can companies do if they need staff in this area?

Bill: It's true that there is a severe shortage of trained cyber security professionals around the world, not just in Singapore. Some ways to address this is to retrain mid-career IT staff in cyber security, or partner institutions of higher learning to sponsor students in cyber security studies. They can also provide internship opportunities.

But the grooming process takes time. Singtel has been working closely with various government agencies and educational institutions to boost our force of more than 2,000 cyber security professionals globally.

We also launched the NUS-Singtel Cyber Security R&D Lab last year to conduct research on next-generation cyber security technologies, a facility that will no doubt be cultivating and attracting top security talent to Singapore.

Group Digital Life

Constant change in the data-driven digital space affects everything we do, from how we reach our customer base to how our movies are accessed. Thanks to Singtel's strides in the digital arena, help is at hand to make sense of the evolving landscape. Singtel provides marketers with industry-leading digital marketing services, brand insights and a global tech platform so they can plan more effective campaigns for their dollar. We are also a catalyst for innovation, thanks to special funds and programmes we created to celebrate new ideas and facilitate R&D in emerging technologies.

MONICA TSAI

Director, Singtel Innov8

When the chance came up to be a mentor for the Singtel Future Makers programme, Monica's hand shot up for the role. The programme was launched in 2016 to fuel tech innovation and collaboration on projects with social impact, and Monica knew that many start-ups could benefit from access to business workshops, partner network and funding. Through the programme, she met Aashish Mehta of tech start-up Medarwin, which designed an automated drying system for the elderly and the physically challenged to do their laundry easily.

Group Digital Life

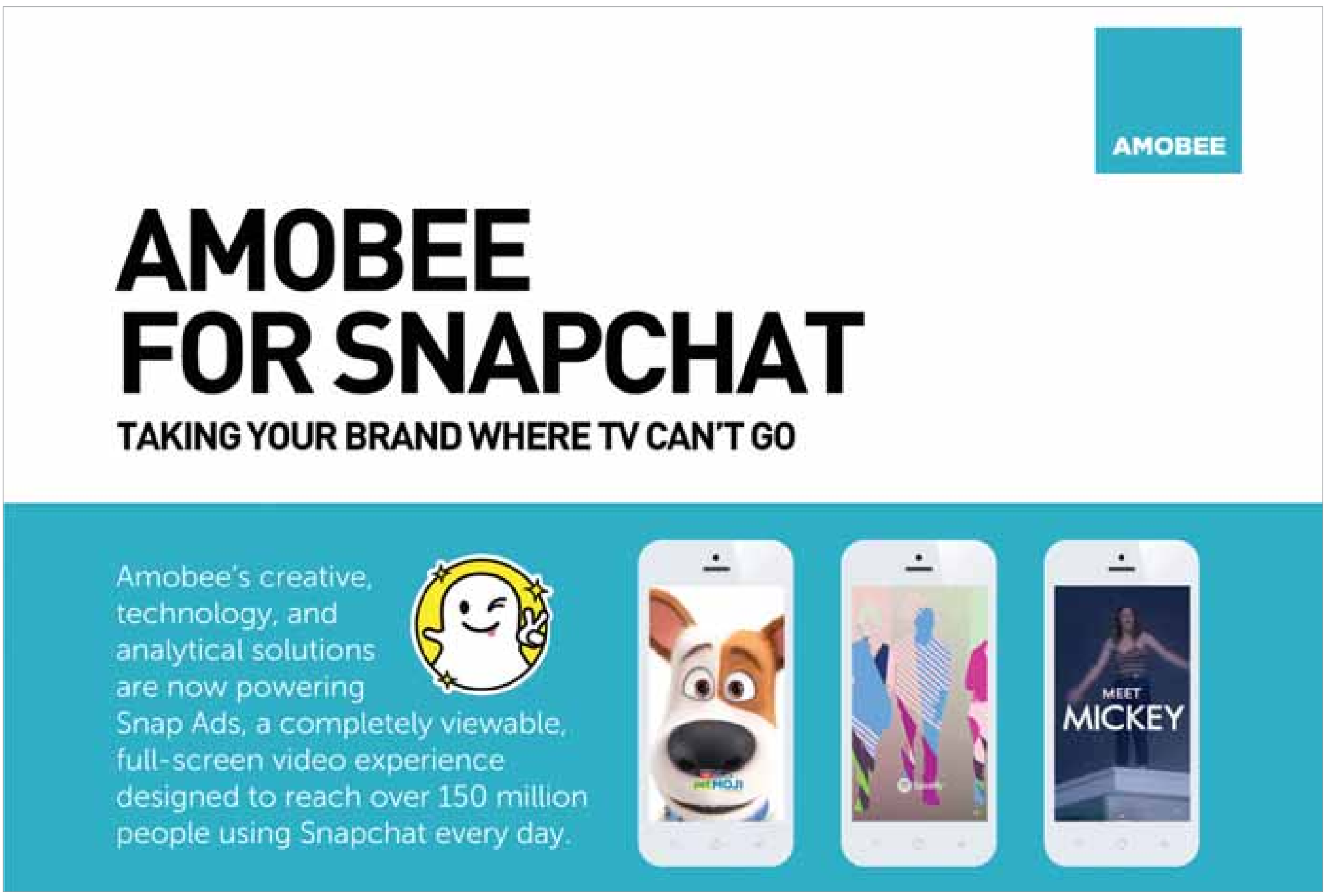
Singtel is capturing opportunities in the digital economy by leveraging our telco strengths in three focus areas: digital marketing, premium over-the-top (OTT) video, and advanced data analytics and intelligence. We also drive innovation through our corporate venture capital fund Singtel Innov8, which nurtures tech start-ups and emerging technologies and further fuels our digital expansion.

GROWING OUR DIGITAL MARKETING CAPABILITIES

The rapid increase in the number of digital channels, platforms and devices has changed the way we consume information, engage with brands and make decisions. This creates the need for solutions to make sense of it all for marketers too.

Amobee, our digital marketing arm, offers ways for companies to increase the efficiency and effectiveness of their advertising strategies across multiple, disparate and competing media platforms. The largest of Singtel's digital subsidiaries, Amobee, has been securing key global clients such as Airbnb, Dell EMC and Lexus.

To strengthen its technological edge in digital advertising, Amobee acquired Turn, a leading data management platform and multi-channel programmatic media buying platform, in the first half of 2017. Amobee now offers marketers an independent end-to-end advertising and data management



What the media said

"In the digital arena, Singtel has transformed itself into a communications powerhouse with the ability to successfully navigate a data-centric world. Its three-pronged focus on digital marketing through its Amobee unit, over-the-top video entertainment through its HOOQ mobile streaming service, as well as data analytics via its DataSpark unit, is complementary to its core and infocomms technology businesses." – Jennifer Tan, SGX Kopi-C

platform across all channels, formats and devices, access to proprietary Amobee Brand Intelligence insights to inform their creative development and media strategies, as well as advanced analytics and media planning capabilities.

Customers are thus empowered to plan and buy media for specific audiences in an integrated fashion, which optimises their advertising spend across the different platforms. The acquisition will solidify Amobee's position as a leading global digital marketing player and continued expansion in Asia Pacific.

Amobee also introduced innovative solutions across mobile, social and video. It launched Amobee Impact, an award-winning suite of mobile products that enables brands and agencies to engage customers by delivering immersive, full-sensory ad formats and feature-driven experiences. Amobee Video Everywhere delivers video campaigns across all channels and devices from one unified platform. Amobee Interactive Video dynamically creates and customises the digital video experience for each consumer, on every device, based on demographic, behavioural, weather, time and location data.

Amobee also extended its social media channels to include Snapchat, adding to its existing Ads API partnerships with Facebook, Instagram, Pinterest and Twitter.

Group Digital Life

This puts Amobee among an elite group of companies globally which have Ads API partnerships across all major social media platforms.

WIDENING OUR CONTENT OFFERINGS

With the continued proliferation of affordable mobile devices, more consumers across Asia are becoming connected and spending more time watching online video content whenever they want to.

HOOQ, Singtel's joint venture with Sony Pictures and Warner Bros. Entertainment, has steadily grown its subscriber base on the back of this soaring demand. The video streaming service is now available in five markets: Indonesia, India, the Philippines, Thailand and most recently, Singapore.

HOOQ offers affordable access to over 30,000 hours of the best of Hollywood and local content. A new app design with faster loading times, a better way to discover content, and other enhanced features was introduced last year.

With its aim of becoming the largest OTT provider in the Asia Pacific, HOOQ has been forging close collaborations with our regional associates and other partners, building the largest catalogue of kids content in Asia and making a deeper push into localisation. Significantly, it ventured into original, local content creation with the announcement of a full-length feature film, followed by a five-part mini-series of the critically acclaimed crime thriller movie On The Job in the Philippines. Both the feature film and mini-series will be available exclusively on the HOOQ platform in the second half of 2017. HOOQ has plans for original productions in Indonesia and Thailand too.

HOOQ also launched a new movie rental service which allows customers to catch Hollywood blockbusters such as Rogue One: A Star Wars

What the media said

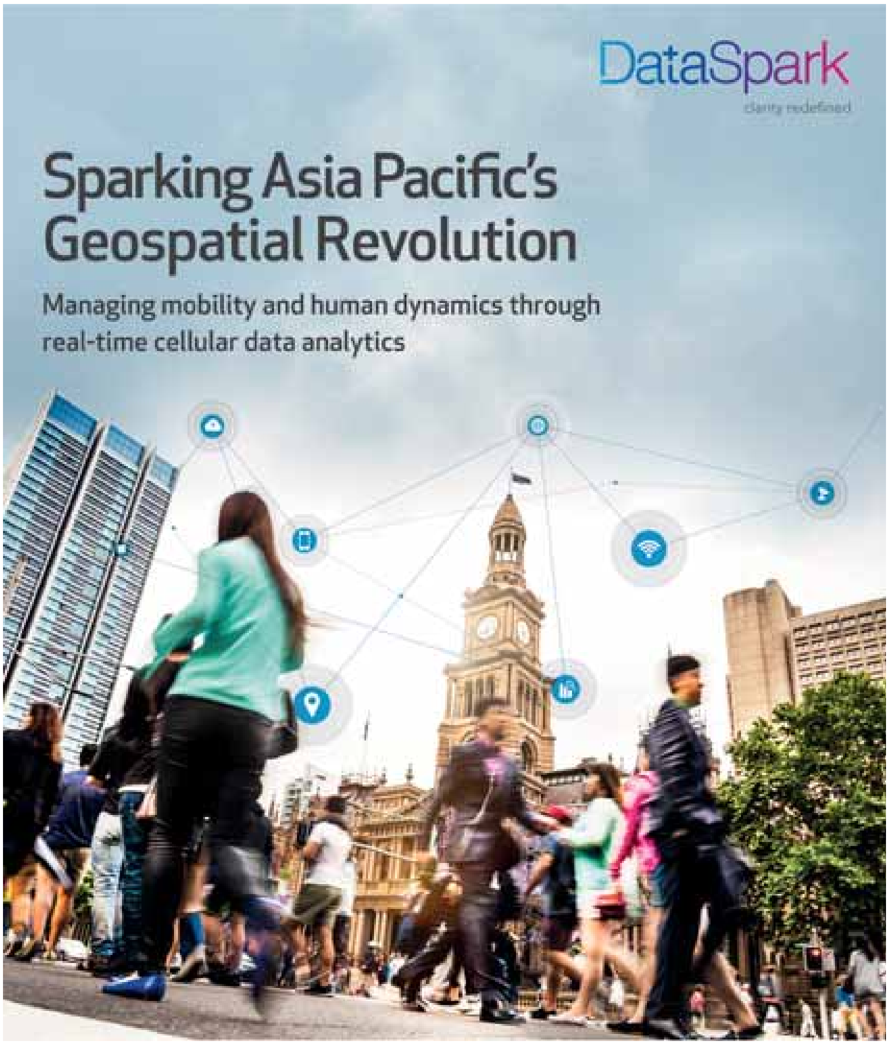
"With this continued rise in mobile phone usage, HOOQ rebuilds its app, and presents an interface that's been redesigned for a truly intuitive mobile experience." — Isah V. Red, Manila Standard

Story, Passengers and Arrival from major studios including Sony Pictures, Warner Bros. and Disney as soon as three months after theatrical release. This service is now available in the Philippines, India, Indonesia and Thailand. Additionally, existing customers in the Philippines, Indonesia and Thailand can also enjoy one free movie rental per month as part of their monthly subscription.

SCALING OUR DATA ANALYTICS BUSINESS

Location and mobility data is being used to transform how government agencies and businesses interact and deliver services to their citizens and customers.

With spatial elements present in about 80% of all enterprise data, more and more government agencies and business are tapping into the power of the geospatial analytics capabilities of DataSpark, our advanced analytics business. The useful insights generated from anonymised and aggregated data has drawn great interest from a broad range of industries, including real estate, financial services, marketing and digital, and it is deploying its products in markets beyond Singapore, including Australia, Indonesia, Thailand and the Philippines.



DataSpark continues to invest in deepening its technical capabilities to improve the availability, accuracy and latency of its location insights and expanding its range of mobility intelligence products and services. It has filed four more geoanalytics patents and started to make its mobility intelligence accessible via APIs and SDKs.

Upcoming plans include channel partnerships with other analytics companies to expand its product coverage and establish a stronger commercial presence in the region and Australia.

DRIVING TECH INNOVATION

We focus relentlessly on innovation to drive growth.

Singtel Innov8, our corporate venture arm, connects with innovation hubs globally for new ideas, technology, products and services and introduces startups with great vision, technology, and execution ability to the Group.

Since its establishment in 2010, Innov8 has invested in over 65 companies globally in various verticals including cyber security, digital marketing, mobile video and big data. In addition, Innov8 has been supporting local Singapore startups including Shopback, an online cashback rewards platform, and Carro, Southeast Asia's largest car marketplace. Innov8 has also had a number of successful exits from its portfolio companies, the latest of which was Tubemogul which was acquired by Adobe last year.

Eyeing the global digital marketing pie

Digital marketing is seeing good growth as marketers shift advertising online to reach consumers with increasingly digital lifestyles. Group Digital Life CEO Samba Natarajan shines a light on current digital marketing trends and how Amobee is poised to help marketers navigate the rapidly changing landscape.

How has the digital marketing landscape been evolving in recent years?

Samba: Digital advertising as we know it is very different from a few years ago. Mobile devices have become pervasive and that has changed the way we consume information and interact. Consumers like you and I constantly switch between several connected devices daily to do things. It has become second nature to start off on one device, such as picking up your smartphone to get information on a product, then continue to another to make a purchase. So marketers have to think differently about how they engage customers with multiple devices.

How have marketers responded to these changes in consumer behaviour?

Samba: I've seen many marketers start to adopt an omni-channel and multi-screen approach to advertising, unlike the single channel and screen approach that they've been accustomed to. They're also increasingly using programmatic ad buying instead of negotiated ad buying. What we refer to as "programmatic" is the automated process of purchasing and running digital ad campaigns, mainly in real-time. It helps marketers to reach the right audience with the right message at the right time and in the right place. That's why programmatic is the future of advertising.

When it comes to mobile advertising, I expect it to continue to grow rapidly as consumers increasingly shift their time online to mobile devices. But it is video in particular that will grow faster than any other format over the next few years. This will be driven by a robust demand for mobile video as social platforms become video-centric.

These changes to the advertising ecosystem sound complex. What can marketers do to better navigate the challenges?

Samba: You're right to say that the digital advertising ecosystem is going to continue to get more complex, especially with the ever-growing number of devices, apps, ad formats and media channels. Marketers are already grappling with disparate systems and budgets across different platforms, and trying to figure out how it all adds

"No matter the channel, marketers want to know how and where their budgets are spent, and how to do so most effectively. Amobee will continue to be that trusted adviser to marketers, helping them make sense of data to better understand and reach their customers, and enhance the way they engage them, on a global scale."

SAMBA NATARAJAN
CEO, GROUP DIGITAL LIFE

up. Few can manage it in-house because they lack the capabilities and talent.

What they really need are experts who can serve as consultant, strategist, media buyer and trader all rolled into one, to distil this complicated landscape and help them innovate and execute campaigns and react to the data in real-time. This is the value that Amobee can bring to marketers. Amobee, which is Singtel's global digital marketing arm, can empower customers to make unbiased, data-driven decisions, and achieve a better ROI across the entire internet and all media.

How exactly does Amobee ensure that ad campaigns reach the right customers?

Samba: As consumers switch between devices, they expect their information searches and viewing experiences to keep up with them. They also want advertising that is personally relevant – the right ad at the right time and place. Data enables marketers to make connections between the channels and provide these personalised experiences to consumers. With this data, Chief Marketing Officers can gain a much deeper understanding of real time and historical consumer sentiment, media behaviour, brand associations and competitive insights, all of which are used to inform everything from strategy to media buying, creative and content development and delivery of digital advertising for brands.

What was the most significant development for Amobee customers in the past year?

Samba: Earlier this year, Amobee acquired Turn, a global technology platform. This is an exciting, strategic investment for us and we believe it will help marketers solve the challenges they face and bring greater benefits.

This acquisition strengthens Amobee's existing programmatic and data management capabilities in the rapidly evolving market of digital advertising and accelerates its growth into a significant global digital marketing player. Amobee now offers customers an independent end-to-end advertising and data management platform across all programmatic channels, formats and devices. And this is over and above proprietary Amobee Brand Intelligence insights, as well as advanced analytics and media planning capabilities. Experienced marketers will know that there are few independent buy-side platforms in the world that provide such a comprehensive range of capabilities.

What this means for marketers is that they now have access to more resources and technical capabilities, deeper consumer insights and media strategy, and all the benefits of a unified buying platform with expert strategists for support. More importantly, they can think about buying ad media holistically instead of in silos.

What lies ahead for digital marketing and Amobee in the next three years?

Samba: Our priority is for Amobee to continue to innovate and grow its presence across channels and expand into the Asia Pacific, where the Singtel Group reaches some 640 million customers across 22 countries. One of Amobee's strongest strategic assets is the independence and objectivity that comes with not owning media, and this significantly differentiates it from the competition. No matter the channel, marketers want to know how and where their budgets are spent, and how to do so most effectively. Amobee will continue to be that trusted adviser to marketers, helping them make sense of data to better understand and reach their customers, and enhance the way they engage them, on a global scale.

Key Awards and Accolades

BUSINESS EXCELLENCE

SINGTEL

2016 FROST & SULLIVAN ASIA PACIFIC ICT AWARDS
- Telecom Group of the Year
- Telco Cloud Service Provider of the Year

2016 FROST & SULLIVAN SINGAPORE EXCELLENCE AWARDS
- Fixed Broadband Service Provider of the Year
- Managed Security Service Provider of the Year

2016 SINGAPORE MEDIA AWARDS
- Best Use of Media

ASIA COMMUNICATION AWARDS 2016
- Best Customer Care: Business
- Satellite Operator of the Year

CCAM NATIONAL CONTACT CENTRE AWARDS 2016
- Best Recruitment & Retention Programme – Gold

CCAS INTERNATIONAL CONTACT CENTRE AWARDS 2016
- Best Contact Centre Trainer of the Year – Gold
- Innovative Productivity Solution in a Contact Centre (Predictive Routing) – Gold
- Innovative Productivity Solution in a Contact Centre (Visual IVR) – Gold

CREATIVE CIRCLE AWARDS 2016
- Best Cinematography (Singtel Data ExStream)
- Social/Viral Video Category – Winner (Singtel Data ExStream)
- Best in Mobile (Singtel Firecracker)
- Mobile Websites Category – Winner (Singtel Firecracker)

COMPUTERWORLD HONG KONG AWARDS 2016
- Global WAN Connectivity Services Provider

COMPUTERWORLD SINGAPORE CUSTOMER CARE AWARDS
- Telecommunication Services (2008 – 2016)
- VOIP/IP Telephony Systems (2015 – 2016)

GLOBAL CARRIER AWARDS 2016
- Project of the Year – Subsea Networks (SEA-ME-WE 5)

HALL OF FAME AWARDS 2016
- Mobile Marketing Campaign of the Year – Gold (Singtel Firecracker)

HWM + HARDWAREZONE.COM TECH AWARDS 2017
- Best Telco (Singapore)
- Best Fibre Broadband Service Provider (Singapore)

NETWORKWORLD ASIA INFORMATION MANAGEMENT AWARDS
- Disaster Recovery & Business Continuity (2014 – 2016)
- Security-as-a-Service (2012 – 2016)

NETWORKWORLD ASIA READERS' CHOICE PRODUCT EXCELLENCE AWARDS
- Managed Infrastructure Services (2012 – 2016)

NXT AWARDS 2016
- Readers' Choice 'Broadband ISP of the Year 2016'

PROCESS EXCELLENCE AWARDS 2017
- Best Business Transformation Project – Winner
- Best Project Contributing to Customer Excellence – Winner
- Best Technology Enabled Process Improvement – Honorary Mention
- Best Project Under 90 Days – Honorary Mention
- Best Operational Excellence Programme Over Two Years – Honorary Mention

PROMAXBDA ASIA AWARDS 2016
- Best Use of Design – Gold
- Best Movie Promo and Best Sports Campaign – Silver

WORLD COMMUNICATION AWARDS 2016
- Best Enterprise Service – ConnectPlus SD-WAN

OPTUS

2016 ACOMM AWARDS
- Best Mobile Solutions
- Vendor Innovation (Large Company)

AUSTRALIAN OLYMPIC COMMITTEE INSPIRATION AWARDS 2016
- Gold Inspiration Award for Excellence in Olympic Marketing

PEX NETWORK GLOBAL AWARDS 2017
- Best Project Contributing to Customer Excellence – Honorary Mention

NCS

COMPUTERWORLD SINGAPORE CUSTOMER CARE AWARDS
- Systems Integration (2014 – 2016)

KNOWLEDGE READY ORGANISATION AWARD 2016

MOB-EX AWARDS 2017
- Best Campaign (Informative Use of Mobile) – Silver (BETTER mobile app)
- Best Campaign (Direct Response) – Silver (BETTER mobile app)

AMOBEE

2016 IMEDIA ASPY AWARDS
- Best Industry Innovation – Amobee Brand Intelligence

2016 MEDIAPOST OMMA AWARDS
- Programmatic Creative – Lexus Performance Mobile 3D Campaign

FORTUNE MAGAZINE TOP 10 WORKPLACES IN ADVERTISING & MARKETING

IMA IMPACT 16 AWARDS
- Best Analytics and Measurement Technology – Amobee Brand Intelligence

HOOQ

2016 TRANSFORM AWARDS ASIA PACIFIC
- Best Visual Identity (Technology, Media and Telecommunications) – Gold

DBA DESIGN EFFECTIVENESS AWARDS 2017
- Media Category – Silver

REGIONAL ASSOCIATES

AIRTEL

BRAND EQUITY'S MOST TRUSTED BRANDS 2016
- No. 1 Service Brand in India
- 3rd Most-Trusted Brand in India

GOLDEN PEACOCK AWARD 2016
- Excellence in Corporate Governance

CORPORATE TREASURER AWARDS 2016
- Best Hedging Strategy

AIS

IAA AWARDS 2016
- CEO Excellence Award

BEST EMPLOYEE THAILAND AWARDS 2016
- Best of the Best Employer Award

THAILAND'S TOP CORPORATE BRANDS 2016
- Telecom Sector

GLOBE

2016 FROST & SULLIVAN ASIA PACIFIC ICT AWARDS
- Telecom Service Provider of the Year

2016 FROST & SULLIVAN PHILIPPINES EXCELLENCE AWARDS
- Mobile Service Provider of the Year
- Telecom Service Provider of the Year

FINANCEASIA ASIA'S BEST COMPANIES 2016
- Most Committed to Corporate Governance
- Best in Investor Relations
- Best CEO – Ernest Cu

TELKOMSEL

2016 FROST & SULLIVAN ASIA PACIFIC ICT AWARDS
- Mobile Service Provider of the Year

2016 FROST & SULLIVAN INDONESIA EXCELLENCE AWARDS
- m-money Service Provider of the Year
- Mobile Service Provider of the Year

WORLD COMMUNICATION AWARDS 2016
- CEO of the Year – Ririek Adriansyah

CORPORATE CITIZENSHIP

SINGTEL

2017 ASIA-PACIFIC STEVIE AWARDS
- Innovation in Annual Reports – Gold

ASIA CORPORATE EXCELLENCE & SUSTAINABILITY AWARDS 2016
- Top CSR Advocates in Asia

ASIAMONEY BEST MANAGED COMPANY POLL 2016
- Best Managed Large Cap Company in Singapore

ASIA SUSTAINABILITY REPORTING AWARDS 2016
- Asia's Best Community Reporting

CDP 2016

COMMUNITY CHEST AWARDS 2016
- Corporate Platinum Award
- SHARE Corporate Gold Award
- Special Events Platinum Award

EUROMONEY BEST MANAGED COMPANIES SURVEY 2016
- Best Overall Managed Company in Singapore

FINANCEASIA ASIA'S BEST COMPANIES POLL 2016
- Best Managed Company in Singapore

FTSE4GOOD INDEX

GLOBAL 100 MOST SUSTAINABLE CORPORATIONS 2017
- Ranked 52nd globally

GOVERNANCE AND TRANSPARENCY INDEX 2016
- 1st in Singapore

HR EXCELLENCE AWARDS 2016
- Graduate Recruitment & Development – Gold
- Compensation & Benefits Strategy – Gold
- Employee Engagement – Gold
- Leadership Development – Gold
- Talent Management – Gold
- Innovative Use of HR Technology – Bronze

IR MAGAZINE AWARDS – SOUTH EAST ASIA 2016
- Best in Country: Singapore

NEWSWEEK GLOBAL 500 COMPANIES GREEN RANKINGS 2016
- Ranked 141st globally (1st in Singapore)

SGX SUSTAINABILITY LEADERS INDEX

SIAS INVESTORS' CHOICE AWARDS 2016
- Diversity Award
- Hall of Fame, Most Transparent Company Award

SINGAPORE APEX CORPORATE SUSTAINABILITY AWARDS 2016
- Sustainable Business (Large Organisation) – Apex Winner

SINGAPORE CORPORATE AWARDS 2016
- Best Managed Board Award (Companies with S$1 billion and above in market capitalisation) – Gold

SINGAPORE HR AWARDS 2016
- Leading HR Practices in:
  - Performance Management
  - Learning and Development
  - Talent Management, Retention & Succession Planning
  - Compensation & Rewards Management

WORLD'S MOST ETHICAL COMPANIES
- Honoree (2011 – 2017)

OPTUS

2016 MENTAL HEALTH MATTERS AWARDS
- Mental Health Promoting Workplace

AHRI AWARDS 2016
- AHRI Award for Talent Management

LEARNX IMPACT AWARDS 2016
- Best Learning Project (eLearning on a Budget) – Platinum
- Best Learning Project (Wellbeing) – Platinum

Governance and Sustainability Philosophy

Singtel is committed to the highest levels of corporate governance in all that we do. Our emphasis on responsible business practices, transparency and integrity cuts across all levels of the organisation. We aim for what is strategically, financially and operationally sustainable while protecting our environment and contributing back to the communities in which we operate. We strive to be an employer of choice, and encourage our staff to initiate and take part in programmes and activities that help the community. The foundation of these practices is the firm belief that good corporate governance fuels sustainable, long-term growth for our business and value creation for our stakeholders.

EDMUND QUEK HAN YEOW

Singtel Radio Network Quality, Director

What started off as a typical photo assignment at an elderly home 16 years ago, quickly became a lifelong mission for Edmund. As the then fresh graduate captured the different faces of the elderly, he was touched by their sheer joy and gratitude. That first encounter inspired him to later found the All Saints Volunteer Group which befriends the elderly at All Saints Homes.

Corporate Governance

OUR GOVERNANCE FRAMEWORK

CHAIRMAN
SIMON ISRAEL

Key Objective
Responsible for leadership of the Board and for creating conditions for overall Board, Board Committee and individual Director effectiveness

THE BOARD OF SINGTEL
9 DIRECTORS:
6 independent Directors and 3 non-independent Directors

Key Objective
To create value for shareholders and to ensure the long-term success of the Group

AUDIT COMMITTEE

CHAIRMAN
BOBBY CHIN

3 independent Directors and 1 non-independent Director

Key Objective
Assist the Board in discharging its statutory and other responsibilities relating to internal controls, financial and accounting matters, compliance, and business and financial risk management

CORPORATE GOVERNANCE & NOMINATIONS COMMITTEE

CHAIRMAN
LOW CHECK KIAN

2 independent Directors and 1 non-independent Director

Key Objectives
Establish and review the profile of Board members; make recommendations to the Board on the appointment, re-nomination and retirement of Directors; review the independence of Directors; assist the Board in evaluating the performance of the Board, Board Committees and Directors; and develop and review the Company's corporate governance practices

EXECUTIVE RESOURCE & COMPENSATION COMMITTEE

CHAIRMAN
PETER MASON AM

2 independent Directors and 1 non-independent Director

Key Objectives
Oversee the remuneration of the Board and Senior Management, and set appropriate remuneration framework and policies, including long-term incentive schemes, to deliver annual and long-term performance of the Group

FINANCE & INVESTMENT COMMITTEE

CHAIRMAN
SIMON ISRAEL

2 independent Directors and 1 non-independent Director

Key Objectives
Provide advisory support on the development of the Group's overall strategy, review strategic issues, approve investments and divestments, review the Group's Investment and Treasury Policies, evaluate and approve financial offers and banking facilities, and manage the Group's liabilities

RISK COMMITTEE

CHAIRMAN
TEO SWEE LIAN

2 independent Directors and 1 non-independent Director

Key Objectives
Ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and determine the nature and extent of the material risks that the Board is willing to take in achieving the Group's strategic objectives

GROUP CHIEF EXECUTIVE OFFICER

CHUA SOCK KOONG

Key Objectives
Manage the Group's business and implement strategy and policy

MANAGEMENT COMMITTEE

Group CEO,
CEO Group Enterprise,
CEO Consumer Australia,
CEO Consumer Singapore,
CEO International,
CEO Group Digital Life,
Group Chief Corporate Officer,
Group CFO,
Group Chief Human Resources Officer,
Group Chief Information Officer, and
Group Chief Technology Officer

Key Objective
Direct Management on operational policies and activities

INTRODUCTION

Singtel aspires to the highest standards of corporate governance as we believe that good governance supports long-term value creation. To this end, Singtel has in place a set of well-defined policies and processes to enhance corporate performance and accountability, as well as protect the interests of stakeholders. The Board of Directors is responsible for Singtel's corporate governance standards and policies, and stresses their importance across the Group.

Singtel is listed on the Singapore Exchange Securities Trading Limited (SGX) and has complied in all material respects with the principles, guidelines and recommendations in the Singapore Code of Corporate Governance 2012 (Singapore Code). This report sets out Singtel's key corporate governance practices with reference to the Singapore Code.

Recognition of Singtel's commitment to best practices in corporate governance

Governance and Transparency Index 2016

#1

in Singapore

SIAS Investors' Choice Awards 2016

Diversity Award

Hall of Fame, Most Transparent Company Award

Singapore Corporate Awards 2016

Best Managed Board Award – Gold

(Companies with S$1 billion and above in market capitalisation)

DIRECTORS' ATTENDANCE AT BOARD/GENERAL MEETINGS DURING THE FINANCIAL YEAR ENDED 31 MARCH 2017 [1]

	Scheduled Board Meetings		Ad Hoc Board Meetings		Annual General Meeting
Name of Director	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	
Simon Israel	7	7	2	2	✓
Chua Sock Koong	7	7	2	2	✓
Bobby Chin [2]	7	7	2	1	✓
Venkataraman (Venky) Ganesan [3]	7	7	2	1	✓
Low Check Kian	7	7	2	2	✓
Peter Mason AM [4]	7	7	2	2	✓
Christina Ong	7	7	2	2	✓
Peter Ong [5]	7	7	2	–	✓
Teo Swee Lian	7	7	2	2	✓

Notes:

(1) Refers to meetings held/attended while each Director was in office.

(2) In line with the Board's Code of Conduct and Ethics, Mr Bobby Chin recused himself and did not participate in an ad hoc Board meeting relating to a transaction in respect of which he was deemed to be not independent.

(3) Mr Venky Ganesan was unable to attend an ad hoc Board meeting on short notice, however he communicated his views to the Group CEO prior to the meeting and his views were conveyed to the Board at the meeting.

(4) Member of the Order of Australia.

(5) In line with the Board's Code of Conduct and Ethics, Mr Peter Ong recused himself and did not participate in an ad hoc Board meeting relating to a transaction in respect of which he was deemed to be not independent. In relation to another ad hoc Board meeting, while Mr Ong was unable to attend the meeting on short notice, he communicated his views to the Group CEO prior to the meeting and his views were conveyed to the Board at the meeting.

Corporate Governance

BOARD MATTERS

The Board's Conduct of Affairs

The Board aims to create value for shareholders and ensure the long-term success of the Group by focusing on the development of the right strategy, business model, risk appetite, management, succession plan and compensation framework. It also seeks to align the interests of the Board and Management with that of shareholders and balance the interests of all stakeholders. In addition, the Board sets the tone for the entire organisation where ethics and values are concerned.

The Board oversees the business affairs of the Singtel Group. It assumes responsibility for the Group's overall strategic plans and performance objectives, financial plans and annual budget, key operational initiatives, major funding and investment proposals, financial performance reviews, compliance and accountability systems, and corporate governance practices. The Board also appoints the Group CEO, approves policies and guidelines on remuneration as well as the remuneration for the Board and Senior Management, and approves the appointment of Directors. In line with best practices in corporate governance, the Board also oversees the long-term succession planning for Senior Management.

Singtel has established financial authorisation and approval limits for operating and capital expenditure, the procurement of goods and services, and the acquisition and disposal of investments. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to the Board Committees and the Management Committee to optimise operational efficiency.

Material items that require Board approval include:

- The Group's strategic plans
- The Group's annual operating plan and budget
- Full-year, half-year and quarterly financial results
- Dividend policy and payout
- Issue of shares
- Board succession plans
- Succession plans for Senior Management, including appointment of, and compensation for, Group CEO, CEOs, Group Chief Corporate Officer and Group CFO
- Underlying principles of long-term incentive schemes for employees
- The Group's risk appetite and risk tolerance for different categories of risk, as well as risk strategy and the policies for management of material risks
- Acquisitions and disposals of investments exceeding certain material limits
- Capital expenditures exceeding certain material limits

Board meetings

The Board and Board Committees meet regularly to discuss strategy, operational matters and governance issues. All Board and Board Committee meetings are scheduled well in advance of each year in consultation with the Directors. At every scheduled meeting, the Board sets aside time for discussion without the presence of Management (except the executive Director). The non-executive Directors meet separately at least once a year without any executives present. The Board holds approximately seven scheduled meetings each year, and may also hold ad hoc meetings as and when warranted by particular circumstances. Nine Board meetings were held in the financial year ended 31 March 2017. Attendance at Board or Board Committee meetings via telephone or video conference is permitted by Singtel's Constitution.

Typically, at least one Board meeting a year is held overseas, in a country where the Group has a significant investment or has an interest in investing, or where Board members can be exposed to new technology relevant to the Group's growth strategy. On such occasions, the Board may meet with local business leaders and government officials so as to help Board members gain greater insight into such countries. The Board also meets Singtel's partners and key customers in those countries to develop stronger relationships with such partners and customers. Singtel also arranges for the Board to meet with experts in the technology/digital space to enhance their knowledge in new growth areas and enable the Board to make more informed decisions. Board meetings may include presentations by senior executives and external consultants/experts on strategic issues relating to specific business areas, as well as presentations by the Group's associates. This allows the Board to develop a good understanding of the Group's businesses and to promote active engagement with the Group's partners and key executives. For the financial year ended 31 March 2017, the Board held its annual strategy session with Senior Management in Silicon Valley, and also held a meeting at the Optus campus in Sydney, Australia.

A record of the Directors' attendance at Board meetings during the financial year ended 31 March 2017 is set out on page 64. Directors who are unable to attend a Board meeting are provided with the briefing materials and can discuss issues relating to the matters to be discussed at the Board meeting with the Chairman or the Group CEO.

Director development/training

The Board values ongoing professional development and recognises that it is important that all Directors receive regular training so as to be able to serve effectively on, and contribute to, the Board. The Board has therefore adopted a policy on continuous professional development for Directors.

All new Directors appointed to the Board are briefed by the Chairman, as well as the chairmen of the Board Committees on which they will serve, on issues relating to the Board and Board Committees. They are also briefed by senior management on the Group's business activities, strategic direction and policies, key business risks, the regulatory environment in which the Group operates and governance practices, as well as their statutory and other duties and responsibilities as Directors.

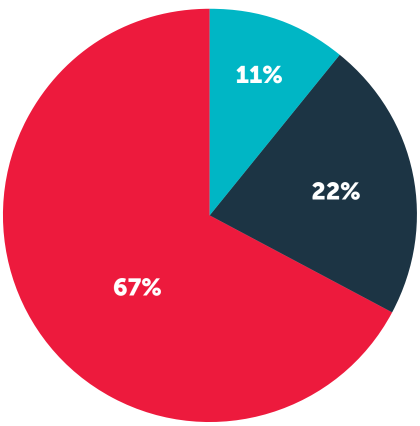
Upon appointment to the Board, each Director receives a Directors' Manual, which sets out the Director's duties and responsibilities and the Board governance policies and practices. The Directors' Manual is maintained by the Company Secretary. In line with best practices in corporate governance and the Singapore Code, new Directors also sign a letter of appointment from the Company stating clearly the role of the Board and non-executive Directors, the time commitment that the Director would be expected to allocate and other relevant matters.

To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment. Professional development may relate to a particular subject area, committee membership, or key developments in Singtel's environment, market or operations. Directors are encouraged to consult the Chairman if they consider that they personally, or the Board as a whole, would benefit from specific education or training regarding matters that fall within the responsibility of the Board or relate to the business of Singtel.

During the financial year ended 31 March 2017, the development/training programmes for Directors included the following:

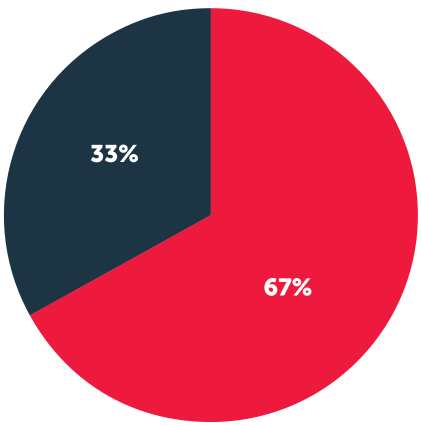
- The Directors participated in an annual offsite workshop in Silicon Valley with Senior Management to formulate and plan the Group's longer-term strategy, during which the Directors were briefed on developments in the markets in which the Group operates and were introduced to new technologies and advancements relevant to the Group. The Board also met with representatives from start-ups and tech companies there to keep updated on emerging trends and technologies relevant to the Group's business.
- The Board met with the management of Singtel's associate, Bharti Airtel, in India during which the Board was updated on Airtel's business and its operating environment.
- The Board visited the Optus campus in Sydney, Australia, and met with business leaders and key customers there. The Board also toured the Michael Crouch Innovation Centre at the University of New South Wales.
- The Board was updated on the Singapore Government's initiative on building a smart nation.
- Members of the Board attended forums and dialogues with experts and senior business leaders on issues facing boards and board practice.
- Briefings were provided by the Group's external auditor to Audit Committee members on new accounting standards.

BOARD COMPOSITION, DIVERSITY AND BALANCE



Independence

- Independent, non-executive directors
- Non-independent, non-executive directors
- Executive director / GCEO



Gender Diversity

- Male directors
- Female directors

Corporate Governance

The Board comprises nine Directors, six of whom are non-executive independent Directors, two of whom (including the Chairman) are non-executive non-independent Directors and one executive Director. The Board has appointed a Lead Independent Director. A summary of the role of the Lead Independent Director is set out on page 69. The profiles of the Directors are set out on pages 17 to 21.

The size and composition of the Board are reviewed from time to time by the Corporate Governance and Nominations Committee (CGNC). The CGNC seeks to ensure that the size of the Board is conducive to effective discussion and decision making, and that the Board has an appropriate number of independent Directors. The CGNC also aims to maintain a diversity of expertise, skills and attributes among the Directors. Any potential conflicts of interest are taken into consideration.

In order to ensure that Singtel continues to be able to meet the challenges and demands of the markets in which Singtel operates, the Board is focused on enhancing the diversity of skills, expertise and perspectives on the Board in a structured way by proactively mapping out Singtel's Board composition needs over the short and medium term (Board Progression Planning). This is an ongoing process facilitated by an independent consultant and is informed by a series of detailed interviews between the consultant and each member of the Board as well as key management members.

Board diversity

Singtel is committed to building a diverse, inclusive and collaborative culture. Singtel recognises and embraces the benefits of diversity on the Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development.

The Board's Diversity Policy provides that, in reviewing Board composition and succession planning, the CGNC will consider the benefits of all aspects of diversity, including diversity of skills, experience, background, gender, age, ethnicity and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are made based on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. Diversity is a key criterion in the instructions to external search consultants.

The Board is of the view that gender is an important aspect of diversity and will strive to ensure that (a) any brief to external search consultants to search for candidates for appointment to the Board will include a requirement to present female candidates, (b) female candidates are included for consideration by the CGNC whenever it seeks to identify a new Director for appointment to the Board, (c) the Board appoints at least one female Director to the CGNC, and (d) there is significant and appropriate female representation on the Board, recognising that the Board's needs will change over time taking into account the skills and experience of the Board.

Reflecting the focus of the Group's business in the region, three of Singtel's nine Directors are from, and have extensive experience in, jurisdictions outside Singapore, namely, the Chairman, Mr Simon Israel, and non-executive Directors, Messrs Venky Ganesan and Peter Mason AM. In relation to gender diversity, approximately 33% of the Singtel Board, or three out of the nine Board members, are female. Other than the Group CEO, none of the Directors is a former or current employee of the Company or its subsidiaries.

Independence

The Board, taking into account the views of the CGNC, assesses the independence of each Director annually in accordance with the guidance in the Singapore Code. A Director is considered independent if he has no relationship with the Group or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of Singtel.

The Board takes into account the existence of relationships or circumstances, including those identified by the Singapore Code, that are relevant in its determination as to whether a Director is independent. Such relationships or circumstances include the employment of a Director by the Company or any of its related corporations during the financial year in question or in any of the previous three financial years; the acceptance by a Director of any significant compensation from the Company or any of its related corporations for the provision of services during the financial year in question or the previous financial year, other than compensation for board service; and a Director being related to any organisation to which the Company or any of its subsidiaries made, or from which the Company or any of its subsidiaries received, significant payments or material services during the financial year in question or the previous financial year.

The CGNC and the Board have assessed the independence of each of the Directors in 2017. A summary of the outcome of that assessment is set out below.

Based on the declarations of independence provided by the Directors and taking into account the guidance in the Singapore Code, the Board has determined that Ms Chua Sock Koong, Singtel's Group CEO, Mr Simon Israel, Chairman of the Singtel Board, and Mr Peter Ong are the only non-independent Directors. All other members of the Board are considered to be independent Directors. In line with the Board's Code of Conduct and Ethics, each member of the CGNC and the Board recused himself or herself from the CGNC's and the Board's deliberations respectively on his or her own independence.

Mr Simon Israel is considered non-independent as he had previously been deemed non-independent by virtue of his previous roles as a non-executive director, and subsequently executive director, of Temasek Holdings (Private) Limited (Temasek). He stepped down from Temasek in June 2011. Temasek has an interest of approximately 52% in Singtel.

Mr Peter Ong is considered non-independent as he was the Permanent Secretary, Ministry of Finance until 30 April 2016. The Singapore Minister for Finance is the owner of Temasek.

Mr Bobby Chin is the chairman of the Housing and Development Board (HDB) and NTUC Fairprice Co-operative Limited (NTUC). HDB and NTUC purchase telecommunication and telecommunication-related services from the Singtel Group in the ordinary course of business. The Singtel Group also purchases services from NTUC in the ordinary course of business. Mr Chin's roles as chairman of HDB and NTUC are non-executive in nature and he is not involved in the day-to-day conduct of the business of those organisations. The services obtained from, and payments made by HDB and NTUC to, the Singtel Group are not material in the context of the Singtel Group, HDB or NTUC for the relevant period. The services obtained from, and payments made by the Singtel group to, NTUC are not material in the context of Singtel or NTUC for the relevant period.

The Board also noted that Mr Chin was appointed to the Board of Directors of Temasek on 10 June 2014 (note: Mr Chin was appointed to the Singtel Board on 1 May 2012). After due consideration, the Board continues to regard Mr Chin as independent as he does not represent Temasek on the Singtel Board and he is not accustomed or under an obligation whether formal or informal, to act in accordance with the directions, instructions or wishes of Temasek. As Mr Chin has demonstrated independence in character and judgement in the discharge of his responsibilities as a Director, the Board is satisfied that he will continue to exercise independent judgement and act in the best interests of Singtel and its security holders generally.

The Board noted that Mrs Christina Ong is a partner at Allen & Gledhill LLP (A&G) and a director of Eastern Development Private Limited (EDPL), which is wholly-owned by A&G. Although A&G provides legal services to, and receives fees from, the Singtel Group, and EDPL, in the ordinary course of its business, obtains telecommunication and telecommunication-related services from, and makes payments to, the Singtel Group, Mrs Ong has an interest of less than 10% in A&G. Mrs Ong is also a non-executive independent director of SIA Engineering Company Limited (SIAEC) (a subsidiary of Temasek), a member of the Singapore Tourism Board (STB) and a non-executive independent director of Oversea-Chinese Banking Corporation (OCBC). The SIAEC group, STB and the OCBC group purchase telecommunication and telecommunication-related services from the Singtel Group in the ordinary course of business. Mrs Ong's roles in SIAEC, STB and OCBC are non-executive in nature and she is not involved in the day-to-day conduct of the business of those organisations. The Board is of the view that the above relationships do not impair Mrs Ong's ability to act with independent judgement in the discharge of her responsibilities as a Director.

The Board noted that Mr Venky Ganesan is a director of BitSight Technologies, Inc (BitSight). Singtel's subsidiary, Singtel Innov8 Pte Ltd has an interest of less than 2% in BitSight. The investment in BitSight by Singtel Innov8 Pte Ltd was made independent of Mr Ganesan's association with Singtel. The Board is of the view that the above relationship does not impair Mr Ganesan's ability to act with independent judgement in the discharge of his responsibilities as a Director.

Under the Board's Code of Conduct and Ethics, Directors must avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict, with the interests of Singtel. The Code of Conduct and Ethics provides that where a Director has a conflict of interest, or it appears that he might have a conflict of interest, in relation to any matter, he should immediately declare his interest at a meeting of the Directors or send a written notice to the Company containing details of his interest and the conflict, and recuse himself from participating in any discussion and decision on the matter. Where relevant, the Directors have complied with the provisions of the Code of Conduct and Ethics, and such compliance has been duly recorded in the minutes of meeting.

The Chairman and the Group CEO

The Chairman of the Board is a non-executive appointment and is separate from the office of the Group CEO. The Chairman leads the Board and is responsible for ensuring the effectiveness of the Board and its governance processes, while the Group CEO is responsible for implementing the Group's strategies and policies, and for conducting the Group's business. The Chairman and the Group CEO are not related.

Role of the Chairman

The Chairman is responsible for leadership of the Board and is pivotal in creating the conditions for overall Board, Board Committee and individual Director effectiveness, both inside and outside the boardroom. This includes setting the agenda of the Board in consultation with the Directors and the Group CEO, and promoting active engagement and an open dialogue among the Directors, as well as between the Board and the Group CEO.

The Chairman ensures that the performance of the Board is evaluated regularly, and guides the development needs of the Board. The Chairman leads the evaluation of the Group CEO's performance and works with the Group CEO in overseeing talent management to ensure that robust succession plans are in place for the senior leadership team.

The Chairman works with the Board, the relevant Board Committees and Management to establish the boundaries of risk undertaken by the Group and ensure that governance systems and processes are in place and regularly evaluated.

Corporate Governance

The Chairman plays a significant leadership role by providing clear oversight, advice and guidance to the Group CEO and Management on strategy and the drive to transform Singtel's businesses. This involves developing a keen understanding of the Group's diverse and complex businesses, the industry, partners, regulators and competitors.

The Chairman provides support and advice to, and acts as a sounding board for, the Group CEO, while respecting executive responsibility. He engages with other members of the senior leadership regularly.

The Chairman also maintains effective communications with large shareholders and supports the Group CEO in engaging with a wide range of other stakeholders such as partners, governments and regulators where the Group operates. He travels overseas to visit the Group's key associates in the region and, in the process, fosters strong relationships with the Group's partners and gathers valuable feedback for Management to consider and follow up on.

The scope and extent of the Chairman's and the Board's responsibilities and obligations have been expanding due to the increased focus on corporate governance, risk management, regulation and compliance. Given the increased demands, the Chairman in particular spends more time on, and is more hands-on in, the affairs of the Group. The Board has agreed with the Chairman that he will commit a significant proportion of his time to his role and will manage his other time commitments accordingly.

Role of the Lead Independent Director

The Lead Independent Director is appointed by the Board to serve in a lead capacity to coordinate the activities of the non-executive Directors in circumstances where it would be inappropriate for the Chairman to serve in such capacity. He also assists the Chairman and the Board to assure effective corporate governance in managing the affairs of the Board and the Company.

The Lead Independent Director serves as chairman of the CGNC. The role of the Lead Independent Director includes meeting with the non-executive Directors without the Chairman present at least annually to appraise the Chairman's performance and on such other occasions as are deemed appropriate. He will also be available to shareholders if they have concerns relating to matters that contact through the Chairman, Group CEO or Group CFO has failed to resolve, or where such contact is inappropriate.

Board Membership

The CGNC establishes and reviews the profile required of Board members and makes recommendations to the Board on the appointment, re-nomination and retirement of Directors.

When an existing Director chooses to retire or is required to retire from office by rotation, or the need for a new Director arises, the CGNC reviews the range of expertise, skills and attributes of the Board and the composition of the Board. The CGNC then identifies Singtel's needs and prepares a shortlist of candidates with the appropriate profile for nomination or re-nomination. The Board has an ongoing process facilitated by an independent consultant to map out these needs and to search for candidates to join the Board.

The CGNC takes factors such as attendance, preparedness, participation and candour into consideration when evaluating the past performance and contributions of a Director when making its recommendations to the Board. However, the re-nomination or replacement of a Director does not necessarily reflect the Director's performance or contributions to the Board. The CGNC may have to consider the need to position and shape the Board in line with the evolving needs of Singtel and the business.

When deciding on the appointment of new Directors to the Board, the CGNC and the Board consider a variety of factors, including the core competencies, skills and experience that are required on the Board and Board Committees, diversity, independence, conflicts of interest and time commitments.

In order to ensure Board renewal, the Board has in place guidelines on the tenure of the Chairman and Directors. The guidelines provide that Directors are appointed for an initial term of three years, and this may be extended to a second three-year term. As a general rule, a Director shall step down from the Board no later than at the AGM to be held in his sixth year of service. Where a Director is not appointed at an AGM, the Director's term will be deemed to have commenced on the date of the AGM immediately following the date on which the Director was appointed. The Committee may, in appropriate circumstances, recommend to the Board that a Director's term be extended beyond the second three-year term, for a period of up to three years. For Chairman, the same principles apply except that the term is determined from the point he became Chairman.

Directors must ensure that they are able to give sufficient time and attention to the affairs of Singtel and, as part of its review process, the CGNC decides whether or not a Director is able to do so and whether he has been adequately carrying duties as a Director of Singtel. The Board has also adopted an internal guideline that seeks to address the competing time commitments that may be faced when a Director holds multiple board appointments. The guideline provides that, as a general rule, each Director should hold no more than five directorships in public listed companies. However, the Board recognises that the individual circumstances and capacity of each Director are different and there may be circumstances in which a different limit on board appointments is appropriate. The guideline also provides that (i) in support of their candidature for directorship or re-election, Directors are to provide the CGNC with details of other commitments and an indication of the time involve, and (ii) non-executive Directors should consult the Chairman or chairman of the CGNC before accepting any new appointments as Directors.

The Company's Constitution provides that 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 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. The Group CEO, as a Director, is subject to the same retirement by rotation, resignation and removal provisions as the other Directors, and such provisions will not be subject to any contractual terms that may have been entered into with the Company. Shareholders are provided with relevant information in the Annual Report on the candidates for election or re-election.

Board Performance

Each year, the CGNC undertakes a process to assess the effectiveness of the Board and Board Committees. For the financial year ended 31 March 2017, as in previous years, an independent external consultant was appointed to facilitate this process. The 2017 Board effectiveness survey was designed to provide an evaluation of current effectiveness of the Board and to support the Chairman and Board to proactively consider what can enhance the readiness of the Board to address emerging strategic priorities for the Singtel Group. The Directors and Senior Management were requested to complete an evaluation questionnaire focused on four key areas, namely (1) how the Board plays an effective role and adds value on critical issues, (2) how the Board operates to deliver impact and value, (3) Board chair effectiveness and (4) committee evaluation. In particular, the survey looked at the Board's performance in shaping and adapting strategy, risk and crisis management, overseeing the Group's performance, CEO performance and succession management, corporate social responsibility and stakeholder communications, as well as areas such as strategic alignment and prioritisation, Board composition and structure, Board dynamics and culture, the Board's partnership with management, efficiency of core Board processes, Board chair effectiveness, and Board Committee and committee chair effectiveness.

In addition to the appraisal exercise, the contributions and performance of each Director were assessed by the CGNC as part of its periodic reviews of the composition of the Board and the various Board Committees. In the process, the CGNC was able to identify areas for improving the effectiveness of the Board and Board Committees. The Board was also able to assess the Board Committees through their regular reports to the Board on their activities.

Access to information

Prior to each Board meeting, Singtel's Management provides the Board with information relevant to matters on the agenda for the meeting. In general, such information is provided a week in advance of the Board meeting. The Board also receives regular reports pertaining to the operational and financial performance of the Group, as well as regular updates, which include information on the Group's competitors, and industry and technological developments. In addition, Directors receive analysts' reports on Singtel and other telecommunications and digital companies on a quarterly basis. Such reports enable the Directors to keep abreast of key issues and developments in the industry, as well as challenges and opportunities for the Group. In line with Singtel's commitment to conservation of the environment, as well as technology advancement, Singtel has done away with hard copy Board papers, and Directors are instead provided with tablet devices to enable them to access and read Board and Board Committee papers prior to and at meetings.

The Board has separate and independent access to the Senior Management and the Company Secretary at all times. Procedures are in place for Directors and Board Committees, where necessary, to seek independent professional advice, paid for by Singtel.

Role of the Company Secretary

The Company Secretary attends all Board meetings and is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board, including compliance with the Company's Constitution, the Companies Act, the Securities and Futures Act and the SGX Listing Manual. She assists the Board in implementing and strengthening corporate governance policies and processes. The Company Secretary is the primary point of contact between the Company and the SGX. The Company Secretary is legally trained, with experience in legal matters and company secretarial practices. The appointment and removal of the Company Secretary is subject to the approval of the Board.

Board and management committees

The following Board Committees assist the Board in executing its duties:

- Audit Committee (AC)
- Corporate Governance and Nominations Committee (CGNC)
- Executive Resource and Compensation Committee (ERCC)
- Finance and Investment Committee (FIC)
- Risk Committee (RC)

Each Board Committee may make decisions on matters within its terms of reference and applicable limits of authority. The terms of reference of each committee are reviewed from time to time, as are the committee structure and membership.

The selection of Board Committee members requires careful management to ensure that each committee comprises Directors with appropriate qualifications and skills, and that there is an equitable distribution of responsibilities among Board members. The need to maximise the effectiveness of the Board, and encourage

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active participation and contribution from Board members, is also taken into consideration.

A record of each Director's Board Committee memberships and attendance at Board Committee meetings during the financial year ended 31 March 2017 is set out on page 74.

Audit Committee

MEMBERSHIP

Bobby Chin, committee chairman and independent non-executive Director
Christina Ong, independent non-executive Director
Peter Ong, non-executive Director
Teo Swee Lian, independent non-executive Director

KEY OBJECTIVE

- Assist the Board in discharging its statutory and other responsibilities relating to internal controls, financial and accounting matters, compliance, and business and financial risk management

The terms of reference of the AC provide that the AC shall comprise at least three Directors, all of whom are non-executive Directors and the majority of whom, including the chairman, are independent Directors. At least two members of the AC, including the AC chairman, must have recent and relevant accounting or related financial management expertise or experience. The chairman of the AC is a Director other than the Chairman of the Singtel Board.

The AC has explicit authority to investigate any matter within its terms of reference, and has the full cooperation of and access to Management. It has direct access to the internal and external auditors, and full discretion to invite any Director or executive officer to attend its meetings. It also has the authority to review its terms of reference and its own effectiveness annually and recommend necessary changes to the Board.

The main responsibilities of the AC are to assist the Board in discharging its statutory and other responsibilities relating to internal controls, financial and accounting matters, compliance, and business and financial risk management.

The AC reports to the Board on the results of the audits undertaken by the internal and external auditors, the adequacy of disclosure of information, and the adequacy and effectiveness of the system of risk management and internal controls. It reviews the quarterly and annual financial statements with Management and the external auditors, reviews and approves the annual audit plans for the internal and external auditors, and reviews the internal and external auditors' evaluation of the Group's system of internal controls.

The AC is responsible for evaluating the cost effectiveness of audits, the independence and objectivity of the external auditors, and the nature and extent of the non-audit services provided by the external auditors to ensure that the independence of the external auditors is not compromised. It also makes recommendations to the Board on the appointment or re-appointment of the external auditors. In addition, the AC reviews and approves the Singtel Internal Audit Charter to ensure the independence and effectiveness of the internal audit function. At the same time, it ensures that the internal audit function is adequately resourced and has appropriate standing within Singtel. The AC also reviews the performance of Internal Audit, including approving decisions relating to appointment or removal of Group Chief Internal Auditor and approving the performance and compensation of the Group Chief Internal Auditor. A copy of the charter of the AC is available on the corporate governance page on the Company's website at www.singtel.com/about-us/company/corporate-governance.

During the financial year, the AC reviewed the Management's and Singtel Internal Audit's assessment of fraud risk and held discussions with the external auditors to obtain reasonable assurance that adequate measures were put in place to mitigate fraud risk exposure in the Group. The AC also reviewed the adequacy of the whistle-blower arrangements instituted by the Group through which staff and external parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. All whistle-blower complaints were reviewed by the AC at its quarterly meetings to ensure independent and thorough investigation and adequate follow-up.

The AC met five times during the financial year. At these meetings, the Group CEO, Group Chief Corporate Officer, Group CFO, Vice President (Group Finance), Group Chief Internal Auditor and the respective CEOs of the businesses were also in attendance. During the financial year, the AC reviewed the results of audits performed by Internal Audit based on the approved audit plan, significant litigation and fraud investigations, register of interested person transactions and non-audit services rendered by the external auditors. The AC also met with the internal and external auditors, without the presence of Management, during the financial year.

The external auditors provided regular updates and periodic briefings to the AC on changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any. Directors are also invited to attend relevant seminars on changes to accounting standards and issues by leading accounting firms.

Financial matters

The AC reviewed the financial statements of the Group before the announcement of the Group's quarterly and full-year results. In the process, the AC reviewed the key areas of management's estimates and judgement applied for key financial issues including revenue recognition, taxation, goodwill impairment, and the joint ventures' and associates' contingent liabilities, critical accounting policies and any other significant matters that might affect the integrity of the financial statements. The AC also considered the report from the external auditors, including their findings on the key areas of audit focus. Significant matters that were discussed with management, internal and external auditors have been included as key audit matters (KAMs) in the independent auditors' report for the financial year ended 31 March 2017. Refer to pages 132 to 136 of this Annual Report.

The AC took into consideration the approach and methodology applied in the valuation of acquired businesses, as well as the reasonableness of the estimates and key assumptions used. In addition to the views from the external auditors, subject matter experts including external tax specialists and legal experts, were consulted. The AC concluded that management's accounting treatment and estimates in each of the KAMs were appropriate.

The information included in the Annual Report, excluding the Financial Statements and auditor's report, was provided to the external auditors after the auditor's report date. The external auditors have provided a written confirmation to the AC that they have completed the work in accordance with SSA 720 (Revised) The Auditor's Responsibilities Relating to Other Information and they have noted no exception.

Corporate Governance and Nominations Committee

MEMBERSHIP

Low Check Kian, committee chairman and independent non-executive Director
Simon Israel, non-executive Chairman of the Singtel Board
Christina Ong, independent non-executive Director

KEY OBJECTIVES

- Establish and review the profile of Board members
- Make recommendations to the Board on the appointment, re-nomination and retirement of Directors
- Review the independence of Directors
- Assist the Board in evaluating the performance of the Board, Board committees and Directors
- Develop and review the Company's corporate governance practices, taking into account relevant local and international developments in the area of corporate governance

The terms of reference of the CGNC provide that the CGNC shall comprise at least three Directors, the majority of whom, including the chairman, shall be independent. As part of its commitment to gender diversity, the Board will strive to appoint at least one female Director to the CGNC.

The main activities of the CGNC are outlined in the commentaries on "Board Composition, Diversity and Balance", "Board Membership" and "Board Performance" from pages 66 to 70.

The CGNC met three times during the financial year ended 31 March 2017, and also approved various matters by written resolution.

Executive Resource and Compensation Committee

MEMBERSHIP

Peter Mason AM, committee chairman and independent non-executive Director
Simon Israel, non-executive Chairman of the Singtel Board
Teo Swee Lian, independent non-executive Director

KEY OBJECTIVES

- Oversee the remuneration of the Board and Senior Management
- Set appropriate remuneration framework and policies, including long-term incentive schemes, to deliver annual and long-term performance of the Group

The ERCC plays an important role in helping to ensure that the Group is able to attract, recruit, motivate and retain the best talents through competitive remuneration and progressive and robust policies so as to achieve the Group's goals and deliver sustainable shareholder value.

The terms of reference of the ERCC provide that the ERCC shall comprise at least three Directors, all of whom shall be non-executive and the majority of whom shall be independent. The ERCC is chaired by an independent non-executive Director.

The main responsibilities of the ERCC, as delegated by the Board, are to oversee the remuneration of the Board and Senior Management. It sets appropriate remuneration framework and policies, including long-term incentive schemes, to deliver annual and long-term performance of the Group.

The ERCC has been tasked by the Board to approve or recommend to the Board the appointment, promotion and remuneration of Senior Management. The ERCC also recommends the Directors' compensation for the Board's endorsement. Directors' compensation is subject to the approval of shareholders at the AGM. The ERCC's recommendations cover all aspects of remuneration for Directors and Senior Management, including but not limited to Director's fees, salaries, allowances, bonuses, options, share-based incentives, management awards, and benefits-in-kind.

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The ERCC seeks expert advice and views on remuneration and governance matters from both within and outside the Group as appropriate. The ERCC draws on a pool of independent consultants for diversified views and specific expertise. The ERCC will ensure that existing relationships, if any, between the Group and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

The ERCC approves or recommends termination payments, retirement payments, gratuities, ex-gratia payments, severance payments and other similar payments to Senior Management. The ERCC ensures that contracts of service for Senior Management contain fair and reasonable termination clauses that are not overly generous.

The ERCC also ensures that appropriate recruitment, development and succession planning programmes are in place for key executive roles, with the objective of building strong and sound leadership bench strength for long-term sustainability of the business. The ERCC conducts, on an annual basis, a succession planning review of Senior Management.

The Group CEO, who is not a member of the ERCC, may attend meetings of the ERCC but does not attend discussions relating to her own performance and remuneration. Singtel's remuneration policy and remuneration for Directors and Senior Management are discussed in this report from pages 79 to 84.

The ERCC met three times during the financial year ended 31 March 2017.

Finance and Investment Committee

MEMBERSHIP

Simon Israel, committee chairman and non-executive Chairman of the Singtel Board

Venky Ganesan, independent non-executive Director

Low Check Kian, independent non-executive Director

KEY OBJECTIVES

- Provide advisory support on the development of the Singtel Group's overall strategy and on strategic issues for the Singapore and international businesses
- Consider and approve investments and divestments
- Review and approve changes in the Singtel Group's investment and treasury policies
- Evaluate and approve any financing offers and banking facilities and manage the Singtel Group's liabilities in line with the Singtel Board's policies and directives
- Oversee any on-market share repurchases pursuant to Singtel's share purchase mandate

The terms of reference of the FIC provide that the FIC shall comprise at least three Directors, the majority of whom shall be independent Directors. Membership of the AC and the FIC is mutually exclusive.

The FIC met five times during the financial year ended 31 March 2017.

Risk Committee

MEMBERSHIP

Teo Swee Lian, committee chairman and independent non-executive Director

Bobby Chin, independent non-executive Director

Peter Ong, non-executive Director

Notes:
Bobby Chin stepped down as Risk Committee chairman with effect from 1 April 2017. He remains a member of the Risk Committee.
Teo Swee Lian was appointed as Risk Committee chairman with effect from 1 April 2017.

KEY OBJECTIVES

- Assist the Board in fulfilling its responsibilities in relation to governance of material risks in the Group's business, which include ensuring that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and determining the nature and extent of the material risks that the Board is willing to take in achieving the Group's strategic objectives

The terms of reference of the RC provide that the RC shall comprise at least three members, the majority of whom, including the chairman, shall be independent. Members of the RC are appointed by the Board, on the recommendation of the CGNC. There is at least one common member between the RC and the AC.

The RC reviews the Group's strategy, policies, framework, processes and procedures for the identification, measurement, reporting and mitigation of material risks in the Group's business and reports any significant matters, findings and recommendations in this regard to the Board.

The RC meets at least three times a year, with additional meetings to be convened as deemed necessary by the chairman of the RC. The RC met three times during the financial year ended 31 March 2017.

DIRECTORS' BOARD COMMITTEE MEMBERSHIPS AND ATTENDANCE AT BOARD COMMITTEE MEETINGS DURING THE FINANCIAL YEAR ENDED 31 MARCH 2017 [1]

	Audit Commitee		Corporate Governance and Nominations Committee		Executive Resource and Compensation Committee		Finance and Investment Committee		Risk Committee	
Name of Director	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended
Simon Israel	–	–	3	3	3	3	5	5	–	–
Chua Sock Koong [2]	5	5	3	3	3	3	5	4	3	3
Bobby Chin [3]	4	4	–	–	–	–	–	–	3	3
Venky Ganesan	–	–	–	–	–	–	5	5	–	–
Low Check Kian	–	–	3	3	–	–	5	5	–	–
Peter Mason AM	–	–	–	–	3	3	–	–	–	–
Christina Ong	5	5	3	3	–	–	–	–	–	–
Peter Ong [3]	4	4	–	–	–	–	–	–	3	3
Teo Swee Lian	5	5	–	–	3	3	–	–	3	3

Notes:
(1) Refers to meetings held/attended while each Director was in office.
(2) Ms Chua Sock Koong is not a member of the Board committees, although she attended meetings of the committees as appropriate.
(3) Mr Bobby Chin and Mr Peter Ong recused themselves and did not participate at an Audit Committee meeting relating to a transaction in respect of which they were deemed to be not independent.

Management Committee

In addition to the five Board Committees and the two advisory bodies, Singtel has a Management Committee that comprises the Group CEO, CEO Group Enterprise, CEO Consumer Australia, CEO Consumer Singapore, CEO International, CEO Group Digital Life, Group Chief Corporate Officer, Group CFO, Group Chief Human Resources Officer, Group Chief Information Officer and Group Chief Technology Officer.

The Management Committee meets every week to review and direct Management on operational policies and activities.

Note:
The composition of the Management Committee is as at 1 April 2017.

Advisory Committee/Panel

Singtel has two advisory bodies, the Optus Advisory Committee (OAC) and the Technology Advisory Panel (TAP).

The OAC comprises both Board and non-Board members, namely Mr Peter Mason AM (committee chairman), Ms Chua Sock Koong, Mr David Gonski, Mr Simon Israel, Mr John Morschel and Mr Paul O'Sullivan. The OAC reviews strategic business issues relating to the Australian business.

The TAP advises the Board on developments, issues and emerging trends in the technology space. The TAP comprises distinguished international members and is chaired by Mr Koh Boon Hwee. The other members of the Panel are Messrs Venky Ganesan, Douglas Haynes, Lim Chuan Poh, Jonathan Miller and Erez Ofer.

Note:
The composition of the TAP is as at 31 March 2017.

ACCOUNTABILITY AND AUDIT

Accountability

Singtel recognises the importance of providing the Board with accurate and relevant information on a timely basis. Hence, Board members receive monthly financial and business reports from Management. Such reports compare Singtel's actual performance against the budget, and highlight key business drivers/indicators and any major issues that are relevant to Singtel's performance, position and prospects.

For the financial year ended 31 March 2017, Singtel's Group CEO and Group CFO have provided a written confirmation to the Board on the integrity of Singtel's financial statements and on the adequacy and effectiveness of Singtel's risk management and internal control systems, addressing financial, operational and compliance risks including information technology risks. This certification covers Singtel and the subsidiaries that are under Singtel's management control.

Internal Audit (IA)

Singtel IA comprises a team of 55 staff members, including the Group Chief Internal Auditor, who reports to the AC functionally and to the Group CEO administratively. Singtel IA is a member of the Singapore chapter of the Institute of Internal Auditors (IIA) and adopts the International Standards for the Professional Practice of Internal Auditing (the IIA Standards) laid down in the International Professional Practices Framework issued by the IIA. Singtel IA successfully completed its external Quality Assurance Review in 2014 and continues to meet or exceed the IIA Standards in all key aspects.

Singtel IA adopts a risk-based approach in formulating the annual audit plan that aligns its activities to the key strategies and risks across the Group's business. This plan is reviewed and approved by the AC. The reviews performed by Singtel IA are aimed at assisting the Board

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in promoting sound risk management, robust internal controls and good corporate governance, through assessing the design and operating effectiveness of controls that govern key business processes and risks identified in the overall risk framework of the Group. Singtel IA's reviews also focus on compliance with Singtel's policies, procedures and regulatory responsibilities, performed in the context of financial and operational, revenue assurance and information systems reviews.

Singtel IA works closely with Management in its internal consulting and control advisory role to promote effective risk management, robust internal control and good governance practices in the development of new products/services, and implementation of new/enhanced systems and processes. Singtel IA also collaborates with the internal audit functions of Singtel's regional associates to promote joint reviews and the sharing of knowledge and/or best practices.

To ensure that the internal audits are performed effectively, Singtel IA recruits and employs suitably qualified professional staff with the requisite skill sets and experience. Singtel IA provides training and development opportunities for its staff to ensure their technical knowledge and skill sets remain current and relevant.

External Auditor
The Board is responsible for the initial appointment of external auditor. Shareholders then approve the appointment at Singtel's AGM. The external auditor holds office until its removal or resignation. The AC assesses the external auditor based on factors such as the performance and quality of its audit and the independence of the auditor, and recommends its appointment to the Board. Pursuant to the requirements of the SGX, an audit partner may only be in charge of a maximum of five consecutive annual audits and may then return after two years. Deloitte & Touche LLP has met this requirement, and the current Deloitte & Touche LLP audit partner for Singtel took over from the previous audit partner with effect from 29 July 2016. Singtel has complied with Rules 712 and 715 of the Listing Manual issued by SGX in relation to the appointment of its auditor.

In order to maintain the independence of the external auditor, Singtel has developed policies regarding the types of non-audit services that the external auditor can provide to the Singtel Group and the related approval processes. The AC has also reviewed the non-audit services provided by the external auditor during the financial year and the fees paid for such services. The AC is satisfied that the independence of the external auditor has not been impaired by the provision of those services. The external auditor has also provided confirmation of its independence to the AC.

Fees for Deloitte & Touche services for the financial year ended 31 March 2017	(S$ Mil)
Audit services	4.4
Non-audit services (including audit-related services)	0.8

Risk Management and Internal Control
The Board has overall responsibility for the governance of risk and exercises oversight of the material risks in the Group's business. During the financial year ended 31 March 2017, the Risk Committee (RC) assisted the Board in the oversight of the Group's risk profile and policies, adequacy and effectiveness of the Group's risk management system including the framework and process for the identification and management of significant risks, and reports to the Board on material matters, findings and recommendations pertaining to risk management. The AC provides oversight of the financial reporting risk and the adequacy and effectiveness of the Group's internal control and compliance systems.

The Board has approved a Group Risk Framework for the identification of key risks within the business. This Framework defines 28 categories of risks ranging from environmental to operational and management decision-making risks. The Group's risk management and internal control framework is aligned with the ISO 31000:2009 Risk Management framework and the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Controls Integrated Framework. Major incidents and violations, if any, are also reported to the Board to facilitate the Board's oversight of the effectiveness of crisis management and the adequacy of mitigating measures taken by Management to address the underlying risks.

The identification and day-to-day management of risks rests with Management. Management is responsible for the effective implementation of risk management strategy, policies and processes to facilitate the achievement of business plans and goals within the risk tolerance established by the Board. Key business risks are proactively identified, addressed and reviewed on an on-going basis.

The Risk Management Committee, comprising relevant members from the Senior Management team, is responsible for setting the direction of corporate risk management and monitoring the implementation of risk management policies and procedures including the adequacy of the Group's insurance programme. The Risk Management Committee reports to the RC on a regular basis.

The Board has established a Risk Appetite Statement and Risk Tolerance Framework to provide guidance to the Management on key risk parameters. The significant risks in the Group's business, including mitigating measures, were also reviewed by the RC on a regular basis and reported to the Board. Risk registers are maintained by the business and operational units which identify the key risks facing the Group's business and the internal controls in place to manage those risks. The RC had reviewed the Group's risk management framework during the reporting period and was satisfied that it continued to be sound.

Internal and external auditors conduct audits that involve testing the effectiveness of the material internal control systems in the Group addressing financial, operational and compliance risks. Any material non-compliance or lapses in internal controls together with remedial measures recommended by internal and external auditors are reported to the AC. The AC also reviews the adequacy and timeliness of the actions taken by Management in response to the recommendations made by the internal and external auditors. Control self-assessments in key areas of the Group's operations are conducted by Management on a periodic basis to evaluate the adequacy and effectiveness of the risk management and internal control systems, including quarterly and annual certifications by Management to the AC and the Board respectively on the integrity of financial reporting and the adequacy and effectiveness of the risk management, internal control and compliance systems.

The Group has put in place a Board Escalation Process where major incidents and violations including major/material operational loss events and potential breaches of laws and regulations by the Company and/or its key officers, are required to be reported by Management/Internal Audit to the Board immediately to facilitate the Board's oversight of crisis management and adequacy and effectiveness of follow-up actions taken by Management. Through this process, the Board has been kept informed promptly of any incidents with potential material financial, operational, compliance and technology risk impact.

The Board has received assurance from the Group CEO and Group CFO on the effectiveness of the Group's risk management and internal control systems, and that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and financial position.

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, and reviews performed by Management and various Board Committees, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management framework and systems were adequate and effective as at 31 March 2017 to address financial, operational and compliance risks, including information technology risk, which the Group considers relevant and material to its operations.

The system of internal control and risk management established by Management provides reasonable, but not absolute, assurance that Singtel will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision-making, human error, losses, fraud or other irregularities.

Further details of the Group's Risk Management Philosophy and Approach can be found on pages 93 to 100.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Communication with Shareholders

Singtel remains committed to delivering high standards of corporate disclosure and transparency in our communications with shareholders, analysts and other stakeholders in the investment community. Singtel provides timely, regular and relevant information regarding the Group's strategy, performance and prospects to aid shareholders and investors in their investment decisions.

Over the years, Singtel has won recognition from leading finance publications, business schools and investor associations for its strong emphasis on corporate governance and proactive approach to shareholder communication and engagement.

The Singtel Investor Relations (IR) website is a key resource of information for the investment community. It contains a wealth of investor-related information on Singtel, including investor presentations, webcasts of earnings presentations, transcripts of earnings conference calls, annual reports, upcoming events, shares and dividend information and investor factsheets.

Singtel makes timely disclosures of any new material information to the SGX. These filings are also posted on the Singtel IR website, allowing investors to keep abreast of strategic and operational developments.

Singtel reports financial results on a quarterly basis: typically within 45 days from the end of each financial quarter. The quarterly financial results announcements contain detailed financial disclosures and in-depth analyses of key value-drivers and metrics for the Group's businesses.

Singtel also provides financial guidance for its businesses at the beginning of each financial year and may affirm or update the guidance every quarter to accurately reflect prevailing market conditions.

Singtel proactively engages shareholders and the investment community through group and one-on-one meetings, conference calls, email communications, investor conferences and roadshows. This year, Singtel engaged over 500 investors in 280 meetings and conference calls in Singapore, London, New York and other global financial centres. While these meetings are largely undertaken by Singtel's Senior Management, the Chairman and certain Board members also meet with investors every year.

To ensure a two-way flow of information, Singtel commissions an annual survey of investors' perceptions to solicit feedback from the investment community on a range of strategic and topical issues. The survey provides the Singtel Board and Management with invaluable insights into investors' views of the Group and helps Singtel identify areas for improvement in investor communication.

Shareholder Meetings

Singtel strongly encourages and supports shareholder participation at general meetings. Singtel delivers the Notice of AGM and related information a month ahead, providing sufficient time for shareholders to review the

Notice of AGM and appoint proxies to attend the AGM if they wish. The Notice of AGM is also advertised in The Straits Times for the benefit of shareholders. Singtel holds its general meetings at a central location in Singapore with convenient access to public transportation. A registered shareholder who is not a relevant intermediary (as defined in the Companies Act, Chapter 50) and who is unable to attend may choose to appoint up to two proxies to attend and vote on his behalf. Under Singtel's Constitution and pursuant to the Companies Act, the Central Provident Fund Board and relevant intermediaries may appoint more than two proxies.

At each AGM, the Group CEO delivers a presentation to update shareholders on Singtel's progress over the past year. Directors and Senior Management are in attendance to address queries and concerns about Singtel. Singtel's external auditor and counsel also attend to help address shareholders' queries relating to the conduct of the audit and the preparation and content of the auditor's reports, as well as clarify any points of law, regulation or meeting procedure that may arise. The minutes of all general meetings are posted on Singtel's website. The minutes disclose the names of the Directors, Senior Management and, where relevant, the external auditor and advisors who attended the meetings as well as details of the proceedings, including the questions raised by shareholders and the answers given by the Board/ Management.

Electronic poll voting at Singtel general meetings

All resolutions at Singtel's general meetings are voted on by poll so as to better reflect shareholders' shareholding interests and ensure greater transparency. Singtel uses electronic poll voting devices to register the votes of shareholders who attend the general meetings.

Singtel appoints an independent external party as scrutineer for the electronic poll voting process. Prior to the general meeting, the scrutineer will review the proxies and the electronic poll voting system, and attends at the proxy verification process, to ensure that the proxy and poll voting information is compiled correctly. During the general meeting, the scrutineer attends to ensure that the polling process is properly carried out.

When voting on a resolution has closed, the poll voting results, including the number and percentage of votes cast for and against the resolution, are immediately presented to shareholders. The poll voting results are promptly filed with SGX on the same day as the meeting.

Securities Transactions

Singtel has in place a Securities Transactions Policy, which provides that Directors and Top Management members and persons who are in attendance at Board and Top Management meetings (Key Officers) should not deal in Singtel securities during the period commencing two weeks before the announcement of Singtel's financial statements for each of the first three quarters of the financial year, and during the period commencing one month before the announcement of the financial statements for the full financial year and ending on the date of the announcement of the relevant results. In addition, employees who are involved in the preparation of the Group's financial statements should not deal in Singtel securities during the period commencing six weeks before the announcement of financial results each quarter. The policy also provides that any of the above persons who is privy to any material unpublished price-sensitive information relating to the Singtel Group should not trade in Singtel securities until the information is appropriately disseminated to the market, regardless of whether or not it is during the abovementioned "closed" periods for trading in Singtel securities. The Company Secretary sends quarterly reminders of the requirements under the policy and the relevant laws and regulations to the Directors and Management.

A Director is required to notify Singtel of his interest in Singtel securities within two business days after (a) the date on which he becomes a Director or (b) the date on which he acquires an interest in Singtel securities. A Director is also required to notify Singtel of any change in his interests in Singtel securities within two business days after he becomes aware of such change. Singtel will file such disclosure with SGX within one business day of receiving notification from the Director.

The Securities Transactions Policy also discourages trading on short-term considerations and reminds Directors and officers of their obligations under insider trading laws. Directors and officers of the Group wishing to deal in Singtel securities during a closed period must secure prior written approval of the Chairman (in the case of Directors of Singtel), the Lead Independent Director (in the case of the Chairman) or the Group CEO (in the case of directors of Singtel subsidiaries and Key Officers). Requests for written approval must contain a full explanation of the exceptional circumstances and proposed dealing. If approval is granted, trading must be undertaken in accordance with the limits set out in the written approval. Directors are to inform the Company Secretary before trading in Singtel securities. The Board is kept informed when a Director trades in Singtel securities. A summary of Singtel's Securities Transactions Policy is available in the Corporate Governance section of the Singtel corporate website.

Pursuant to recent changes to the SGX Listing Manual, the Singtel Group has put in place a policy relating to the maintenance of a list(s) of persons who are privy to price sensitive information relating to Singtel. Under the policy, persons who are to be included in the privy persons list will be reminded not to trade in Singtel securities while in possession of unpublished price-sensitive information.

In relation to the shares of other companies, Directors are prohibited from trading in shares of Singtel's listed associates when in possession of material price-sensitive information relating to such associates. Directors are also to refrain from having any direct or indirect financial interest in Singtel's competitors that might or might appear to create a conflict of interest or affect the decisions Directors make on behalf of Singtel.

Continuous Disclosure

There are formal policies and procedures to ensure that Singtel complies with its disclosure obligations under the listing rules of the SGX. A Market Disclosure Committee is responsible for Singtel's Market Disclosure Policy. The policy contains guidelines and procedures for internal reporting and decision-making with regard to the disclosure of material information.

No Material Contracts

Since the end of the previous financial year ended 31 March 2016, no material contracts involving the interest of the Group CEO, any Director, or the controlling shareholder, Temasek Holdings (Private) Limited, has been entered into by Singtel or any of its subsidiaries, and no such contract subsisted as at 31 March 2017, save as may be disclosed on SGXNet or herein.

Interested Person Transactions

As required by the SGX Listing Rules, details of interested person transactions (IPT) entered into by the Group are disclosed in this Annual Report on page 228. Singtel Internal Audit regularly reviews the IPT entered into by the Singtel Group to verify the accuracy and completeness of the IPT disclosure and to determine whether the IPT reporting requirements under the SGX listing rules have been adhered to. The report is submitted to the Audit Committee for review. Under the SGX listing rules, where any IPT requires shareholders' approval, the interested person will abstain from voting and the decision will be made by disinterested shareholders.

The Board has adopted a policy that there should be no loans to Directors, except for loans to fund expenditure to defend Directors in legal or regulatory proceedings, as permitted under the Companies Act. As at 31 March 2017, there were no loans granted to Directors.

Codes of Conduct and Practice

The Board has adopted a Code of Conduct and Ethics as a means to guide the Directors on the areas of ethical risk, and help nurture an environment where integrity and accountability are key. The Code of Conduct and Ethics sets out the Board's principles on dealing with conflicts of interest, maintaining confidentiality, compliance with laws and regulations and fair dealing. The Board also has a Directors' Manual, which sets out specific Board governance policies and practices and the Directors' duties and responsibilities. In addition, Singtel has a code of internal corporate governance practices, policy statements and standards (Singtel Code), and makes this code available to Board members as well as employees of the Group. The principles, policies, standards and practices in the Code of Conduct and Ethics, the Directors' Manual and the Singtel Code are intended to enhance investor confidence and rapport, and to ensure that decision-making is properly carried out in the best interests of the Group. The Code of Conduct and Ethics, the Directors' Manual and the Singtel Code are maintained by the Company Secretary and are provided to Directors when they are appointed to the Board.

Singtel also has a strict code of conduct that applies to all employees. The code sets out principles to guide employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing with Singtel, its competitors, customers, suppliers and the community. The code covers areas such as equal opportunity employment practices, workplace health and safety, conduct in the workplace, business conduct, protection of Singtel's assets, proprietary information and intellectual property, data protection, confidentiality, conflict of interest, and non-solicitation of customers and employees. The code is posted on Singtel's internal website and a summarised version is accessible from the Singtel corporate website. Policies and standards are clearly stipulated to guide employees in carrying out their daily tasks.

Singtel has established an escalation process so that the Board of Directors, Senior Management, and internal and external auditors are kept informed of corporate crises in a timely manner, according to their severity. Such crises may include violations of the code of conduct and/or applicable laws and regulations, as well as loss events that have or are expected to have a significant impact, financial or otherwise, on the Group's business and operations.

Whistle-Blower Policy

The Group is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud and corruption.

Singtel undertakes to investigate all complaints of suspected fraud and corruption in an objective manner. To this end, it has put in place a whistle-blower policy and procedures that provide employees and external parties with well-defined and accessible channels within the Group. These include a direct channel to Singtel IA and whistle-blower hotline services independently managed by external service providers, for reporting suspected fraud, corruption, unethical practices or other similar matters which may cause financial loss to the Group or damage the Group's reputation. The policy is aimed at encouraging the reporting of such matters in good faith, with the confidence that employees and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal.

On an ongoing basis, the whistle-blower policy is covered during staff training and periodic communication to all

Corporate Governance

staff as part of the Group's efforts to promote strong ethical values and fraud and control awareness. All whistle-blower complaints are investigated independently by Singtel IA or an independent investigation committee as appropriate, and the outcome of each investigation is reported to the AC.

REMUNERATION

The broad principles that guide the ERCC in its administration of fees, benefits, remuneration and incentives for the Board of Directors and Senior Management are set out below.

Remuneration of Non-Executive Directors

Singtel's Group CEO is an Executive Director and is, therefore, remunerated as part of Senior Management. She does not receive Directors' fees.

The ERCC recommends the non-executive Directors' fees for the Board's endorsement and approval by shareholders. As Singtel has diverse and complex operations and investments internationally and is not just a Singapore-based company, the fees are benchmarked against fees paid by other comparable companies in Singapore and Australia, as well as comparable companies in other countries.

Singtel seeks shareholders' approval at the AGM for Directors' fees for the current financial year so that Directors' fees can be paid on a half-yearly basis in arrears. No Director decides his own fees.

Save as mentioned below, there are no retirement benefit schemes or share-based compensation schemes in place for non-executive Directors.

To align Directors with shareholders' interests, Directors are encouraged to acquire Singtel shares each year from the open market until they hold the equivalent of one year's fees in shares, and to continue to hold the equivalent of one year's fees in shares while they remain on the Board.

Financial Year Ended 31 March 2017

For the financial year ended 31 March 2017, the Chairman received an all-inclusive fee of S$960,000 (excluding car-related benefits). The fee was paid approximately two-thirds in cash and approximately one-third in Singtel shares. No separate retainer fees, committee fees, attendance fees or travel allowance were paid to the Chairman.

The fees for non-executive Directors (other than the Chairman) comprised a basic retainer fee, additional fees for appointment to Board Committees, attendance fees for ad hoc Board meetings and a travel allowance for Directors who were required to travel out of their country or city of residence to attend Board meetings and Board Committee meetings that did not coincide with Board meetings. The framework for determining non-executive Directors' fees for the financial year ended 31 March 2017 was the same as the framework for the previous financial year and is set out below:

Basic Retainer Fee	
Board Chairman	S$960,000 per annum
Director	S$110,000 per annum
Fee for appointment to Audit Committee and Finance and Investment Committee	
Committee chairman	S$60,000 per annum
Committee member	S$35,000 per annum
Fee for appointment to Executive Resource and Compensation Committee	
Committee chairman	S$45,000 per annum
Committee member	S$25,000 per annum
Fee for appointment to any other Board Committee	
Committee chairman	S$35,000 per annum
Committee member	S$25,000 per annum
Attendance Fee per Ad Hoc Board meeting	S$2,000
Travel allowance for Board meetings and Board Committee meetings that do not coincide with Board meetings (per day of travel required to attend meeting)	S$3,000

The aggregate Directors' fees paid to non-executive Directors for the financial year ended 31 March 2017 was S$2,398,000 (details are set out in the table below).

Name of Director	Director's Fees (S$)
Simon Israel [(1)]	960,000
Bobby Chin	225,000
Venky Ganesan [(2)]	195,000
Low Check Kian [(3)]	214,000
Peter Mason AM [(4)]	195,000
Christina Ong	204,000
Peter Ong [(5)]	188,000
Teo Swee Lian	217,000
Total	**2,398,000**

Notes:

(1) In addition to the Director's fees set out above, Mr Simon Israel also received car-related benefits (S$21,611).

(2) In addition to the Director's fees set out above, Mr Venky Ganesan received fees of US$50,000 for the financial year ended 31 March 2017 in his capacity as a member of the Technology Advisory Panel.

(3) In addition to the Director's fees set out above, Mr Low Check Kian

received aggregate fees of S$35,000 for the financial year ended 31 March 2017 in his capacity as a director of Singtel Innov8 Pte. Ltd.

(4) In addition to the Director's fees set out above, Mr Peter Mason AM received fees of S$35,000 in his capacity as a member of the Optus Advisory Committee for the financial year ended 31 March 2017.

(5) Fees for the Singapore public sector Director, Mr Peter Ong, are processed in accordance with the framework of the Singapore Directorship and Consultancy Appointments Council.

No employee of the Group who is an immediate family member of a Director was paid remuneration that exceeded S$50,000 during the financial year ended 31 March 2017.

Financial Year Ending 31 March 2018

For the financial year ending 31 March 2018, it is proposed that aggregate fees of up to S$2,950,000 be paid to the Directors, which is the same as the amount approved by shareholders for the financial year ended 31 March 2017. The proposed framework for Directors' fees for the financial year ending 31 March 2018 is the same as that for the financial year ended 31 March 2017.

Remuneration of Executive Director and Senior Management

The remuneration framework and policy is designed to support the implementation of the Group's strategy and to enhance shareholder value. The following are our guiding principles for remuneration to Senior Management:

ALIGNMENT WITH SHAREHOLDERS' INTERESTS

- Align interests between management and shareholders
- Select appropriate performance metrics for annual and long-term incentive plans to support business strategies and ongoing enhancement of shareholder value
- Ensure targets are appropriately set for threshold, target, stretch and exceptional performance levels
- Establish sound and structured funding to ensure affordability

COMPETITIVE REMUNERATION

- Offer competitive packages to attract and retain highly experienced and talented individuals
- Link a significant proportion of remuneration to performance, both on an annual and long-term basis

PAY-FOR-PERFORMANCE

- Measure performance based on a holistic balanced scorecard approach, comprising both financial and non-financial metrics
- Structure a significant but appropriate proportion of remuneration to be at risk, taking into account the risk policies of the Group
- Build flexibility into the remuneration package to allow for performance-related clawback if long-term performance targets are not met

EFFECTIVE IMPLEMENTATION

- Meet rigorous corporate governance requirements

The ERCC recognises that the Group operates in a multinational and multifaceted environment and reviews remuneration through a process that considers Group, business unit and individual performance as well as relevant comparative remuneration in the market. The performance evaluation for Senior Management has been conducted in accordance with the above considerations.

During the year, the ERCC engaged Aon Hewitt Singapore Pte Ltd (Aon Hewitt) to provide valuation and vesting computation for grants awarded under the Singtel Performance Share Plan 2012. The ERCC also engaged Mercer (Singapore) Pte Ltd (Mercer) to conduct Executive Remuneration Benchmarking for Senior Management, and review the overall remuneration framework and key elements of the performance-related remuneration components to ensure continued relevance to strategic business objectives and alignment with market practices. Aon Hewitt, Mercer and their consultants are independent and not related to the Group or any of its Directors.

Singtel may, under special circumstances, compensate Senior Management for their past contributions when their services are no longer needed, in line with market practice; for example, due to redundancies arising from reorganisation or restructuring of the Group.

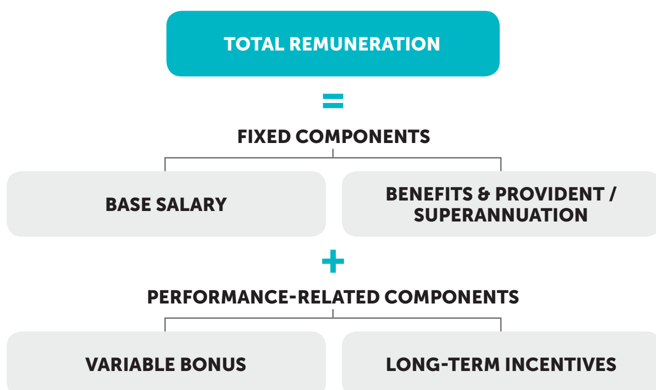
If an executive is involved in misconduct or fraud, resulting in financial loss to the company, the ERCC has the discretion not to award and to forfeit incentive components of the executive's remuneration, to the extent that such award or incentive has not been released or disbursed.

Remuneration Structure

The remuneration structure is designed such that the percentage of the performance-related components of Senior Management's remuneration increases as they move up the organisation.

On an annual basis, the ERCC proposes the compensation of the Group CEO, CEOs, Group Chief Corporate Officer and Group CFO for the Board's approval and approves compensation for the other Senior Management.

The key remuneration components for Senior Management are summarised below:



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Fixed Components

BASE SALARY
The base salary reflects the market worth of the job but may vary with responsibilities, qualifications and the experience that the individual brings to the role.

Policy
This is approved by the Board based on ERCC's recommendation and reviewed annually against:
(i) peers of similar financial size and complexity to the Group;
(ii) pay and conditions across the Group; and
(iii) the executive's contribution and experience.

In Australia, consistent with local market practice, executives may opt for a portion of their salaries to be received in benefits-in-kind, such as superannuation contributions and motor vehicles, while maintaining the same overall cost to the company.

Performance Linkage
The base salary is linked to each executive's sustained long-term performance.

BENEFITS & PROVIDENT/SUPERANNUATION FUND
Benefits and Provident/Superannuation Fund provided are in line with local market practices and legislative requirements.

Policy
Singtel contributes towards the Singapore Central Provident Fund or the Optus Superannuation Fund or any other chosen fund, as applicable. Singtel also provides in-company medical scheme, club membership, employee discounts and other benefits that may incur Australian Fringe Benefits Tax, where applicable.

Participation in benefits is dependent on the country in which the executive is located. For expatriates located away from home, additional benefits such as accommodation, children's education and tax equalisation may be provided.

Performance Linkage
Benefits and Provident/Superannuation Fund are not directly linked to performance.

Performance-related Components

VARIABLE BONUS
Variable Bonus comprises the Performance Bonus and the Value Sharing Bonus. It provides a variable level of remuneration dependent on short-term performance against the annual plan, as well as relevant market remuneration benchmarks.

Policy
Performance Bonus
Performance Bonus (PB) is designed to support the Group's business strategy and the ongoing enhancement of shareholder value through the delivery of annual financial strategy and operational objectives. On an individual level, the PB will vary according to the actual achievement against Group, business unit and individual performance objectives.

Value Sharing Bonus
A portion of Senior Management's annual remuneration is tied to the Economic Profit (EP) performance of the Group in the form of the Value Sharing Bonus (VSB). VSB is used to defer their bonuses over a time horizon to ensure alignment with sustainable value creation for the shareholders over the longer term. VSB is also extended to Top Management executives, who are senior executives below the Senior Management level, holding positions equivalent to Vice President in the organisation.

Performance Linkage
Performance Bonus
The objectives are aligned to the Annual Operating Plan and are different for each executive. They are assessed on the same principles across two broad categories of targets: Business and People. Business targets comprise financials, strategy, customer and business processes. People targets comprise leadership competencies, core values, people development and staff engagement. In addition, the executives are assessed on teamwork and collaboration across the Group.

Value Sharing Bonus
A "VSB bank" is created for each executive to hold the VSB allocated to him or her in any year. One-third of the "bank" balance would be paid out in cash provided it is positive. The remaining balance will be carried forward and at risk as it is subject to performance-related clawback and could be reduced in the event of EP underperformance in the future years.

LONG-TERM INCENTIVES
Long-term incentives reinforce the delivery of long-term growth and shareholder value to drive an ownership culture and retain key talent. These are equity awards provisionally granted to Senior Management based on performance for the year ended 31 March 2017.

The long-term incentives consist of two types of awards – the Restricted Share Award (RSA) and the Performance Share Award (PSA) – with grants made at the discretion of the ERCC. The RSA is granted to a broader group of executives while the PSA is granted to Senior and Top Management.

Policy
The number of performance shares (RSA and PSA) awarded is determined using the valuation of the shares based on a Monte-Carlo simulation. The share awards are conditional upon the achievement of predetermined

performance targets over the performance period. The performance conditions were chosen as they are key drivers of shareholder value creation and aligned to the Group's business objectives. These performance conditions and targets are approved by the ERCC at the beginning of the performance period. The final number of performance shares vested to the recipient will depend on the level of achievement of these targets over the performance period, subject to the approval of the ERCC.

A significant portion of the remuneration package for our Senior Management is delivered in Singtel shares to ensure that their interests are aligned with shareholders. In particular, the long-term incentives mix is more heavily weighted toward PSA for more senior executives to increase focus on shareholder returns. This is further supported by significant shareholding requirements in which they are required to build up and retain at least the equivalent of one to two times their annual base salary in shares. Group CEO is expected to hold at least the equivalent of three times her annual base salary as shareholding.

Special provisions for vesting and lapsing of awards apply for events such as the termination of employment, misconduct, retirement and any other events approved by the ERCC. Upon occurrence of any of the events, the ERCC will consider, at its discretion, whether or not to release any award, and will take into account circumstances on a case-by-case basis, including (but not limited to) the contributions made by the employee. Singtel employees are prohibited from entering into transactions in associated products which limit the economic risk of participating in unvested awards under Singtel's equity-based remuneration schemes.

Performance Linkage

Restricted Share Award (RSA)

The RSA has a two-year performance period from 1 April 2017 to 31 March 2019. Vesting of shares is dependent on the following performance conditions:

- 50% based on Singtel Group's Net Profit After Tax (NPAT) – Singtel Group NPAT achieved against predetermined targets; and
- 50% based on Singtel Group's Free Cash Flow (FCF) – Singtel Group FCF achieved against predetermined targets.

Performance Share Award (PSA)

The PSA has a three-year performance period from 1 April 2017 to 31 March 2020. Vesting of shares is dependent on the following performance conditions:

- 50% based on Singtel Group's Relative Total Shareholder Return (Relative TSR) – Percentile ranking against the component stocks of the MSCI Asia Pacific Telecommunications Index; and
- 50% based on Singtel Group's Absolute Total Shareholder Return (Absolute TSR) – Absolute TSR achieved against predetermined targets.

The details of the vesting schedule for RSA and PSA granted in June 2017 are shown in Figure A and Figure B respectively.

Figure A: Restricted Share Award (RSA) Vesting Schedule

Group NPAT (50%)		Group FCF (50%)	
Performance	**Vesting Level [1]**	**Performance**	**Vesting Level [1]**
Exceptional	150%	Exceptional	150%
Stretch	130%	Stretch	130%
Target	100%	Target	100%
Threshold	50%	Threshold	50%
Below Threshold	0%	Below Threshold	0%

Figure B: Performance Share Award (PSA) Vesting Schedule

Relative TSR (50%)		Absolute TSR (50%)	
Performance [2]	**Vesting Level [1]**	**Performance**	**Vesting Level [1]**
–	–	Stretch	200%
≥ 90th percentile	100%	Target	100%
50th – 59th percentile	50%	Threshold	30%
< 50th percentile	0%	Below Threshold	0%

Notes:

(1) For achievement between these performance levels, the percentage of shares that will vest under this tranche would vary accordingly.

(2) Percentile ranking performance against the component stocks of the MSCI Asia Pacific Telecommunications Index. The list of component stocks is available at www.msci.com/constituents.

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Remuneration of Key Management
For the financial year ended 31 March 2017, there were no termination, retirement and post-employment benefits granted to Directors and Key Management.

Remuneration of Executive Director
Summary compensation table for Group CEO (Chua Sock Koong) for the financial year ended 31 March 2017:

Name		Fixed Remuneration (S$) [1]	Variable Bonus (S$) [2]	Provident Fund (S$) [3]	Benefits (S$) [4]	Total Cash & Benefits (S$) [5]
Chua Sock Koong	Earned	1,647,096	4,822,082	13,260	77,217	6,559,655
	Paid out		4,151,877			5,889,450

Performance shares granted, vested and lapsed for Ms Chua as at 31 March 2017 are as follows:

	Restricted Share Award (RSA) [6]				
	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released Date	Released (no. of shares)
2014 Awards	102,097	132,727	–	1-Jun-16	66,364
				1-Jun-17	66,363
2015 Awards	84,060	109,278	–	1-Jun-17	54,639
				1-Jun-18	54,639 [7]
2016 Awards [8]	201,331			1-Jun-18	
				3-Jun-19	
2017 Awards [8] [9]	382,987			3-Jun-19	
				1-Jun-20	

	Performance Share Award (PSA) [6]				
	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released Date	Released (no. of shares)
2014 Awards	1,422,663	234,740	1,187,923	1-Jun-17	234,740
2015 Awards [8]	1,658,980			1-Jun-18	
2016 Awards [8]	1,694,657			3-Jun-19	
2017 Awards [8] [9]	831,718			1-Jun-20	

Notes:
(1) Fixed Remuneration refers to base salary earned for the financial year ended 31 March 2017.
(2) Variable Bonus comprises Performance Bonus (PB) and Value Sharing Bonus (VSB). PB varies according to the actual achievement against Group, business unit and individual performance objectives for the year. VSB is awarded for individual performance and Group Economic Profit (EP) performance for the year. The allocated VSB will be credited into the VSB 'bank' and one-third of the 'bank' balance is paid out in cash each year provided it is positive. The remaining balance is carried forward to the next year and at risk as it is subject to a clawback feature. For more details, please refer to page 81. Variable Bonus Earned is the sum of PB and VSB awarded for the financial year ended 31 March 2017. Variable Bonus Paid Out is the sum of PB and VSB paid out in June 2017.
(3) Provident Fund in Singapore represents payments in respect of company statutory contributions to the Singapore Central Provident Fund.
(4) Benefits are stated on the basis of direct costs to the company and include car benefits, flexible benefits and other non-cash benefits such as medical cover and club membership.
(5) Total Cash & Benefits Earned is the sum of Fixed Remuneration, Provident Fund, Benefits and Variable Bonus awarded for the financial year ended 31 March 2017. Total Cash & Benefits Paid Out is the sum of Fixed Remuneration, Provident Fund, Benefits and Variable Bonus paid out for the financial year ended 31 March 2017.
(6) Long-term Incentives are awarded in the form of Restricted Share Award (RSA) and Performance Share Award (PSA) under the Singtel Performance Share Plan 2012.
(7) The second tranche of the vested 2015 RSA will be released in June 2018, subject to continued service of the employee.
(8) The vesting of the RSA and PSA are conditional upon the achievement of predetermined performance targets over the respective performance period, which are a two-year period for RSA and a three-year period for PSA.
(9) The 2017 grants of RSA and PSA were made in June 2017 for performance for the financial year ended 31 March 2017. The per unit fair values of the RSA and PSA are S$3.479 and S$1.602 respectively. The performance conditions for the awards are detailed on page 82.

Remuneration of Other Key Management

Summary compensation table for the other top five Key Management for the financial year ended 31 March 2017:

Name		Fixed Remuneration (S$) [1]	Variable Bonus (S$) [2]	Provident Fund (S$) [3]	Benefits (S$) [4]	Total Cash & Benefits (S$) [5]	Restricted Share Award (RSA) [6] (no. of shares)	Performance Share Award (PSA) [6] (no. of shares)
The following are in alphabetical order:								
Bill Chang CEO Group Enterprise	Earned	909,996	2,350,000	17,340	66,278	3,343,614	201,208	436,954
	Paid Out		1,903,080			2,896,694		
Hui Weng Cheong [7] COO, AIS	Earned	663,000	1,208,625	9,180	373,264	2,254,069	144,007	208,490
	Paid Out		1,123,489			2,168,933		
Allen Lew [8] CEO Consumer Australia	Earned	A$1,500,378	A$3,010,068	9,108	A$649,855	A$5,169,304	220,574	479,011
	Paid Out		A$3,156,003			A$5,315,239		
Jeann Low Group Chief Corporate Officer	Earned	909,996	1,418,274	13,260	62,586	2,404,116	161,637	351,020
	Paid Out		1,357,898			2,343,740		
Yuen Kuan Moon CEO Consumer Singapore	Earned	720,000	1,500,000	17,340	59,939	2,297,279	155,218	224,720
	Paid Out		1,228,843			2,026,122		
Total	**Earned**	**4,721,003**	**9,522,341**	**66,228**	**1,219,560**	**15,529,132**	**882,644**	**1,700,195**
	Paid Out		**8,806,402**			**14,813,193**		

Performance shares granted, vested and lapsed for the above five executives as at 31 March 2017 are as follows:

Restricted Share Award (RSA)

	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released Date	Released (no. of shares)
2014 Awards	228,654	297,253	–	1-Jun-16	148,628
				1-Jun-17	148,625
2015 Awards	188,260	244,741	–	1-Jun-17	122,373
				1-Jun-18	122,368 [9]
2016 Awards [10]	425,487			1-Jun-18	
				3-Jun-19	

Performance Share Award (PSA)

	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released Date	Released (no. of shares)
2014 Awards	2,421,321	399,519	2,021,802	1-Jun-17	399,519
2015 Awards [10]	2,823,526			1-Jun-18	
2016 Awards [10]	3,032,763			3-Jun-19	

Notes:

(1) Fixed Remuneration refers to base salary earned for the financial year ended 31 March 2017.
(2) Variable Bonus comprises Performance Bonus (PB) and Value Sharing Bonus (VSB). PB varies according to the actual achievement against Group, business unit and individual performance objectives for the year. VSB is awarded for individual performance and Group Economic Profit (EP) performance for the year. The allocated VSB will be credited into the VSB 'bank' and one-third of the 'bank' balance is paid out in cash each year provided it is positive. The remaining balance is carried forward to the next year and at risk as it is subject to a clawback feature. For more details, please refer to page 81. Variable Bonus Earned is the sum of PB and VSB awarded for the financial year ended 31 March 2017. Variable Bonus Paid Out is the sum of PB and VSB paid out in June 2017.
(3) Provident Fund in Singapore represents payments in respect of company contributions to the Singapore Central Provident Fund.
(4) Benefits are stated on the basis of direct costs to the company and include overseas assignment benefits, tax equalisation, car benefits, flexible benefits and other non-cash benefits such as medical cover and club membership, where applicable.
(5) Total Cash & Benefits Earned is the sum of Fixed Remuneration, Provident Fund, Benefits and Variable Bonus awarded for the financial year ended 31 March 2017. Total Cash & Benefits Paid Out is the sum of Fixed Remuneration, Provident Fund, Benefits and Variable Bonus paid out for the financial year ended 31 March 2017.
(6) Long-term Incentives are awarded in the form of performance shares. Grants of the Restricted Share Award (RSA) and Performance Share Award (PSA) under the Singtel Performance Share Plan 2012 were made in June 2017 for performance for the financial year ended 31 March 2017. The per unit fair values of the RSA and PSA are S$3.479 and S$1.602 respectively. The performance conditions for the awards are detailed on page 82.
(7) Benefits for Mr Hui Weng Cheong include tax equalisation in relation to his assignment to AIS, Thailand.
(8) All remuneration items for Mr Allen Lew are denominated in Australian Dollar, except for his Provident Fund, which is denominated in Singapore Dollar.
(9) The second tranche of the vested 2015 RSA will be released in June 2018, subject to continued service of the employee.
(10) The vesting of the RSA and PSA are conditional upon the achievement of predetermined performance targets over the respective performance period, which are a two-year period for RSA and a three-year period for PSA.

Corporate Governance

Legend
Q: Questions
A: How has the Company complied?

Code of Corporate Governance 2012
GUIDELINES FOR DISCLOSURE

General

Q: (a) Has the Company complied with all the principles and guidelines of the Code?

If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.

A: Yes, the Company has complied in all material respects with the principles and guidelines of the Code of Corporate Governance 2012.

Q: (b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?

A: Not applicable.

Board Responsibility
Guideline 1.5

Q: What are the types of material transactions which require approval from the Board?

A: Material items that require Board approval include:

- The Group's strategic plans
- The Group's annual operating plan and budget
- Full-year, half-year and quarterly financial results
- Dividend policy and payout
- Issue of shares
- Board succession plans
- Succession plans for Senior Management, including appointment of, and compensation for, Group CEO, CEOs, Group Chief Corporate Officer and Group CFO
- Underlying principles of long-term incentive schemes for employees
- The Group's risk appetite and risk tolerance for different categories of risk, as well as risk strategy and the policies for management of material risks
- Acquisitions and disposals of investments exceeding certain material limits
- Capital expenditures exceeding certain material limits

Members of the Board
Guideline 2.6

Q: (a) What is the Board's policy with regard to diversity in identifying director nominees?

A: Singtel is committed to building a diverse, inclusive and collaborative culture. Singtel recognises and embraces the benefits of diversity on the Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development.

The Board's Diversity Policy provides that, in reviewing Board composition and succession planning, the CGNC will consider the benefits of all aspects of diversity, including diversity of skills, experience, background, gender, age, ethnicity and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are made based on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. Diversity is a key criterion in the instructions to external search consultants.

The Board is of the view that gender is an important aspect of diversity and will strive to ensure that (a) any brief to external search consultants to search for candidates for appointment to the Board will include a requirement to present female candidates, (b) female candidates are included for consideration by the CGNC whenever it seeks to identify a new Director for appointment to the Board, (c) the Board appoints at least one female Director to the CGNC, and (d) there is significant and appropriate female representation on the Board, recognising that the Board's needs will change over time taking into account the skills and experience on the Board.

Q: (b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.

A: Reflecting the focus of the Group's business in the region, three of Singtel's nine Directors are from, and have extensive experience in, jurisdictions outside Singapore, namely, the Chairman, Mr Simon Israel, and non-executive Directors, Messrs Venky Ganesan and Peter Mason AM. In relation to gender diversity, approximately 33% of the Singtel Board, or three out of the nine Board members, are female.

The individual profiles of the Directors, including details of their background and qualifications, are set out in the "Board of Directors" section of the Annual Report.

Q: (c) What steps has the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?

A: In order to ensure that Singtel continues to be able to meet the challenges and demands of the markets in which Singtel operates, the Board is focused on enhancing the diversity of skills, expertise and perspectives on the Board in a structured way by proactively mapping out Singtel's Board composition needs over the short and medium term (Board Progression Planning). This is an ongoing process facilitated by an independent consultant and is informed by a series of detailed interviews between the consultant and each member of the Board as well as key management members.

Guideline 4.6

Q: Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.

A: The CGNC establishes and reviews the profile required of Board members and makes recommendations to the Board on the appointment, re-nomination and retirement of Directors.

When an existing Director chooses to retire or is required to retire from office by rotation, or the need for a new Director arises, the CGNC reviews the range of expertise, skills and attributes of the Board and the composition of the Board. The CGNC then identifies Singtel's needs and prepares a shortlist of candidates with the appropriate profile for nomination or re-nomination. The Board has an ongoing process facilitated by an independent consultant to map out these needs and to search for candidates to join the Board.

The CGNC takes factors such as attendance, preparedness, participation and candour into consideration when evaluating the past performance and contributions of a Director when making its recommendations to the Board. However, the re-nomination or replacement of a Director does not necessarily reflect the Director's performance or contributions to the Board. The CGNC may have to consider the need to position and shape the Board in line with the evolving needs of Singtel and the business.

When deciding on the appointment of new Directors to the Board, the CGNC and the Board consider a variety of factors, including the core competencies, skills and experience that are required on the Board and Board Committees, diversity, independence, conflicts of interest and time commitments.

Guideline 1.6

Q: (a) Are new directors given formal training? If not, please explain why.

A: Yes, new directors are given formal training.

Q: (b) What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up to date?

A: All new Directors appointed to the Board are briefed by the Chairman, as well as the chairmen of the Board Committees on which they serve, on issues relating to the Board and Board Committees. They are also briefed by senior management on the Group's business activities, strategic direction and policies, key business risks, the regulatory environment in which the Group operates and governance practices, as well as their statutory and other duties and responsibilities as Directors.

Upon appointment to the Board, each Director receives a Directors' Manual, which sets out the Director's duties and responsibilities and the Board governance policies and practices. The Directors' Manual is maintained by the Company Secretary. In line with best practices in corporate governance and the Singapore Code, new Directors also sign a letter of appointment from the Company stating clearly the role of the Board and non-executive Directors, the time commitment that the Director would be expected to allocate, and other relevant matters.

To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment. Professional development may relate to a particular subject area, committee membership, or key developments in Singtel's environment, market or operations. Directors are encouraged to consult the Chairman if they consider that they personally, or the Board as a whole, would benefit from specific education or training regarding matters that fall within the responsibility of the Board or relate to the business of Singtel.

During the financial year ended 31 March 2017, the development/training programmes for Directors included the following:

- The Directors participated in an annual offsite workshop in Silicon Valley with Senior Management to formulate and plan the Group's longer-term strategy, during which the Directors were briefed on developments in the markets in which the Group operates and were introduced to new technologies and advancements relevant to the Group. The

Board also met with representatives from start-ups and tech companies there to keep updated on emerging trends and technologies relevant to the Group's business.

- The Board met with the management of Singtel's associate, Bharti Airtel, in India during which the Board was updated on Airtel's business and its operating environment.
- The Board visited the Optus campus in Sydney, Australia, and met with business leaders and key customers there. The Board also toured the Michael Crouch Innovation Centre at the University of New South Wales.
- The Board was updated on the Singapore Government's initiative on building a smart nation.
- Members of the Board attended forums and dialogues with experts and senior business leaders on issues facing boards and board practice.
- Briefings were provided by the Group's external auditors to Audit Committee members on new accounting standards.

The Board receives regular reports pertaining to the operational and financial performance of the Group, as well as regular updates, which include information on the Group's competitors, and industry and technological developments. In addition, Directors receive analysts' reports on Singtel and other telecommunications and digital companies on a quarterly basis. Such reports enable the Directors to keep abreast of key issues and developments in the industry, as well as challenges and opportunities for the Group.

Guideline 4.4

Q: (a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?

A: The Board has adopted an internal guideline that seeks to address the competing time commitments that may be faced when a Director holds multiple board appointments. The guideline provides that, as a general rule, each Director should hold no more than five directorships in public listed companies. However, the Board recognises that the individual circumstances and capacity of each Director are different and there may be circumstances in which a different limit on board appointments is appropriate.

Q: (b) If a maximum number has not been determined, what are the reasons?

A: Not applicable.

Q: (c) What are the specific considerations in deciding on the capacity of directors?

A: In support of their candidature for directorship or re-election, Directors are to provide the CGNC with details of their other commitments and an indication of the time involved. The CGNC and the Board take this into account in deciding on the capacity of Directors.

Board Evaluation
Guideline 5.1

Q: (a) What was the process upon which the Board reached the conclusion on its performance for the financial year?

A: Each year, the CGNC undertakes a process to assess the effectiveness of the Board and Board Committees. For the financial year ended 31 March 2017, as in previous years, an independent external consultant was appointed to facilitate this process. The 2017 Board effectiveness survey was designed to provide an evaluation of current effectiveness of the Board and to support the Chairman and Board to proactively consider what can enhance the readiness of the Board to address emerging strategic priorities for the Singtel Group. The Directors and Senior Management were requested to complete an evaluation questionnaire focused on four key areas, namely (1) how the Board plays an effective role and adds value on critical issues, (2) how the Board operates to deliver impact and value, (3) Board Chair effectiveness and (4) committee evaluation. In particular, the survey looked at the Board's performance in shaping and adapting strategy, risk and crisis management, overseeing the Group's performance, CEO performance and succession management, corporate social responsibility and stakeholder communications, as well as areas such as strategic alignment and prioritisation, Board composition and structure, Board dynamics and culture, the Board's partnership with management, efficiency of core Board processes, Board chair effectiveness, and Board Committee and committee chair effectiveness.

In addition to the appraisal exercise, the contributions and performance of each Director were assessed by the CGNC as part of its periodic reviews of the composition of the Board and the various Board Committees. In the process, the CGNC was able to identify areas for improving the effectiveness of the Board and Board Committees. The Board was also able to assess the Board Committees through their regular reports to the Board on their activities.

Q: (b) Has the Board met its performance objectives?

A: Yes.

Independence of Directors
Guideline 2.1

Q: Does the Company comply with the guideline on the proportion of independent directors on the Board?

If not, please state the reasons for the deviation and the remedial action taken by the Company.

A: Yes, six out of nine Directors are independent.

Guideline 2.3

Q: (a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship.

A: Please refer to the section "Board Composition, Diversity and Balance" in the Corporate Governance Report for details on Mrs Christina Ong, Mr Bobby Chin and Mr Venky Ganesan.

Q: (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.

A: Please refer to the section "Board Composition, Diversity and Balance" in the Corporate Governance Report for details on Mrs Christina Ong, Mr Bobby Chin and Mr Venky Ganesan.

Guideline 2.4

Q: Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.

A: No.

Disclosure on Remuneration
Guideline 9.2

Q: Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?

A: Yes, the details of each Director's and the Group CEO's remuneration are fully disclosed.

Guideline 9.3

Q: (a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?

A: Yes, the details of each of the top five key management personnel's remuneration are fully disclosed.

Q: (b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).

A: The aggregate remuneration, comprising total cash and benefits, paid to the top five key management personnel for FY 2017 amounted to S$14,813,193, as indicated on page 84.

Guideline 9.4

Q: Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.

A: No.

Guideline 9.6

Q: (a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.

A: The ERCC reviews remuneration through a process that considers Group, business unit and individual performance as well as relevant comparative remuneration in the market.

Total remuneration for the Group CEO and key management personnel comprise fixed components and performance-related components. The performance-related components include Performance Bonus, Value Sharing Bonus and Long-term Incentives. Performance Bonus (PB) is designed to support the Group's business strategy and the ongoing enhancement of shareholder value through the delivery of annual financial strategy and operational objectives. Value Sharing Bonus (VSB) is used to defer bonuses over a time horizon to ensure alignment with sustainable value creation for shareholders over the longer term. Long-term Incentives refer to Restricted Share Award (RSA) and the Performance Share Award (PSA) with performance conditions that are tied to key drivers of shareholder value creation and aligned to the Group's business objectives.

Q: (b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?

A: The PB will vary according to the actual achievement against Group, business unit and individual performance objectives, which can be grouped into two broad categories: Business and People. Business targets comprise financials, strategy, customer and business processes. People targets comprise leadership competencies, core values, people development and staff engagement. For VSB, Economic Profit performance of the Group is measured. For RSA, internal performance conditions such as the Group's Net Profit After Tax and Free Cash Flow are selected. For PSA, performance conditions aligned with shareholders' interests such as Absolute and Relative Total Shareholder Return are used.

Q: (c) Were all of those performance conditions met? If not, what were the reasons?

A: The performance conditions were generally met, except for total shareholder return conditions, which were impacted by adverse share price movements.

Risk Management and Internal Controls
Guideline 6.1

Q: What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?

A: Prior to each Board meeting, Singtel's Management provides the Board with information relevant to matters on the agenda for the meeting. In general, such information is provided a week in advance of the Board meeting. The Board also receives regular reports pertaining to the operational and financial performance of the Group, as well as regular updates, which include information on the Group's competitors, and industry and technological developments. In addition, Directors receive analysts' reports on Singtel and other telecommunications and digital companies on a quarterly basis. Such reports enable the Directors to keep abreast of key issues and developments in the industry, as well as challenges and opportunities for the Group.

The Board has separate and independent access to the Senior Management and the Company Secretary at all times. Procedures are in place for Directors and Board Committees, where necessary, to seek independent professional advice, paid for by Singtel.

Guideline 13.1

Q: Does the Company have an internal audit function? If not, please explain why.

A: Yes, the Company has an internal audit function.

Guideline 11.3

Q: (a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management system.

A: Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, and reviews performed by Management and various Board Committees, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management framework and systems were adequate and effective as at 31 March 2017 to address financial, operational and compliance risks, including information technology risk, which the Group considers relevant and material to its operations.

Please refer to the section "Risk Management and Internal Controls" in the Corporate Governance Report for further details.

Q: (b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that:

(i) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?

A: Yes.

Guideline 12.6

Q: (a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.

A: Please refer to the section "External Auditor" in the Corporate Governance Report for the breakdown of fees. The Notes to the Financial Statements also include information on the fees paid to external auditors.

Q: (b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.

A: Not applicable.

Communication with Shareholders
Guideline 15.4

Q: (a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?

A: Yes, Singtel proactively engages shareholders and the investment community through group and one-on-one meetings, conference calls, email communications, investor conferences and roadshows. This year, Singtel engaged over 500 investors in 280 meetings and conference calls in Singapore, London, New York and other global financial centres. While these meetings are largely undertaken by Singtel's Senior Management, the Chairman and certain Board members also meet with investors every year.

Singtel strongly encourages and supports shareholder participation at general meetings. At each AGM, the Group CEO delivers a presentation to update shareholders on Singtel's progress over the past year. Directors and Senior Management are in attendance to address queries and concerns about Singtel. Singtel's external auditor and counsel also attend to help address shareholders' queries relating to the conduct of the audit and the preparation and content of the auditor's reports as well as clarify any points of law, regulation or meeting procedure that may arise.

Q: (b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?

A: Singtel's Investor Relations department, has primary responsibility for engagement with the investment community.

Q: (c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?

A: The Singtel Investor Relations website is a key resource of information for the investment community. It contains a wealth of investor-related information on Singtel, including investor presentations, webcasts of earnings presentations, transcripts of earnings conference calls, annual reports, upcoming events, shares and dividend information and investor factsheets. It can be accessed via www.singtel.com/about-us/investor-relations.

Guideline 15.5

Q: If the Company is not paying any dividends for the financial year, please explain why.

A: Not applicable.

Investor Relations

STRIVE FOR CLEAR, OPEN AND ACCURATE DISCLOSURES

to help investors make informed and timely decisions about their Singtel securities

PROMOTE TWO-WAY INVESTOR COMMUNICATION

through different touch points and forums

MAINTAIN LEADERSHIP AND SET THE BAR

for corporate governance standards; champion integrity, transparency and accountability as a responsible corporate citizen

PROACTIVE AND OPEN COMMUNICATION WITH THE INVESTMENT COMMUNITY

We are committed to help investors better assess the performance of the Group's diverse operations covering multiple geographies, products and business segments. We provide extensive qualitative and quantitative disclosures to demonstrate the progress of our strategic initiatives and our strong fundamentals.

During the financial year ended 31 March 2017, the management and Investor Relations (IR) team engaged more than 500 investors in 280 meetings and conference calls to discuss the Group's business strategy, operational and financial performance and prospects. We also participated in local and overseas investor conferences and roadshows, covering Hong Kong, Malaysia, the US and Europe.

To give investors a better understanding of our business and operations, we hold an Investor Day annually. On this day, investors and analysts meet with the senior management of Singtel, Optus and our regional associates. The event features presentations from senior management and a question and answer session. A record 72 participants attended last year's event and many of them gained a deeper appreciation of the Group's strategic direction and ability to deliver a strong performance.

We also conducted site visits to our business facilities. Over 100 investors toured our Singtel Innovation Centre, a showcase of the Group's aspirational technologies in areas like cyber security, smart living, data analytics and cloud. Different exhibits bring to life some of our ideas of how we envision technology can improve business processes and consumers' lives.

Retail investors also play an important part of our outreach efforts and the IR team continues to engage them outside of our general meetings. We have renewed our long-term sponsorship of the Securities Investors Association (Singapore) (SIAS) Investor Education Programme, hosting events such as the annual Singtel-SIAS dialogue specifically for retail shareholders. Retail investors are also able to reach out directly through email and telephone on any issues and concerns they may have. Through these initiatives, we continue to promote Singtel and sustain interaction with the investment community.

In an Extraordinary General Meeting in October 2016, shareholders approved the acquisition of shares in Intouch Holdings and Bharti Telecom from Temasek Holdings in a S$2.5 billion transaction. In the period leading up to the meeting, we conducted an extensive outreach to investors to explain the rationale for the investment and how it would create long-term shareholder value. The acquisition was successfully completed in November 2016, with more than 99% of shares voted in favour of the acquisition.

MAINTAIN LEAD IN CORPORATE GOVERNANCE, TRANSPARENCY AND INVESTOR RELATIONS

We nurture and maintain strong links with sell-side research analysts and are well covered by more than 20 analysts based in Hong Kong, Malaysia, Singapore and the UK who issue regular reports. We monitor analyst, industry and media reports closely as part of our efforts to continuously improve disclosures and IR practices.

Each year, we commission an independent study to gather investor perceptions of our business. The study, comprising in-depth interviews with approximately 60 institutional investors and research analysts, gives our Board and management a better understanding of our investors' views and concerns. It also helps the IR team identify areas of investor focus, enabling us to tailor our communications and disclosures accordingly. In the latest study, Singtel continued to be recognised for our strong management, corporate governance, investment appeal and exposure to leading telcos in the emerging markets. Investors acknowledged the near-term challenges of the telco industry and agreed that the Group is deploying the right strategies to drive growth through investments in cyber security and increasing stakes in the associates.

Good corporate governance also plays a vital role in shaping investor perceptions of the integrity, transparency, accountability and efficiency of a company. We keep abreast of the latest developments and benchmark ourselves against best practices in key areas such as disclosure, board structure, shareholder rights and remuneration.

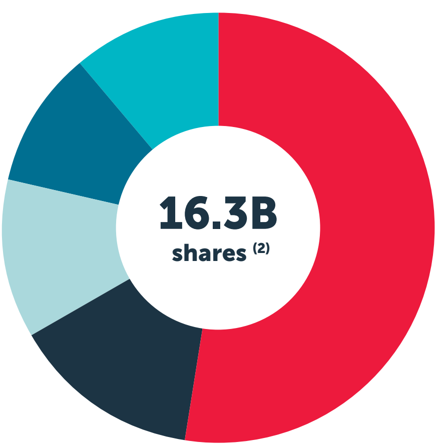
The Singtel IR website is the primary source for corporate information, financial data and significant business developments for the investment community. All new, material announcements are made available on the IR website immediately after they are released to the Singapore Exchange to ensure fair, equal and prompt dissemination of information. In addition, we continuously review the level of disclosure, to align it with global best practices and take into account new business initiatives.

During our quarterly financial results announcements, we issue a comprehensive set of materials, including detailed financial statements, management discussion and analysis and presentation slides. Our management responds to questions from investors and analysts over a conference call on the day of the results announcement and a transcript of the conference call is made available on the Singtel IR website the next work day.

SHAREHOLDER INFORMATION

As at 31 March 2017, Temasek Holdings (Private) Limited remained our largest shareholder, with 52% of issued share capital. Other Singapore shareholders held approximately 12%. In terms of geographical distribution, the US/Canada and Europe accounted for approximately 14% and 10% of issued share capital respectively.

SHARE OWNERSHIP BY GEOGRAPHY [1]



Temasek Holdings [3]	52%
US/Canada	14%
Singapore (ex Temasek)	12%
Europe	10%
Others	11%

Notes:

(1) These figures do not add up to 100% due to rounding.

(2) As at 31 March 2017.

(3) Includes direct and deemed interest.

IR CALENDAR OF EVENTS

Mar 2016
- Investor Meeting with Chairman and Board Members, Singapore

Apr 2016
- Credit Suisse Asian Investment Conference, Hong Kong

May 2016
- Non-deal Equity Roadshows, Singapore, Europe and the US
- Singtel Investor Day, Singapore
- Singtel Explorer Tour: Singtel Innovation Centre, Singapore
- dbAccess Asia Conference 2016 site tour: NCS Centre for Solutions for Urbanised Future, Singapore

Jul 2016
- 24th Annual General Meeting, Singapore
- Non-deal Equity Roadshow, Kuala Lumpur

Aug 2016
- Non-deal Equity Roadshow, Singapore
- Conference Calls: Proposed acquisition of stakes in Intouch Holdings and Bharti Telecom

Sep 2016
- CLSA Investors' Forum, Hong Kong

Oct 2016
- Extraordinary General Meeting, Singapore

Nov 2016
- Morgan Stanley Asia Pacific Summit, Singapore
- Morgan Stanley European TMT Conference, Barcelona
- Non-deal Equity Roadshows, Singapore & the UK

Feb 2017
- Non-deal Equity Roadshow, Singapore

Mar 2017
- Morgan Stanley Hong Kong Summit, Hong Kong

Risk Management Philosophy and Approach

We identify and manage risks to reduce the uncertainty associated with executing our business strategies and maximising opportunities that may arise. Risks can take various forms and can have material adverse impact on our reputation, operations, human resources and financial performance.

We have established a comprehensive risk management framework approved by our Risk Committee. The risk management framework sets out the governance structure for managing risks, our risk philosophy, risk appetite and tolerance levels, our risk management approach as well as risk factors.

In addition, our risk assessment and mitigation strategy are aligned with our Group strategy and is an integral part of the annual business planning and budgeting process.

GOVERNANCE STRUCTURE FOR MANAGING RISKS

THE BOARD
- Instils culture and approach for risk governance
- Provides oversight of risk management systems and internal controls
- Reviews key risks and mitigation plans
- Determines risk appetite and tolerance
- Monitors exposure

RISK COMMITTEE
- Reviews and recommends risk strategy and policies
- Oversees design, implementation and monitoring of internal controls
- Reviews adequacy and effectiveness of the Group's risk framework
- Monitors the implementation of risk mitigation plans

AUDIT COMMITTEE
- Reviews adequacy and effectiveness of the Group's internal control framework
- Oversees financial reporting risk for the Group
- Oversees internal and external audit processes
- Monitors exposure

MANAGEMENT COMMITTEE
- Implements risk management practices within all business units and functions

RISK MANAGEMENT COMMITTEE
- Supports the Board and Risk Committee in terms of risk governance and oversight
- Sets the direction and strategies to align corporate risk management with the Group's risk appetite and risk tolerance
- Reviews the risk assessments carried out by the Business Units
- Reviews and assesses risk management systems and tools
- Reviews efficiency and effectiveness of mitigations and coverage of risk exposures

OUR RISK PHILOSOPHY

Our risk philosophy and risk management approach are based on three key principles:

RISK CENTRIC CULTURE
- Set the appropriate tone at the top
- Promote awareness, ownership and proactive management of key risks
- Promote accountability

STRONG CORPORATE GOVERNANCE STRUCTURE
- Promote good corporate governance
- Provide proper segregation of duties
- Clearly define risk-taking responsibility and authority
- Promote ownership and accountability for risk taking

PROACTIVE RISK MANAGEMENT PROCESS
- Robust processes and systems to identify, quantify, monitor, mitigate and manage risks
- Benchmark against global best practices

RISK APPETITE

The Board has approved the following risk appetite statement:

- The Group is committed to delivering value to our shareholders achieved through sustained profitable growth. However, we shall not compromise our integrity, values and reputation by risking brand damage, service delivery standards, severe network disruption or regulatory non-compliance.
- The Group will defend our market leadership position in Singapore and strengthen our market position in Australia and in Asia Pacific through our regional associates. We will continue to pursue business expansion in the emerging markets, including acquiring controlling stakes in the associates, and actively managing the risks.
- The Group is prepared to take measured risks to seek new growth in the digital space by providing global platforms and enablers, targeted at a global footprint, while leveraging our current scale and core strengths.
- The Group targets an investment grade credit rating and dividend payout policy consistent with our stated dividend policy and guidance.

RISK MANAGEMENT

We have established a rigorous and systematic risk review process to identify, monitor, manage and report risks throughout the organisation based on our risk philosophy. Management has primary responsibility for identifying, managing and reporting to the Board the key risks faced by the Group. Management is also responsible for ensuring that the risk management framework is effectively implemented within the business units. The business units are supported by specialised functions such as Regulatory, Legal, Tax, Environment, Insurance, Treasury and Credit Management in the management of risks. In addition, we regularly assess the environmental, social and governance risks that exist or emerge in our broader value chain and address them through various corporate sustainability initiatives. Our corporate sustainability initiatives are discussed further on page 101.

Our key risk management activities also include scenario planning, business continuity/disaster recovery management and crisis planning and management. Close monitoring and control processes, including the use of appropriate key risk and key performance indicators, are implemented to ensure the risk profiles are managed within policy limits.

In addition, we have in place a formal programme of risk and control self-assessment where line personnel are involved in the ongoing assessment and improvement of risk management

Risk Management Philosophy and Approach

and controls. The effectiveness of our risk management policies and processes is reviewed on a regular basis and, where necessary, improved. Independent reviews are conducted by third party consultants regularly to ensure the appropriateness of the risk management framework. The consultants also report key risks to the Board, as well as provide periodic support and input when undertaking specific risk assessments. Furthermore, the risk management processes facilitate alignment of our strategy and annual operating plan with the management of key risks.

Singtel's Internal Audit (IA) carries out reviews and internal control advisory activities aligned to the key risks in our businesses. This provides independent assurance to the Audit Committee (AC) on the adequacy and effectiveness of our risk management, financial reporting processes, and internal control and compliance systems. In order to provide assurance to the Board, the CEOs of our business units submit an annual report on the key risks and mitigation strategies for their respective businesses to the Risk Committee. Our Group CEO and Group CFO provide a written certification to the Board confirming the integrity of financial reporting, and the efficiency and effectiveness of the risk management, internal control and compliance systems every year.

In the course of their statutory audit, external auditors review our material internal controls to the extent of the scope laid out in their audit plans. Any material non-compliance and internal control weaknesses, together with their recommendations to address them, are reported to the AC. Our Management, with the assistance of Singtel IA, follows up on the external auditors' recommendations as part of their role in reviewing our system of internal controls.

The systems that are in place are intended to provide reasonable but not absolute assurance against material misstatements or loss, as well as ensuring the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with applicable legislation, regulations and best practices, and the identification and management of business risks.

RISK FACTORS

Our financial performance and operations are influenced by a vast range of risk factors. Many of these affect not just our businesses, but also other businesses in and outside the telecommunications industry. These risks vary widely and many are beyond the Group's control. There may also be risks that are either presently unknown or not currently assessed as significant, which may later prove to be material. However, we aim to mitigate the exposures through appropriate risk management strategies and internal controls.

The section below sets out the principal risk types, which are not listed in the order of significance.

- Economic Risks
- Political Risks
- Regulatory and Litigation Risks
- Competitive Risks
- Expansion Risks
- Project Risks
- New Business Risks
- Technology Risks
- Vendor/Supply Chain Risks
- Information Technology Risks including Cyber Security Risks
- Breach of Privacy Risks
- Financial Risks
- Electromagnetic Energy Risks
- Network Failure and Catastrophic Risks
- Talent Management Risks

ECONOMIC RISKS

Changes in domestic, regional and global economic conditions may have a material adverse effect on the demand for telecommunications, information technology (IT) and related services, digital services, and hence, on our financial performance and operations. As the global headwinds intensify resulting in uncertainty in the macro-economic environment, this could have an adverse effect on our overall Group strategy and growth.

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 economic growth as a whole and consequently, on consumer and business demand for telecommunications, IT and related services, and digital services.

Our planning and management review processes involve the periodic monitoring of budgets and expenditures to minimise the risk of over-investment. Each of the business units in our Group has continuing cost management programmes to drive improvements in their cost structures.

POLITICAL RISKS

Some of the countries in which Group Consumer operates 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 economic or social conditions in those countries, as well as on the ownership, control and condition of our assets in those areas.

Group Consumer is geographically diversified with operations in Singapore, Australia and the emerging markets. We work closely with the Management and our partners in the countries where we operate to leverage the local expertise, knowledge and ability. This way, we ensure compliance with the laws and are able to implement risk mitigation measures.

As Group Enterprise and Group Digital Life expand their products and services across the region and around the world, exposure to similar political risks may increase in the future.

REGULATORY AND LITIGATION RISKS

Regulatory Risks

Our businesses depend on licences issued by government authorities. Failure to meet regulatory requirements could result in fines or other sanctions including, ultimately, the revocation of licences.
Our global operations are subject to extensive government regulations, which may impact or limit our 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, as well as the regulatory environment (including taxation) in which we operate. Such changes could have a material adverse effect on our financial performance and operations.

Our overseas investments are also 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 these factors can materially and adversely affect our overseas investments.

Consumer Australia, Consumer Singapore and Group Enterprise are impacted by the implementation of national broadband networks in both Australia and Singapore. In Singapore, the Infocomm Media Development Authority of Singapore (IMDA) has, in its implementation of the Next Generation Nationwide Broadband Network (Next Gen NBN), designed a structure to level the playing field to make the benefits of the Next Gen NBN available to all industry players. Under the structural separation rules laid down by IMDA, we have to divest our stake in NetLink Trust (NLT), which designs, builds, owns and operates the passive infrastructure for Next Gen NBN, to less than 25% by April 2018. This industry structure has significantly altered the existing cost model of the industry and increased the level of competition from new entrants.

In Australia, the government is currently undertaking a significant reform of the fixed-line telecommunications sector, including the rollout of a national broadband network (NBN) to be operated on a wholesale-only open access basis. It is possible that the Australian government's regulatory reforms, including legislation and the deployed NBN and commercial transactions relating to the NBN, could ultimately lead to a sub-optimal or negative outcome for Optus.

Our operations are also subject to various other laws and regulations such as those relating to customer data privacy and protection, anti-bribery and corruption, and workplace safety and health. Failure to meet these regulations may affect our business and/or our capacity to operate in line with our business objectives.

We have access to appropriate regulatory expertise and staffing resources in Singapore and Australia and we work closely with the management and our partners in the countries we operate in. We closely monitor new developments and regularly participate in discussions and consultations with the respective regulatory authorities and the industry to propose changes and provide feedback on regulatory reforms and developments in the telecommunications and media industry.

Access to Spectrum

Access to spectrum is critically important for supporting our business of providing mobile voice and data. The use of spectrum in most countries where we operate is regulated by government authorities and requires licences. Failure to acquire access to spectrum or new or additional spectrum on reasonable commercial terms or at all could have a material adverse effect on our core communications business, financial performance and growth plans.

Litigation Risks

We are exposed to the risk of regulatory or litigation action by regulators and other parties. Such regulatory matters or litigation actions may have a material effect on our financial condition and results of operations. Examples of such litigation are disclosed in Notes to the Financial Statements under "Contingent Liabilities".

We have put in place standard master supply agreements with vendors and implemented contract policies to manage contractual arrangements with vendors and customers. The policies provide the necessary empowerment framework for the CEOs, the Management Committee and the Board Committees to approve any deviations from the standard policies.

Risk Management Philosophy and Approach

COMPETITIVE RISKS

We face competitive risks in all markets and business segments in which we operate.

Group Consumer Business

The telecommunications market in Singapore is highly competitive. As competition further intensifies with the entry of a fourth mobile operator, our market share may decline and be exposed to more intense price competition. The competitive pressure in the fixed-broadband segments continues to be high among the Retail Service Providers ("RSPs"), with the ongoing migration of customers from asymmetric digital subscriber line ("ADSL") to fibre plans. Singapore's Next Gen NBN regulations allow the RSPs equal and open access to NetLink Trust's fibre network.

In the Australian mobile market, in addition to the incumbent operator, a number of participants are subsidiaries of international groups and operators, and have made large investments which are now sunk costs. We are, therefore, exposed to the risk of irrational pricing being introduced by such competitors. The consumer fixed-line services market continues to be dominated by the incumbent provider, which can leverage its scale and market position to restrict the development of competition. With the deployment of the Australian NBN, competition is expected to increase as new operators enter the market.

The operations of our regional associates' businesses are also subject to highly competitive market conditions. Their growth depends in part on the adoption of mobile data services in their markets. Some of these markets have and could continue to experience keen price competition for mobile data services from smaller scale competitors, leading to lower profitability and potential loss of market share for our associates.

Our business models and profits are also challenged by disintermediation in the telecommunications industry by handset providers and non-traditional telecommunications service providers (including over-the-top ("OTT") players) who provide multimedia content, applications and services directly on demand.

We continue to invest in our networks to ensure that our networks have the coverage, capacity and speed that will provide our customers with the best mobile data experience. Group Consumer is focused on driving efficiencies and innovation, via new technologies, products and services, processes and business models to meet evolving customer needs and enhance customer experience.

Group Enterprise Business

Business customers enjoy wide choices for many of our services, including fixed, mobile, cloud, managed services, IT services and consulting. Competitors include multinational IT and telecommunications companies, while in Australia, the enterprise market is dominated by the incumbent. The quality and prices of these services can influence a potential business customer's decision. Prices for some of these services have declined significantly in recent years as a result of capacity additions and price competition. Such price declines are expected to continue.

Group Enterprise continues to focus on offering companies comprehensive and integrated infocomm technology (ICT) solutions and initiatives to strengthen customer engagement. This includes broadening our solution portfolio to cover new areas of customer need, such as cloud computing, cyber security and solutions for smart cities.

Group Digital Life Business

The digital products and services we offer are primarily in the areas of digital marketing, digital video and data analytics. Competition is intense, with many OTT operators offering services over the internet and facing low entry barriers.

Group Digital Life aspires to become a significant global player in these areas by delivering distinctive products and services in the target markets and launching them quickly to capture market share. We recently acquired Turn Inc, a US-based company, to strengthen our technological edge and scale in digital advertising. We will continue to harness our valuable assets, such as extensive customer knowledge, touch points, intelligent networks and the scale of our customer base.

EXPANSION RISKS

Given the size of the Singapore and Australia markets, our future growth depends, to a large extent, on our ability to grow our overseas operations in both traditional and new digital services. This comes with considerable risks.

Partnership Relations

The success of our strategic investments depends, to a large extent, on our relationships with, and the strength of our investment partners. There is no guarantee that we will be able to maintain these relationships or that our investment partners will remain committed to their partnerships.

Acquisition Risks

We continually look for investment opportunities that can contribute to our expansion strategy and develop new revenue streams. Our efforts are challenged by the limited availability of opportunities, competition from other potential investors, foreign ownership restrictions, government and regulatory policies, political considerations and the specific preferences of sellers. We face challenges arising from integrating newly acquired businesses with our own operations, managing these businesses in markets where we have limited experience and/or resources and financing these acquisitions. We also risk not being able to generate synergies from these acquisitions, and the acquisitions becoming a drain on our management and capital resources.

The business strategies of some of our regional associates involve expanding operations outside their home countries. These associates 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 not consistent with those of the associates. There is no guarantee that the regional associates can generate total synergies and successfully build a competitive regional footprint.

We adopt a disciplined approach in our investment evaluation and decision-making process. Members of our management team are also directors on the boards of our associates. In addition to sharing network and commercial experience, best practices in the areas of corporate governance and financial reporting are also shared across the Group.

PROJECT RISKS

We incur substantial capital expenditure in constructing and maintaining our networks and IT systems infrastructure. These projects are subject to risks associated with the construction, supply, installation and operation of equipment and systems.

The projects that we undertake as contractors to operate and maintain infrastructure are subject to the risks of increased project costs, disputes and unexpected implementation delays, any of which can result in an inability to meet projected completion dates or service levels.

Group Enterprise is a major IT service provider to governments and large enterprises in the region. We face potential 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, as well as inadequate resource allocation and scheduling. These can lead to cost overruns, project delays and losses.

We have a project risk management framework in place, with processes for regular risk assessment, performance monitoring and reporting of key projects.

NEW BUSINESS RISKS

Beyond our traditional carriage business in Singapore and Australia, we are venturing into new growth areas to create additional revenue streams, including mobile applications and services, pay TV, Regional premium OTT video, content, managed services, cloud services, cyber security, ICT, data analytics and digital marketing. There is no assurance that we will be successful in these ventures, which may require substantial capital, new expertise, considerable process or systems changes, as well as organisational, cultural and mindset changes. These businesses may also expose us to new areas of risks associated with the media and online industries such as media regulation, content rights disputes and customer data privacy and protection.

As new businesses place new demands on people, processes and systems, we respond by continually updating our organisation structure, talent management and development programme, reviewing our policies and processes, and by investing in new technologies to meet changing needs.

TECHNOLOGY RISKS

Rapid and significant technological changes are typical in the telecommunications and ICT industry. Technological changes may reduce costs, expand the capacity of new infrastructure, bring new sources of revenue, and/or result in shorter periods for investment recovery, all of which present both opportunities as well as challenges. These changes may materially affect the Group's capital expenditure and operating costs, as well as the demand for products and services offered by our business divisions.

Rapid technological advances may leave us with infrastructure and systems that are technically obsolete before the end of their expected useful life. These changes may require us to replace and upgrade our network infrastructure to remain competitive, and as a result, incur additional capital expenditure.

In the emerging markets in which our associates operate, regulatory practices, including spectrum availability, may not necessarily synchronise with the technology progression path and the market demand for new technologies.

Each business group faces the ongoing risk of market entry by new operators and service providers (including non-telecommunications players) that, by using newer or lower cost technologies, may succeed in rapidly attracting customers away from established market participants. Our businesses may also incur substantial development expenditure to gain access to related or enabling technologies to pursue new growth opportunities in the businesses, e.g. the ICT industry. The challenge is to modify our existing infrastructure and processes in a timely and cost-effective manner to facilitate such implementation, failing which this could adversely affect our quality of service, financial condition and operational performance.

We continue to invest in upgrading, modernising and equipping our systems with new capabilities to ensure we are able to deliver innovative and relevant services to our customers.

VENDOR/SUPPLY CHAIN RISKS

We rely on third-party vendors and their extended supply chain in many

Risk Management Philosophy and Approach

aspects of our business for various purposes, including, but not limited to, the construction, operations and maintenance of our network, the supply of handsets and equipment, systems and application development services, content provision and customer acquisition. Accordingly, our operations may be affected by third-party vendors or their supply chain failing to perform their obligations. In addition, the industry is dominated by a few key vendors for such services and equipment, and any failure or refusal by a key vendor to provide such services or equipment, or any consolidation of the industry, may significantly affect our business and operations.

We monitor our relationships with key vendors closely and develop new relationships to mitigate supply risks. We have in place a Sustainable Supply Chain strategy and framework to manage risks that may exist in our extended supply chain.

INFORMATION TECHNOLOGY RISKS

As our businesses and operations rely heavily on information technology, we have established the Cyber Security Resiliency Committee to provide oversight of all IT and network security risks, including cyber security threats and data privacy breaches. The committee comprises members from the businesses, various IT and network domains, meets periodically and reports directly to the Risk Management Committee. The committee develops appropriate policies and frameworks to ensure information system security, reviews the projects and initiatives on IT and network security, reviews any IT security incidents, and establish overall governance by performing audits and cyber security drills.

We have established a Group Information Security Policy for managing risks associated with information security in a holistic manner. The policy is developed based on industry best practices and is aligned with international standards such as ISO 27001. The policy covers various aspects of IT risk governance, including change management, user access management, database configuration standards and disaster recovery planning, and provides the cornerstone for driving robust IT security controls across the Group.

We have also established a Project Management Methodology to ensure that new systems are developed with appropriate IT security controls and are subject to rigorous acceptance tests, including penetration testing, prior to implementation.

Cyber Security Risks

The scale and level of sophistication of cyber security threats have increased with the changing tactics and tools by cyber attackers, ranging from terrorist attacks, state-sponsored hacking, black-hat hacking or even internal threats. As our business is heavily dependent on the resiliency of our network infrastructure, and supporting systems, we are exposed to cyber security threats which can result in disruptions to our network and services provided to customers, and leakage of sensitive and/or confidential information. The exposure is further intensified with the growing dependency on uninterrupted connectivity and smart devices by our customers, and can lead to impacts on our reputation, litigation by customers and/or regulatory fines and penalties.

Group Enterprise is also growing our cyber security business globally. The failure to keep up with and counteract increasing cyber security threats can materially and adversely affect our cyber security business and growth strategy.

To combat these threats, we adopt a holistic approach by keeping abreast of the threat landscape and business environment as well as implementing a multi-layered security framework to ensure there are relevant preventive, detective and recovery measures. This includes training our people to adopt a security first mindset and be vigilant to the latest cyber threats. This mindset translates to a security by design principle when we create our products and services from idea, inception to launch.

We have been building our capabilities organically, through investments as well as partnerships with best-of-breed technology partners. To date, we have more than 2,000 cyber security professionals, global security operations and engineering centres as well as a specialised team of ethical hackers and forensic experts in assisting various businesses to manage vulnerabilities and threats, achieve compliance with regulations and implement secure solutions. The Group has recently launched Cyber Security Institute to offer/provide training to enhance the cyber security skills and preparedness of businesses and governments in Asia Pacific and has invested in a research and development lab to drive innovation in this area.

BREACH OF PRIVACY RISKS

We seek to protect the privacy of our customers in our networks and systems infrastructure. Significant failure of security measures may undermine customer confidence and result in litigation by customers and/or regulatory fines and penalties. We may also be subject to the imposition of additional regulatory measures relating to the security and privacy of customer data.

We have implemented security policies, procedures, technologies and tools designed to minimise the risk of privacy breaches. We have also established an escalation process for major incidents, which includes security breaches, to ensure timely response, internally and externally, to minimise impact.

FINANCIAL RISKS

The main risks arising from our financial assets and liabilities are foreign exchange, interest rate, market, liquidity, access to financing sources and increased credit risks. Financial markets continue to be volatile and this may heighten execution risk for funding activities and credit risk premiums for market participants.

We are exposed to foreign exchange fluctuations from our operations and through subsidiaries as well as associated and joint venture companies operating in foreign countries. These relate to the translation of the foreign currency earnings and carrying values of our overseas operations. Additionally, a significant portion of associated and joint venture company purchases and liabilities are denominated in foreign currencies, versus the local currency of the respective operations. This gives rise to changes in cost structures and fair value gains or losses when marked to market.

We have established policies, guidelines and control procedures to manage and report exposure to such risks. Our financial risk management is discussed further on page 210 in Note 35 to the Financial Statements.

ELECTROMAGNETIC ENERGY RISKS

Health concerns have been raised globally about the potential exposure to Electromagnetic Energy (EME) emissions through using mobile handsets or being exposed to mobile transmission equipment. While there is no substantiated evidence of public health risks from exposure to the levels of EME typically emitted from mobile phones, perceived health risks can be a concern for our customers, the community, and regulators. The perceived health risks can result in reduced demand for mobile communications. Perceived health risks in terms of environmental exposures from mobile base station equipment can have an impact within local communities on the implementation of new mobile base stations which may impact our mobile business and impact revenues or may lead to litigation. In addition, government controls may be introduced to address this perceived risk, restricting our ability to deploy our mobile communications networks.

We design and deploy our network to comply with the relevant government mandated standards for exposure to EME. Our standards are based upon those recommended by the International Commission on Non Ionizing Radiation Protection (ICNIRP), which is a related agency of the World Health Organisation (WHO). The ICNRP standards are adopted by many countries around the world and are considered best practice. We continue to monitor research findings on EME, health risks and their implications on relevant standards and regulations.

NETWORK FAILURE AND CATASTROPHIC RISKS

The telecommunications industry faces a continuous challenge of providing fast, secure and reliable networks to an increasingly digital and connected world. The provision of our services depends on the quality, stability, resilience and robustness of our networks and systems. We face the risk of malfunction of, loss of, or damage to, network infrastructure from natural or other uncontrollable events such as acts of terrorism.

Some of the countries in which we and/or our regional associates operate have experienced a number of major natural catastrophes over the years, including typhoons, droughts and earthquakes. In addition, other events that are/are not within our control and/or our regional associates' control, such as fire, deliberate acts of sabotage, vendor failure/negligence, industrial accidents, blackouts, terrorist attacks or criminal acts, could damage, cause operational interruptions or otherwise adversely affect any of the facilities and activities, as well as potentially cause injury or death to personnel. Such losses or damage may significantly disrupt our operations, which may materially adversely affect our ability to deliver services to customers. Sustained or significant disruption to our services can also significantly impact our reputation with our customers. Our inability to operate our networks or customer support systems may have a material impact on our business.

We continue to make our networks resilient and review our processes to prevent any network disruptions and have an effective communication process for timely updates to our stakeholders during any incidents and/or crisis. There is a defined crisis management and escalation process for our CEOs and senior management to respond to emergencies and catastrophic events. We have business continuity plans as well as insurance policies in place.

TALENT MANAGEMENT RISKS

As we seek new avenues of growth, a key differentiator alongside access to innovation will be the ability to attract and sustain talent including new skills and capabilities. The loss of some or all of our key executives or the inability to attract or retain key talent, could materially and adversely affect our business.

We continue to invest in the skills of our existing workforce and build up our current and emerging capabilities through external professional hires and targeted campus recruitment. In order to develop and retain talent, we conduct regular skill assessment into the critical business areas and set out structured developmental roadmaps to fill new and emerging skills gaps. We have a targeted development approach to develop young, emerging and future technical and business leaders through formal learning activities, coaching and mentoring as well as providing critical experiences such as international assignments, rotations and special projects.

Sustainability

At Singtel, we show how businesses can make a positive and lasting impact on the world even as we create shareholder value. There are four pillars of sustainability where we strive to:

- **minimise our environmental footprint;**
- **develop and empower our people;**
- **connect and nurture the communities in which we operate, and**
- **create the best customer experience and foster ethical and responsible business practices.**

The materiality assessment we conducted and our ongoing stakeholder engagement ensure that our strategy and programmes address what our internal and external stakeholders want.

Our efforts have not gone unnoticed. We received recognition in leading global sustainability listings, including the Financial Times Stock Exchange's FTSE4Good index, which measures the performance of companies' environmental, social and governance practices. We were named one of the World's Most Ethical Companies by Ethisphere Institute for the seventh year running. And for the first time, we were listed as one of the world's 100 Most Sustainable Corporations by Canadian investment advisory firm Corporate Knights.

SUSTAINABILITY PILLAR 1
ENVIRONMENT – THE SMALLEST FOOTPRINT

As we grow our business and extend our network and infrastructure, we are mindful of the need to optimise energy efficiency across our operations, minimise our impact on the environment and reduce our carbon footprint. Our goal is to create resilient networks in the face of climate change.

Besides 'greening' our mobile infrastructure with energy-efficient base stations and network equipment, we also go green with nature. We have been working with Singapore's National Parks Board to plant trees annually since 2009 to raise environmental awareness among our staff. To date, 2,200 staff volunteers have planted more than 1,000 trees across the island.

We minimise electronic waste by redeploying, reselling or recycling our network and office equipment, and mobile devices. On the retail front, our buy-back scheme allows customers in Singapore and Australia to trade in their used phones. Our stores also have facilities for customers to recycle their unwanted electronic products and accessories.

Our green initiatives continue to receive international recognition. We were placed first among Singapore companies and ranked 141 globally in the 2016 Newsweek Green Rankings, which assesses the performance of the 500 largest, publicly traded global companies according to market capitalisation.

Singtel was listed in CDP 2016, a global environmental disclosure system that recognises companies for their achievements in combating climate change. We received a commendable B climate score for our comprehensive carbon disclosure.

IVAN LIN RIXIN
Singtel Customer Service Officer

Making his way in the world hasn't been easy for Ivan. Born with cerebral palsy, he has lived in a home all his life. Armed with an ITE certificate and determined to seek independence, he tried to get a job but found working conditions for people like him were less than ideal. In 2015, he enrolled in the contact centre training programme at Singtel Enabling Innovation Centre which helps persons with disabilities to live and work independently. Today, the 29-year-old seems to have found his calling as a Customer Service Officer.

SUSTAINABILITY PILLAR 2
PEOPLE – OUR GREATEST ASSET

We invested

S$25m

and

665,000

hours in staff training in Singapore and Australia.

Our people are the most critical assets in our bid to connect the world. We invest in a range of training and talent recruitment programmes as well as activities to boost the well-being of our staff. We also embrace diversity and promote a collaborative work environment.

NURTURING TALENT

We believe that our staff should be equipped with skills needed to thrive in a rapidly evolving industry. In FY 2017, we invested S$25 million and 665,000 hours in staff training in Singapore and Australia.

Through the Singtel Cyber Cadet Scholarship Programme, Singtel Undergraduate Scholarship, Management Associate Programme and SHINE Internship Programme, we are enlarging our pool of young talent to drive growth in the emerging areas of cyber security, smart cities and data analytics.

We also launched the Cyber Security Associates and Technologists Programme with the Info-communications Media Development Authority of Singapore and Cyber Security Agency of Singapore to meet the growing need for cyber security talent. Targeted at new graduates to mid-career ICT professionals, the initiative aims to develop the right skillsets for cyber security positions. To date, the programme has trained 15 employees and signed on 10 fresh graduates and 24 mid-career ICT specialists.

In the same light, Optus has also inked a strategic partnership with Macquarie University, where we are a sponsor of the Macquarie University Cyber Hub. The Cyber Hub will conduct short courses for Optus employees and provide a ready graduate pool for talent recruitment.

Our robust talent review process identifies talents with strong potential in the early stages of their careers to accelerate their development.

Sustainability

Over

25,000

employees from

88

different nationalities

To grow our talent across the region and give them ample opportunities to develop leadership skills, we have flagship programmes such as Regional Leadership in Action and Game for Global Growth. These programmes are regularly reviewed to align with the latest industry trends.

In support of the Singapore government's national SkillsFuture movement to encourage lifelong learning, we organised a roadshow aimed at encouraging employees to utilise their SkillsFuture credits. The two-day event saw over 2,000 registered learning places. We also held a technology fair to equip our staff with knowledge of emerging technologies such as cyber security, cloud, smart cities and analytics.

We continued to organise our popular annual training event, the Learning Fiesta, which gives our employees access to new business showcases and a series of short courses and activities that focused on learning skillsets relevant to current and future work. This year, we offered more than 27,000 learning places for our staff across the Group.

EMBRACING WORKFORCE DIVERSITY

We believe that workforce diversity helps us to build and sustain our competitive advantage, and fosters innovative thinking and creative solutions to business challenges.

We have good female representation in middle and upper management within Singtel and are working to improve the representation in Optus. We implemented new recruitment standards for middle management roles, where at least one female candidate has to be shortlisted and at least one female interviewer included in the recruitment process. We also created a gender diversity plan for Optus Networks to better understand the working experience and motivation of female employees there.

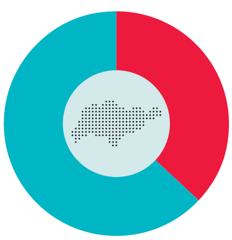
IMPROVING STAFF WELL-BEING

Singtel provides all employees with free annual health screenings, chronic disease management counselling and Work Life Coaching programmes.

We also work closely with the Union of Telecoms Employees of Singapore (UTES) and the Employee Partnership in Australia to ensure that the interests and well-being of our employees are met. Our long-standing relationship with UTES was recognised at the May Day Awards 2016, where our Group CEO was presented with the Medal of Commendation (Gold) for being proactive in adopting policies that improve the lives and working conditions of Singtel staff.

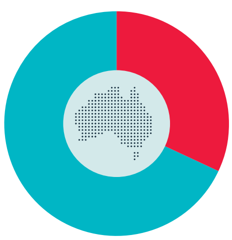
EMPLOYEE DIVERSITY BY GENDER AND AGE

Gender Distribution



Singtel

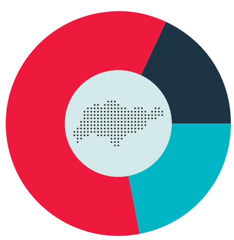
Male	63%
Female	37%



Optus

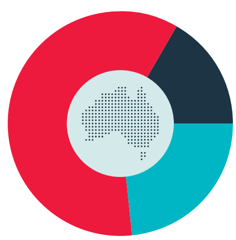
Male	68%
Female	32%

Age Distribution



Singtel

< 30 years old	22%
30-49 years old	60%
≥ 50 years old	18%



Optus

< 30 years old	24%
30-49 years old	60%
≥ 50 years old	16%

TEO EK THONG

Singtel Voice Engineer

Ek Thong never thought that balloons would change his life. Tired of queuing up for balloon sculptures for his children years ago, he decided to pick up balloon sculpting, much to their delight. As they grew out of it, he started offering hs skills at charities, schools and other voluntary events. Today, he trades balloons with smiles. And he wouldn't trade that for anything.

SUSTAINABILITY PILLAR 3 COMMUNITY – THE MOST CONNECTED COMMUNITIES

As a Group, we create positive social impact in all our markets and are committed to giving back through fundraising, volunteering and solving societal issues through social innovation.

EMPOWERING VULNERABLE COMMUNITIES

Our efforts to maximise the potential of persons with disabilities and special needs include establishing the Singtel Enabling Innovation Centre in 2015. It equips participants with contact centre and IT skills, thus enhancing their employability and their ability to lead independent lives.

This year, we worked with SG Enable, Singapore's national agency that supports persons with special needs, for its 12-week RISE Mentoring Programme run together with the Singapore Business Network on DisAbility. Four Singtel staff members mentored tertiary students with special needs to help them uncover their abilities and skills.

In a first for Optus and our non-profit partner, Australian Business and Community Network (ABCN), we rolled out the Pathways 2 Employment Programme. An extension of our current mentoring and employment programmes, Pathways 2 Employment prepares disadvantaged young people for job interviews and employment with Optus. Our staff volunteers helped 56 ABCN students develop skills and grow their confidence and by the end of the programme, six students were selected for roles in our Yes Optus stores over the busy Christmas period, with one student offered an ongoing regular role.

DEVELOPING GOOD DIGITAL HABITS

We champion good digital citizenship, where the young and vulnerable are empowered to navigate the online world safely. Our digital citizenship programmes called Digital Thumbprint Programme teach students in Australia and Singapore to create a positive online presence while arming them with the facts they need to stay safe online. This is done through workshops, talks and activities in ways that they can understand, use and enjoy. The

Sustainability

Australian Kids Helpline@School, which was introduced in Australian primary schools during the year, complements the Optus Digital Thumbprint Programme by offering digital literacy and education modules which can be accessed via webstream.

In Singapore, we identified a gap in the cyber wellness education of special needs students, and introduced the Singtel Cyber Wellness Toolkit in special education schools to teach students how to stay safe online. The toolkit comprises teaching resource materials for teachers and workbooks that cater to students of different age groups.

We are also the strategic partner of #DQEveryChild, a global programme to equip children between the ages of eight and 12 with the social, emotional and cognitive skills necessary for online safety, thus improving their Digital Intelligence Quotient or DQ. The programme, piloted in Singapore in mid-2016, showed that the students' DQ improved by 10%, indicating that they were less likely to engage in risky behaviour online after going through the course.

Some of Singtel's regional associates are now driving digital citizenship initiatives in their markets. In the Philippines, Globe unveiled its Digital Thumbprint Programme in May 2016, while Telkomsel ran TV and social media campaigns in Indonesia, highlighting the dangers of cyberspace.

DRIVING SOCIAL INNOVATION

As a global ICT player, we are in a strong position to improve lives through technology and innovation. We believe that by collaborating with our ecosystem of partners, such as non-profit organisations, government, corporates, social enterprises and start-ups, we can create bigger and more meaningful social impact across the region.

ENRIQUE SUANA

Optus Soho Micro Category Executive

Enrique used to run alone until he came across the Achilles Running Club which paired runners like him with people like Stephen who have physical disabilities. While it took them some time to get used to each other, the pair have been running mates for three years now. Connected by a tether, they clock a speed of 3 min/km and are regulars at many marathons. No small feat as Stephen runs with his eyes closed due to a rare neurological condition. Today, Enrique can no longer imagine running alone.

Optus Future Makers 2016 teams celebrating their win at the pitch event.

What the media said

"Optus is again shaking its innovation rattle – this time with a programme offering six capital injections of up to $50,000 for ideas that can 'change the social landscape' for young Australians." – Beverley Head, iStart

The Optus and Singtel Future Makers programmes were launched in Australia and Singapore to address the nascent use of technology in the social sector and to strengthen the holistic capacity building for social entrepreneurs. The programmes aim to establish a community of support for social enterprises and leverage technology and innovation for social impact. Singtel staff from our venture-capital arm Singtel Innov8, Yes Labs, HungryGoWhere, digital marketing, communications, consumer, HR, strategy and legal departments also contributed to this community through mentoring and volunteering at workshops to share their experiences and insights with the participants. Under the programme, we funded seven start-ups in Singapore and six in Australia with S$20,000 and A$50,000 respectively. Following its success, we are expanding our programme to include Globe Future Makers in the Philippines, and introducing a regional element for cross-sharing of competencies, networks and experiences to allow change makers with the most promising solutions the opportunity to scale their social impact regionally.

GIVING TIME TO WORTHY CAUSES

We encourage staff to give back to the communities that we operate in. They are given one day of paid volunteer leave each year, and our business units are encouraged to engage in VolunTeaming, or department teambuilding with a volunteering element.

Each year, our employees in Singapore organise the Singtel Carnival for children with special needs. In 2016, we saw over 1,700 staff volunteers come together to set up food and game stalls, and stage entertainment to bring joy to over 1,000 special needs students.

In Optus, our employees actively volunteer and mentor vulnerable youth in high-needs schools across Australia. Since 2005, over 3,500 volunteer and mentor roles have been filled by Optus staff, totalling over 35,000 hours of volunteering activity on company time.

Our employees also have the opportunity to participate in our annual Overseas Volunteering Programme, which is conducted jointly with our regional associates. During the year, 30 staff volunteers from Singtel, Optus and our Philippine associate Globe undertook a community upgrading project in Metro Manila. 20 staff volunteers from Singtel, Optus and our Thai associate AIS also took part in our second AIS-Singtel English Camp to mentor and help 35 Thai undergraduates to improve their conversational English.

RAISING FUNDS FOR GOOD

In Singapore, the Singtel Touching Lives Fund has raised more than S$36 million since 2002. In 2016, we commemorated 15 years of STLF by donating S$2 for every dollar contributed by employees to the fund. Together with other fundraising activities like our charity golf, we raised a total of S$3 million.

Our Optus staff donations portal yes4Good has seen our people contribute over A$3.4 million since 2005. In addition, we match staff giving up to A$300 per person per year. Our collective contributions through our Yes4Good programme have exceeded A$5.3 million.

A record 1,700 Singtel staff volunteers organised the 4th Singtel Carnival for students from special education schools in Singapore.

DANIEL LUI HONG TUCK

Singtel Senior Associate Engineer

Daniel will never forget how inadequate he felt as a child growing up without school essentials. His parents had to work multiple jobs to see him and his younger brother through school right up to university. Today, the father of one is in a far better position in life and wants to pay it forward. He dedicates his time to the 'Ready for School' programme organised by the Chinese Development Assistance Council. Every December, he spends a weekend with children from low-income families and gives out much-needed stationery and books.

SUSTAINABILITY PILLAR 4
MARKETPLACE AND CUSTOMERS – THE BEST EXPERIENCE

Just as we hold ourselves to the highest corporate standards, we expect the same of our supply chain.

We require all new suppliers to comply in key areas such as ethical practices, environmental management and human rights, and are progressively working through all our existing suppliers to evaluate these risks and ensure compliance.

We aim to be a Sustainable Supply Chain Management industry leader by 2020. Besides aligning our Supplier Code of Conduct with our UN Global Compact commitments, we are working to adhere to the guidelines set by the International Standard for Sustainable Procurement (ISO 20400), the recognised global benchmark on responsible sourcing.

As customer data privacy and protection is of paramount importance to our stakeholders and the Singtel Group, we are committed to complying with local laws and regulations. We also conduct frequent audits across the Group to sustain and refine our customer data protection policies as well as mitigate risk. Our global cyber security solutions also enable our enterprise customers to achieve the highest level of data security and protection.

Sustainability

KEY ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS

	Singapore		Australia	
	2017	**2016**	**2017**	**2016**
Enviromental Performance [1]				
Energy use (GJ)	**1,404,843**	1,379,633	**1,702,440**	1,657,262
Carbon footprint (tonnes CO_2 equivalent)	**173,811**	174,112	**418,269**	420,827
Water use (cubic metres)	**814,447**	756,398	**82,111** [2]	70,254 [2]
Hazardous and non-hazardous waste (tonnes)	**4,613**	4,223	**1,853**	1,503
Social Performance: People				
Employee turnover (%)	**16.4**	14.5	**15.4**	10.7
Employee turnover by gender (%)				
– Male	**17.0**	14.7	**14.3**	9.1
– Female	**15.4**	14.3	**17.6**	14.1
Average training hours per employee	**30.4**	32.5	**30.9**	31.7
Employee health and safety [3]				
– Workplace injury incidence rate	**1.3**	1.3	**1.3**	1.3
– Workplace injury frequency rate	**0.6**	0.6	**0.8**	0.8
– Workplace injury severity rate	**3.3**	5.9	**8.7**	12.9
Social Performance: Community				
Community investment ($ million) [4]	**S$8.3**	S$26.7 [5]	**A$8.2**	A$8.7
Total volunteering hours	**17,140**	15,981	**16,420**	16,194

Notes:

[1] Please refer to the Singtel Group and Optus sustainability reports for the reporting scope of environmental indicators.
[2] Water use for Optus Sydney Campus only.
[3] Workplace safety and health metrics based on the International Labour Organization (ILO) definitions.
[4] Community investment has been verified by The London Benchmarking Group (LBG).
[5] Includes a partial allocation of a one-time donation of S$20 million to National Gallery Singapore.

Group Five-year Financial Summary

	Financial Year ended 31 March				
	2017	2016	2015	2014	2013
Income Statement (S$ million)					
Group operating revenue	**16,711**	16,961	17,223	16,848	18,183
Singtel	**7,928**	7,663	7,348	6,912	6,732
Optus	**8,784**	9,298	9,875	9,936	11,451
Optus (A$ million)	**8,425**	9,115	8,790	8,466	8,934
Group EBITDA	**4,998**	5,013	5,091	5,155	5,200
Singtel	**2,213**	2,187	2,146	2,223	2,147
Optus	**2,784**	2,825	2,945	2,932	3,053
Optus (A$ million)	**2,669**	2,771	2,624	2,502	2,381
Share of associates' pre-tax profits	**2,942**	2,791	2,579	2,201	2,106
Group EBITDA and share of associates' pre-tax profits	**7,939**	7,804	7,670	7,357	7,306
Group EBIT	**5,701**	5,655	5,508	5,224	5,178
Net profit after tax	**3,853**	3,871	3,782	3,652	3,508
Underlying net profit (1)	**3,915**	3,805	3,779	3,610	3,611
Exchange rate (A$ against S$) (2)	***1.043***	*1.020*	*1.123*	*1.174*	*1.282*
Cash Flow (S$ million)					
Group free cash flow (3)	**3,054**	2,718	3,549	3,249	3,759
Singtel	**1,040**	869	1,379	1,181	1,491
Optus	**514**	631	1,070	1,020	1,367
Optus (A$ million)	**500**	617	976	903	1,068
Associates' dividends (net of withholding tax)	**1,500**	1,218	1,100	1,048	900
Cash capital expenditure	**2,261**	1,930	2,238	2,102	2,059
Balance Sheet (S$ million)					
Total assets	**48,294**	43,566	42,067	39,320	39,984
Shareholders' funds	**28,214**	24,989	24,733	23,868	23,965
Net debt	**10,384**	9,142	7,963	7,534	7,477
Key Ratios					
Proportionate EBITDA from outside Singapore (%)	**75**	74	74	73	75
Return on invested capital (%) (4)	**11.1**	11.7	12.1	11.6	11.8
Return on equity (%)	**14.5**	15.6	15.6	15.3	14.8
Return on total assets (%)	**8.3**	9.0	9.3	9.2	8.7
Net debt to EBITDA and share of associates' pre-tax profits (number of times)	**1.3**	1.2	1.0	1.0	1.0
EBITDA and share of associates' pre-tax profits to net interest expense (number of times)	**23.6**	25.3	29.2	28.7	24.5
Per Share Information (S cents)					
Earnings per share - basic	**23.96**	24.29	23.73	22.92	22.02
Earnings per share - underlying net profit (1)	**24.35**	23.88	23.71	22.65	22.66
Net assets per share	**173**	157	155	150	150
Dividend per share - ordinary	**17.5**	17.5	17.5	16.8	16.8

"Singtel" refers to the Singtel Group excluding Optus.

Notes:

(1) Underlying net profit is defined as net profit before exceptional items.
(2) Average A$ rate for translation of Optus' operating revenue.
(3) Free cash flow refers to cash flow from operating activities, including dividends from associates, less cash capital expenditure.
(4) Return on invested capital is defined as EBIT (post-tax) divided by average capital.

Group Five-year Financial Summary

5 YEAR FINANCIAL REVIEW

FY 2017

The Group delivered resilient earnings amid heightened competition across all the markets the Group operated in. Operating revenue was S$16.71 billion, 1.5% lower than FY 2016 but would have increased 2.0% excluding the impact of regulatory mobile termination rates change in Australia from 1 January 2016. EBITDA remained stable at S$5.0 billion. The Australian Dollar appreciated 2% against the Singapore Dollar from a year ago. In constant currency terms, operating revenue and EBITDA decreased by 2.6% and 1.5% respectively.

The associates' pre-tax contributions rose 5.4% to S$2.94 billion despite weakness in Airtel which faced intense price competition in India. Strong growth at Telkomsel and NetLink Trust, as well as first time contribution from Intouch (acquired in November 2016) was partly offset by lower profits at Airtel, AIS and Globe.

Underlying net profit grew 2.9% and net profit was stable at S$3.85 billion with an exceptional loss compared to an exceptional gain in FY 2016.

FY 2016

The Group delivered a strong performance with resilient core business and robust contributions from associates. Operating revenue was S$16.96 billion, 1.5% lower than FY 2015 with the Australian Dollar declining a steep 9% against the Singapore Dollar and the impact of lower mobile termination rates in Australia from 1 January 2016. In constant currency terms, operating revenue would have grown 4.1% across all business units with first time contribution from Trustwave, Inc. (a newly acquired cyber security business). EBITDA was S$5.01 billion, 1.5% lower than FY 2015 and in constant currency terms, would have increased 4.1% with strong cost management.

The associates' pre-tax contributions rose 8.2% to S$2.79 billion and would have increased 9.7% excluding the currency translation impact. The regional associates recorded strong customer growth and robust mobile data growth, with higher earnings from Telkomsel and Globe offsetting the decline in Airtel.

Underlying net profit was stable and net profit including exceptional items increased 2.4% to S$3.87 billion. In constant currency terms, underlying net profit and net profit would have increased 4.0% and 5.5% respectively from FY 2015.

FY 2015

The Group delivered a strong set of results. Operating revenue was S$17.22 billion, 2.2% higher than FY 2014 with growth across all the business units. EBITDA was S$5.09 billion, 1.3% lower than FY 2014 with the Australian Dollar weakening 4% against the Singapore Dollar. In constant currency terms, revenue grew 4.8% and EBITDA rose 1.3% despite operating losses from the digital businesses.

The associates' pre-tax contributions rose strongly by 17% to S$2.58 billion and would have increased 21% excluding the currency translation impact. The regional associates registered strong customer growth and increased demand for mobile data services, with earnings growth led by Airtel India, Telkomsel and Globe.

Underlying net profit grew 4.7% and net profit including exceptional items increased 3.5% to S$3.78 billion. In constant currency terms, underlying net profit and net profit would have increased 7.5% and 6.2% respectively from FY 2014.

FY 2014

The Group delivered a resilient performance against industry challenges and currency headwinds. Operating revenue was S$16.85 billion, 7.3% lower than FY 2013 with the Australian Dollar weakening 8% against the Singapore Dollar. In constant currency terms, revenue would have declined 2.3% with lower mobile revenue in Australia and a cautious business climate. EBITDA was relatively stable at S$5.16 billion but in constant currency terms increased 4.5% on an improved cost structure.

The associates' pre-tax contributions rose 4.5% to S$2.20 billion and would have increased strongly by 13% excluding the currency translation impact. The regional associates registered robust demand for mobile data services, with earnings growth led by Airtel India.

Underlying net profit was stable at S$3.61 billion and net profit including exceptional items grew 4.1% to S$3.65 billion. In constant currency terms, underlying net profit and net profit would have increased 5.9% and 10% respectively from FY 2013.

FY 2013

The Group delivered resilient earnings amid significant industry changes while it continued to invest in transformational initiatives to drive long-term growth. Operating revenue was S$18.18 billion, 3.4% lower than FY 2012 due to lower mobile revenue in Australia. EBITDA was stable at S$5.20 billion. In constant currency terms, revenue declined 2.1% but EBITDA grew 1.0% on strong cost management.

The associates' pre-tax contributions grew 5.0% to S$2.11 billion. Excluding the currency translation impact, the associates' pre-tax contributions would have increased strongly by 12%, underpinned by double-digit earnings growth from Telkomsel and AIS.

Underlying net profit was S$3.61 billion, a decrease of 1.8% from FY 2012. Excluding currency translation impact, underlying net profit rose 1.4%. Including net exceptional losses mainly from disposal of Warid Pakistan in FY 2013, net profit declined 12% to S$3.51 billion in FY 2013.

Group Value Added Statements

GROUP VALUE ADDED STATEMENTS

	FY 2017 S$ million	FY 2016 S$ million
Value added from:		
Operating revenue	**16,711**	16,961
Less: Purchase of goods and services	**(9,406)**	(9,662)
	7,306	7,299
Other income	**215**	148
Interest and investment income (net)	**115**	95
Share of results of associates (post-tax)	**2,017**	2,027
Exceptional items	**(1)**	(45)
	2,346	2,225
Total value added	**9,652**	9,524
Distribution of total value added		
To employees in wages, salaries and benefits	**2,523**	2,434
To government in income and other taxes	**684**	723
To providers of capital on:		
- Interest on borrowings	**374**	360
- Dividends to shareholders	**2,816**	2,789
Total distribution	**6,398**	6,306
Retained in business		
Depreciation and amortisation	**2,239**	2,149
Retained profits	**1,037**	1,082
Non-controlling interests	**(22)**	(13)
	3,254	3,218
Total value added	**9,652**	9,524
Average number of employees	**25,590**	25,610

PRODUCTIVITY DATA

VALUE ADDED
(S$ million)

VALUE ADDED PER EMPLOYEE
(S$'000)

VALUE ADDED PER DOLLAR OF EMPLOYEE COSTS
(S$)

VALUE ADDED PER DOLLAR OF TURNOVER
(S$)

Management Discussion and Analysis

GROUP

	Financial Year ended 31 March			
	2017 (S$ million)	2016 (S$ million)	Change (%)	Change in constant currency [(1)] (%)
Operating revenue	**16,711**	16,961	-1.5	-2.6
EBITDA	**4,998**	5,013	-0.3	-1.5
EBITDA margin	***29.9%***	*29.6%*		
Share of associates' pre-tax profits	**2,942**	2,791	5.4	5.6
EBIT	**5,701**	5,655	0.8	0.3
(exclude share of associates' pre-tax profits)	***2,759***	*2,864*	*-3.7*	*-4.8*
Net finance expense	**(260)**	(265)	-2.0	-3.4
Taxation	**(1,548)**	(1,597)	-3.1	-3.2
Underlying net profit [(2)]	**3,915**	3,805	2.9	2.3
Underlying earnings per share (S cents)	***24.4***	*23.9*	*2.0*	*1.4*
Exceptional items (post-tax)	**(63)**	66	nm	nm
Net profit	**3,853**	3,871	-0.5	-1.0
Basic earnings per share (S cents)	***24.0***	*24.3*	*-1.4*	*-1.9*
Share of associates' post-tax profits	**2,093**	1,930	8.4	8.3

"Associate" refers to either an associate or a joint venture as defined under Singapore Financial Reporting Standards.
"nm" denotes not meaningful.

Notes:
(1) Assuming constant exchange rates for the Australian Dollar, United States Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the previous year ended 31 March 2016 (FY 2016).
(2) Underlying net profit refers to net profit before exceptional items.

The Group performed in line with its guidance for the financial year ended 31 March 2017.

Underlying net profit grew 2.9% on higher associates' earnings and lower tax expenses. With an exceptional loss compared to an exceptional gain in FY 2016, net profit was stable at S$3.85 billion. Excluding Airtel which faced disruptive price competition in India, net profit would have grown 2.3%.

The Group's operating revenue declined by 1.5% 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 [1] change in Australia from 1 January 2016 ("**rates change**"), operating revenue would have been up 2.0%.

EBITDA remained stable with investments in content and network expansion, reflecting resilience in the core businesses with strong cost management.

Depreciation and amortisation charges rose on increased network and spectrum investments, and higher amortisation charges on the acquired intangibles of Trustwave, Inc. ("**Trustwave**").

Consequently, the Group's EBIT (before the associates' contributions) declined 3.7%.

In the emerging markets, the regional associates continued to record strong growth in customer base and data usage with strategic investments in networks and spectrum. The customer base of the Group and its associates reached 638 million in 22 countries as at 31 March 2017, up 5.4% or 33 million from a year ago.

Despite weakness in Airtel India, the associates' post-tax underlying profit contributions rose 8.4%. The increase was led by strong growth at Telkomsel and NetLink Trust, and first time contribution from Intouch Holdings Public Company Limited ("**Intouch**") acquired in November 2016, offsetting 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.

Including the associates' contributions, the Group's EBIT was stable at S$5.70 billion.

Net finance expense declined 2.0% 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 net exceptional loss mainly comprised share of AIS' handset subsidy costs, share of Singapore Post's exceptional loss, and staff restructuring costs partly offset by a gain on dilution of equity interest in Singapore Post.

The Group has successfully diversified its earnings base through its expansion and investments in overseas markets. Hence, the Group is exposed to currency movements. On a proportionate basis if the associates are consolidated line-by-line, operations outside Singapore accounted for three-quarters of both the Group's proportionate revenue and EBITDA.

Note:

(1) Mobile termination rates are the fees charged by mobile operators for receiving calls and messages on their networks.

Management Discussion and Analysis

BUSINESS SEGMENT

	Financial Year ended 31 March			
	2017 (S$ million)	2016 (S$ million)	Change (%)	Change in constant currency [1] (%)
Operating revenue				
- Group Consumer	**9,572**	10,110	-5.3	-6.9
- Group Enterprise	**6,600**	6,397	3.2	2.7
Core Business	**16,172**	16,507	-2.0	-3.2
- Group Digital Life	**539**	454	18.7	18.8
Group	**16,711**	16,961	-1.5	-2.6
EBITDA				
- Group Consumer	**3,295**	3,266	0.9	-0.9
- Group Enterprise	**1,913**	1,959	-2.3	-2.6
Core Business	**5,208**	5,225	-0.3	-1.5
- Group Digital Life	**(122)**	(137)	-10.6	-10.5
- Corporate	**(88)**	(76)	16.8	16.8
Group	**4,998**	5,013	-0.3	-1.5
EBIT (before share of associates' pre-tax profits)				
- Group Consumer	**1,771**	1,811	-2.2	-3.9
- Group Enterprise	**1,268**	1,337	-5.1	-5.2
Core Business	**3,039**	3,148	-3.5	-4.5
- Group Digital Life	**(190)**	(206)	-7.4	-7.3
- Corporate	**(90)**	(79)	14.2	14.2
Group	**2,759**	2,864	-3.7	-4.8

Note:
[1] Assuming constant exchange rates for the Australian Dollar and United States Dollar from FY 2016.

GROUP CONSUMER

Group Consumer contributed 57% (FY 2016: 60%) and 66% (FY 2016: 65%) to the Group's operating revenue and EBITDA respectively. Operating revenue declined by 5.3% (stable excluding the rates change) while EBITDA was stable and EBIT declined 2.2% on higher depreciation and amortisation charges with increased investments in mobile network and spectrum.

Singapore Consumer's operating revenue fell 1.9% on lower voice services and Equipment sales partly offset by growth in mobile data and Home services. Mobile Communications, which contributed 55% of Singapore Consumer's revenue, was stable as strong data growth mitigated the declines in local and roaming voice. Consumer Home revenue (comprising fixed broadband, Singtel TV and voice) rose 4.4% boosted by increased demand for higher speed fibre broadband plans and the sub-licensing of content rights for the Premier League 2016/2017 season. Despite lower revenue, EBITDA grew 2.4% with strong cost management.

In Australia Consumer, operating revenue declined 8.4% on decline in mobile but increased 2.8% excluding the impacts of device repayment plan credits and rates change. Outgoing mobile service revenue declined 5.2% but would be up 2.7% excluding the impact of device repayment plan credits, driven by strong customer additions underpinned by a robust and resilient mobile network. Mass Market Fixed revenue grew 8.0% driven by higher NBN (National Broadband Network) revenue. With lower revenue and investment in content, EBITDA decreased 1.9%.

GROUP ENTERPRISE

Group Enterprise contributed 39% (FY 2016: 38%) and 38% (FY 2016: 39%) to the Group's operating revenue and EBITDA respectively. Operating revenue grew 3.2% as strong ICT performance mainly from cyber security and provision of infrastructure services in Singapore was partly offset by continued price declines in carriage services and lower voice. ICT which includes cloud, cyber security, and smart city solutions, contributed 45% of total enterprise revenue and grew 11%. Overall EBITDA declined 2.3% due to ongoing investments to build ICT capabilities and intense price competition in Australia. EBIT decreased 5.1% after including the amortisation of acquired intangibles of Trustwave. Excluding Trustwave, EBITDA and EBIT would have declined by 1.2% and 1.8% respectively.

GROUP DIGITAL LIFE

Group Digital Life has three main businesses, namely digital marketing (Amobee), regional premium OTT video (HOOQ) and advanced data analytics and intelligence (DataSpark). Operating revenue was up 19% driven mainly by Amobee's strong performance in social, video and display advertising. Negative EBITDA fell 11% 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. Negative EBIT decreased 7.4% after including depreciation and amortisation of acquired intangibles of Amobee.

With acquisition of Turn, Inc. on 10 April 2017, Amobee is now one of the largest independent digital marketing technology companies globally.

Management Discussion and Analysis

ASSOCIATES

	Financial Year ended 31 March			
	2017 (S$ million)	2016 (S$ million)	Change (%)	Change in constant currency [1] (%)
Group share of associates' pre-tax profits	**2,942**	2,791	5.4	5.6
Share of post-tax profits				
Telkomsel	**1,071**	857	24.9	22.2
AIS [2]	**323**	370	-12.8	-12.2
Airtel [2]				
- ordinary results (India and South Asia)	**371**	527	-29.5	-27.1
- ordinary results (Africa)	**(102)**	(195)	-48.0	-45.8
- exceptional items	**-**	(15)	nm	nm
	270	316	-14.7	-12.1
Globe				
- ordinary results	**208**	215	-3.3	0.8
- exceptional items	**-**	20	nm	nm
	208	235	-11.6	-7.9
Intouch [3]				
- operating results	**35**	-	nm	nm
- amortisation of acquired intangibles	**(7)**	-	nm	nm
	28	-	nm	nm
Regional associates	**1,899**	1,779	6.8	6.7
NetLink Trust [4]				
- operating results	**73**	39	90.6	90.6
- amortisation of deferred gain	**57**	56	1.1	1.1
	130	95	37.6	37.6
Other associates [2]	**64**	57	12.2	12.2
Group share of associates' post-tax profits	**2,093**	1,930	8.4	8.3

"nm" denotes not meaningful.

Notes:

(1) Assuming constant exchange rates for the regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from FY 2016.

(2) Share of results of the associates as shown in the table above excluded the Group's share of certain exceptional items of AIS, Airtel and Singapore Post which have been classified as exceptional items of the Group in view of their materiality.

(3) Intouch, which Singtel acquired an equity interest of 21% in November 2016, has an equity interest of 40.5% in AIS.

(4) NetLink Trust is 100% owned by Singtel and is equity accounted as an associate in the Group as Singtel does not control it. The deferred gain arose from Singtel's gain on disposal of assets and business to NetLink Trust in prior years, which was deferred in the Group's balance sheet and amortised over the useful lives of the transferred assets.

	Telkomsel	**AIS**	**Airtel** [1]	**Globe**
Country mobile penetration rate	137%	135%	91%	118%
Market share, 31 March 2017 [2]	45.8%	44.8%	23.3%	48.1%
Market share, 31 March 2016 [2]	48.0%	45.9%	24.3%	45.8%
Market position [2]	#1	#1	#1	#2
Mobile customers ('000)				
- Aggregate	169,367	40,648	355,673	58,580
- Proportionate	59,278	9,479	129,678	27,615
Growth in mobile customers (%) [3]	10%	4.4%	4.0%	2.3%

Notes:

(1) Mobile penetration rate, market share and market position pertained to India market only.

(2) Based on number of mobile customers.

(3) Compared against 31 March 2016 and based on aggregate mobile customers.

The regional associates continued to record robust mobile data growth on the back of strategic investments in networks and spectrum. The associates' pre-tax and post-tax underlying profit contributions grew 5.4% and 8.4% respectively. The increases were underpinned by strong performances at Telkomsel and NetLink Trust, as well as contribution from Intouch which was acquired in November 2016, partly offset by lower profits at Airtel, AIS and Globe.

The Group's combined mobile customer base reached 638 million, a growth of 5.4% or 33 million from a year ago. Telkomsel registered 10% increase in its customer base to 169 million, including 90 million of data customers as at end of March 2017. Airtel's total mobile customer base covering India, Sri Lanka and across Africa, reached 356 million as at 31 March 2017. This represented an increase of 4.0%, or a growth of 6.6% excluding operations in Bangladesh, from a year ago.

Telkomsel performed strongly and delivered double-digit growth in operating revenue and EBITDA of 12% and 14% respectively. The increase was boosted by growth across voice, data and digital businesses on a higher customer base, increased smartphone penetration and improvement in network quality. With lower depreciation charges due to accelerated depreciation on certain equipment in the previous year, Telkomsel's post-tax contribution grew 25%.

AIS' service revenue grew 3% on higher data usage driven by improved 4G network coverage, and higher postpaid and fixed broadband revenues. EBITDA (before handset subsidy) rose 2% [(2)] on lower regulatory fees partly offset by higher network costs from network expansion. With higher spectrum amortisation charges and related financing costs, AIS' post-tax contribution declined 13%.

In India, the mobile industry declined on entry of a new operator which offered free voice and data services. Consequently, **Airtel's** operating revenue grew only 4% in India on growth in non-mobile segments, while mobile revenue was stable. EBITDA rose 5% on aggressive cost optimisation drive. In Africa, operating revenue fell 3% in constant currency terms but would have increased 3% if excluding the disposed subsidiaries (Burkina Faso and Sierra Leone) on growth in data customer base and consumption. EBITDA rose 13% on improved operational efficiency. The depreciation of African currencies mainly Nigerian Naira had resulted in declines in US Dollar reported revenue and EBITDA of 15% and 4% respectively. With higher depreciation from network assets and increased spectrum amortisation and financing costs in India, Airtel's post-tax contribution declined 15%.

Globe's service revenue grew 4% driven by growth in mobile data, broadband and corporate businesses partially offset by lower voice. EBITDA rose 5% despite higher network costs to support the growing customer base and network expansion. The growth was offset by higher depreciation charges from an expanded asset base and equity accounted losses of Vega Telecom, Inc. from May 2016, and the acquisition-related interest expense. In addition, certain one-off disposal and fair value gains were recorded in FY 2016. Consequently, Globe's post-tax contribution declined 12%.

In November 2016, Singtel acquired 21% equity interest in **Intouch** [(3)]. The Group's share of Intouch's post-tax profit was S$35 million. After including amortisation of acquired intangibles of S$7 million, Intouch's post-tax contribution was S$28 million.

NetLink Trust's revenue and EBITDA grew strongly at 16% and 20% respectively, while its net profit contribution (including S$57 million of amortised gain arising from deferred gain on disposal of assets and business) rose 38%. The growth was mainly driven by an increase in fibre connections.

Notes:

(2) Including 2G to 3G/4G handset subsidy costs classified as an exceptional item of the Group, EBITDA and post-tax profit would have declined by 2% and 19% respectively in Thai Baht terms from FY 2016.

(3) Intouch is listed on the Stock Exchange of Thailand and has investments in telecommunications via its 40.5% equity interest in AIS, as well as in satellite, internet, and media and advertising businesses.

Management Discussion and Analysis

CASH FLOW

	Financial Year ended 31 March		
	2017 (S$ million)	2016 (S$ million)	Change (%)
Net cash inflow from operating activities	**5,315**	4,648	14.4
Net cash outflow for investing activities	**(4,832)**	(2,740)	76.4
Net cash outflow for financing activities	**(422)**	(2,044)	-79.3
Net change in cash balance	**60**	(136)	nm
Exchange effects on cash balance	**12**	35	-65.8
Cash balance at beginning of year	**462**	563	-17.9
Cash balance at end of year	**534**	462	15.6
Singtel [(1)]	**1,040**	869	19.7
Optus [(2)]	**514**	631	-18.5
Associates (net dividends after withholding tax)	**1,500**	1,218	23.2
Group free cash flow [(2)]	**3,054**	2,718	12.4
(exclude ATO tax payment)	***3,197***	*2,718*	*17.6*
Optus (in A$) [(2)]	**500**	617	-19.0
(exclude ATO tax payment)	***634***	*617*	*2.7*
Cash capital expenditure as a percentage of operating revenue	**14%**	11%	

"nm" denotes not meaningful.

Notes:
(1) Refers to Singtel Group excluding Optus.
(2) After S$142 million (A$134 million) paid to the Australian Taxation Office ("**ATO**") in FY 2017 for amended assessments under dispute relating to the acquisition financing of Optus.

The Group's net cash inflow from operating activities for the year grew 14% to S$5.32 billion. The increase was due to higher dividends from associates and working capital movements partly offset by higher capital expenditure. The dividends from associates grew 23% due mainly to higher dividends from Telkomsel and Southern Cross consortium as well as distribution received from NetLink Trust.

The investing cash outflow was S$4.83 billion. In November 2016, the Group paid S$1.59 billion and S$884 million for the acquisitions of 21% equity interest in Intouch and an additional 7.4% equity interest in Bharti Telecom Limited ("**BTL**") respectively. Capital expenditure totalled S$2.26 billion, comprising S$851 million for Singtel and S$1.41 billion (A$1.35 billion) for Optus. In Singtel, major capital investments in the year included S$351 million for fixed and data infrastructure, S$168 million for mobile networks and S$332 million for ICT and other investments. In Optus, capital investments in mobile networks amounted to A$678 million with the balance in fixed and other investments.

The Group's free cash flow increased 12% to S$3.05 billion and grew 18% excluding the tax payment to the ATO, on higher operating cash partly offset by higher capital expenditure.

Net cash outflow for financing activities amounted to S$422 million. Major cash inflows included proceeds received from the issuance of 386 million ordinary shares of Singtel totalling S$1.60 billion and net increase in borrowings of S$1.16 billion. Financing cash outflows included payments of S$1.71 billion for final dividends in respect of FY 2016, and S$1.11 billion for interim dividends in respect of FY 2017.

SUMMARY STATEMENTS OF FINANCIAL POSITION

	As at 31 March	
	2017 (S$ million)	2016 (S$ million)
Current assets	**5,918**	5,165
Non-current assets	**42,377**	38,400
Total assets	**48,294**	43,566
Current liabilities	**9,272**	6,540
Non-current liabilities	**10,808**	12,023
Total liabilities	**20,081**	18,563
Net assets	**28,214**	25,003
Share capital	**4,127**	2,634
Retained earnings	**29,494**	28,457
Currency translation reserve [1]	**(4,508)**	(4,940)
Other reserves	**(900)**	(1,161)
Equity attributable to shareholders	**28,214**	24,989
Non-controlling interests and other reserve	*****	13
Total equity	**28,214**	25,003

"*" denotes less than S$0.5 million.

Note:

[1] '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.

The Group is in a strong financial position as at 31 March 2017.

Total assets increased mainly due to investments in Intouch and BTL, while the increase in total liabilities reflected increased borrowings for investments and general corporate purposes.

The increase in share capital was due to the issuance of 386 million new Singtel shares to Temasek Holdings (Private) Limited to partially finance the acquisitions of shares in Intouch and BTL.

Currency translation losses fell mainly from the translation of the Group's investments in Optus and Telkomsel from stronger Australian Dollar and Indonesian Rupiah against the Singapore Dollar from a year ago.

Management Discussion and Analysis

CAPITAL MANAGEMENT

	Financial Year Ended 31 March	
	2017	**2016**
Gross debt (S$ million)	**10,918**	9,604
Net debt [1] (S$ million)	**10,384**	9,142
Net debt gearing ratio [2] (%)	**26.9**	26.8
Net debt to EBITDA and share of associates' pre-tax profits (number of times)	**1.3**	1.2
Interest cover [3] (number of times)	**23.6**	25.3

As at 31 March 2017, the Group's net debt was S$10.4 billion, 14% higher than a year ago.

The Group has one of the strongest credit ratings among telecommunication companies in the Asia Pacific region. Singtel is currently rated Aa3 by Moody's and A+ by S&P Global Ratings. The Group continues to maintain a healthy capital structure.

Singtel maintained its dividend payout ratio at between 60% and 75% of underlying net profit. For the financial year ended 31 March 2017, the total dividend payout, including the proposed final dividend, was 17.5 cents per share or 73% of underlying net profit. The dividend payout is influenced by the Group's cash flow generation, including dividends from associates.

The Group remains committed to an optimal capital structure and investment grade credit ratings, while maintaining financial flexibility to pursue growth.

Notes:

[1] Net debt is defined as gross debt less cash and bank balances adjusted for related hedging balances.

[2] Net debt gearing ratio is defined as the ratio of net debt to net capitalisation. Net capitalisation is the aggregate of net debt, shareholders' funds and non-controlling interests.

[3] Interest cover refers to the ratio of EBITDA and share of associates' pre-tax profits to net interest expense.

OUTLOOK FOR THE FINANCIAL YEAR ENDING 31 MARCH 2018

For the Group's outlook for the financial year ending 31 March 2018, please refer to pages 9 to 10 of the Management Discussion and Analysis for the fourth quarter and year ended 31 March 2017 announced on 18 May 2017.

Financial Statements

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**").

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)	**–**	–

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.

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.

Directors' Statement

For the financial year ended 31 March 2017

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.

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	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
	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 [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.
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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.
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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.
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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.
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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.
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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.
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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 –

	Date of grant		
Equity-settled	**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.

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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	**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	**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	Group 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:

	2017 S$ Mil	2016 S$ Mil
[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.

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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

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**.

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

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**

Notes to the Financial Statements

For the financial year ended 31 March 2017

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

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	Group 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	Group 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.

Notes to the Financial Statements

For the financial year ended 31 March 2017

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.

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

29. BORROWINGS (UNSECURED)

	Group 2017 S$ Mil	Group 2016 S$ Mil	Company 2017 S$ Mil	Company 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

Principal amount	Group 2017 S$ Mil	Group 2016 S$ Mil	Company 2017 S$ Mil	Company 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	**–**	–

Notes to the Financial Statements

For the financial year ended 31 March 2017

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

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**

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.

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.

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

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.

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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.

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.

Interested Person Transactions

The aggregate value of all interested person transactions during the financial year ended 31 March 2017 (excluding transactions less than S$100,000) were as follows -

Name of interested person	S$ Mil
Advanced Info Service Public Company Limited	5.4
Aetos Security Management Pte Ltd	3.1
Aspen Holdings Limited (**Note 1**)	1,585.1
AusNet Electricity Services Pty Ltd	1.0
Bharti Telecom Limited	0.7
Business Leadership Centre Pte. Ltd.	0.1
Certis CISCO Security Pte Ltd	0.2
Fullerton Fund Management Company Ltd	0.3
Grid Communications Pte. Ltd.	1.8
MacRitchie Investments Pte. Ltd. (**Note 1**)	884.4
Mapletree Investments Pte Ltd	0.3
Mediacorp Pte Ltd	0.4
Mediacorp VizPro International Pte Ltd	0.4
Nucleus Connect Pte. Ltd.	4.5
Radiance Communications Pte Ltd	0.5
Singapore Technologies Aerospace Ltd	0.8
Singapore Technologies Electronics Limited	5.4
SMM Pte Ltd	2.0
SMRT Services Pte. Ltd.	0.3
SP Services Limited	7.6
ST Electronics (e-Services) Pte Ltd	0.7
ST Electronics (Info-Security) Pte Ltd	0.3
StarHub Cable Vision Ltd	29.8
StarHub Ltd	15.8
StarHub Mobile Pte Ltd	3.4
Temasek Management Services Pte Ltd	0.3
Tembusu Capital Pte. Ltd./ Atrium Investments Pte. Ltd. (**Note 1**)	1,605.1
Trusted Source Pte. Ltd.	0.1
VT iDirect, Inc.	0.2
	4,160.0

Note 1:
On 18 August 2016, (i) Singtel Global Investment Pte. Ltd. which is a wholly owned subsidiary of Singtel, entered into a conditional sale and purchase agreement with Aspen Holdings Limited ("**Aspen**") to acquire approximately 21% of the issued and paid-up shares of Intouch Holdings Public Company Limited for S$1,585.1 million; and (ii) Magenta Investments Limited, which is a wholly-owned subsidiary of Singtel, entered into a conditional sale and purchase agreement with MacRitchie Investments Pte. Ltd. ("**MacRitchie**") to acquire approximately 7.39% of equity shares in the issued share capital of Bharti Telecom Limited for S$884.4 million. The acquisitions were partially funded through proceeds from a share placement of 385,581,351 new ordinary shares of Singtel to Atrium Investments Pte. Ltd. ("**Atrium**"), which is a nominee of Tembusu Capital Pte. Ltd. ("**Tembusu**") for S$1,605.1 million. Aspen, MacRitchie, Atrium and Tembusu are wholly-owned subsidiaries of Temasek Holdings (Private) Limited.

The abovementioned transactions have been approved by the shareholders of Singtel at the Extraordinary General Meeting held on 14 October 2016. The necessary regulatory approvals have been obtained and the transactions were completed in November 2016.

Shareholder Information

As at 29 May 2017

ORDINARY SHARES

Number of ordinary shareholders	307,992

Voting rights:
On a show of hands – every member present in person and each proxy shall have one vote
On a poll – every member present in person or by proxy shall have one vote for every share he holds or represents
(The Company cannot exercise any voting rights in respect of shares held by it as treasury shares or subsidiary holdings [1])

Note:
[1] "Subsidiary holdings" is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50 of Singapore.

SUBSTANTIAL SHAREHOLDERS

	No. of shares	
	Direct interest	Deemed interest
Temasek Holdings (Private) Limited	8,132,818,602	411,135,736 [1]

Note:
[1] Deemed through interests of subsidiaries and associated companies.

MAJOR SHAREHOLDERS LIST – TOP 20

No.	Name	No. of shares held	% of issued share capital [1]
1	Temasek Holdings (Private) Limited	8,132,818,602	49.81
2	Citibank Nominees Singapore Pte Ltd	1,864,090,740	11.42
3	DBS Nominees (Private) Limited	1,721,860,220 [2]	10.54
4	DBSN Services Pte Ltd	1,270,296,023	7.78
5	Central Provident Fund Board	856,268,488	5.24
6	HSBC (Singapore) Nominees Pte Ltd	660,626,719	4.05
7	Atrium Investments Pte Ltd	385,581,351	2.36
8	United Overseas Bank Nominees (Private) Limited	280,613,696	1.72
9	BNP Paribas Securities Services	174,336,426	1.07
10	Raffles Nominees (Pte) Ltd	141,132,891	0.86
11	DB Nominees (Singapore) Pte Ltd	65,626,118	0.40
12	Morgan Stanley Asia (Singapore) Securities Pte Ltd	20,371,734	0.12
13	OCBC Nominees Singapore Private Limited	19,312,470	0.12
14	Societe Generale Singapore Branch	19,059,435	0.12
15	Merrill Lynch (Singapore) Pte Ltd	18,035,718	0.11
16	OCBC Securities Private Ltd	12,130,548	0.07
17	Phillip Securities Pte Ltd	7,691,271	0.05
18	Chua Sock Koong	6,344,816	0.04
19	CIMB Securities (Singapore) Pte Ltd	6,284,493	0.04
20	Macquarie Capital Securities (Singapore) Pte Limited	6,251,053	0.04
		15,668,732,812	95.96

Notes:
[1] The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the Company as at 29 May 2017, excluding 645,550 ordinary shares held as treasury shares as at that date.
[2] Excludes 645,550 ordinary shares held by DBS Nominees (Private) Limited as treasury shares for the account of the Company.

Shareholder Information

As at 29 May 2017

ANALYSIS OF SHAREHOLDERS

Range of holdings	No. of holders	% of holders	No. of shares	% of issued share capital
1 - 99	2,815	0.91	112,508	0.00
100 - 1,000	241,887	78.54	59,099,267	0.36
1,001 - 10,000	54,012	17.54	181,587,346	1.11
10,001 - 1,000,000	9,227	2.99	343,134,748	2.10
1,000,001 and above	51	0.02	15,745,224,431	96.43
	307,992	100.00	16,329,158,300	100.00

Note:
As at 29 May 2017, the Company had 645,550 treasury shares and no subsidiary holdings. Based on information available to the Company as at 29 May 2017, approximately 48% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with. The percentage of issued ordinary shares held by the public is calculated based on the number of issued ordinary shares of the Company as at 29 May 2017, excluding 645,550 ordinary shares held as treasury shares as at that date. The percentage of such treasury shares against the total number of issued ordinary shares (excluding ordinary shares held as treasury shares) is 0.004%.

SHARE PURCHASE MANDATE

At the 24th Annual General Meeting of the Company held on 29 July 2016 (2016 AGM), the shareholders approved the renewal of a mandate to enable the Company to purchase or otherwise acquire not more than 5% of the issued ordinary share capital of the Company as at the date of the 2016 AGM. As at 29 May 2017, there is no current on market buy-back of shares pursuant to the mandate.

Corporate Information [1]

BOARD OF DIRECTORS

Simon Israel (Chairman)
Bobby Chin
Chua Sock Koong (Group CEO)
Venkataraman (Venky) Ganesan
Low Check Kian
Peter Mason AM [2]
Christina Ong
Peter Ong
Teo Swee Lian

AUDIT COMMITTEE

Bobby Chin (Chairman)
Christina Ong
Peter Ong
Teo Swee Lian

CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE

Low Check Kian (Chairman)
Simon Israel
Christina Ong

EXECUTIVE RESOURCE AND COMPENSATION COMMITTEE

Peter Mason AM [2] (Chairman)
Simon Israel
Teo Swee Lian

FINANCE AND INVESTMENT COMMITTEE

Simon Israel (Chairman)
Venky Ganesan
Low Check Kian

RISK COMMITTEE

Teo Swee Lian (Chairman)
Bobby Chin
Peter Ong

OPTUS ADVISORY COMMITTEE

Peter Mason AM [2] (Chairman)
Chua Sock Koong
David Gonski AC [3]
Simon Israel
John Morschel
Paul O'Sullivan

TECHNOLOGY ADVISORY PANEL

Koh Boon Hwee (Chairman)
Venky Ganesan
Douglas Haynes
Lim Chuan Poh
Jonathan Miller
Erez Ofer

Note:
The composition of the Technology Advisory Panel is as at 31 March 2017.

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Lim Li Ching

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(2) Member of the Order of Australia.
(3) Companion of the Order of Australia.

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