

Ready, set, **DIGITAL!**

Annual Report 2018

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An overview of our businesses, our performance, key achievements and value created, as well as our strategy moving forward

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REACH
YOUR
GOALS

DIV
INTO NE
OPPORTUNIT

Financial Highlights

OPERATING REVENUE

2018	S\$17,532M	+4.9%
2017	S\$16,711M	

EBITDA

2018	S\$5,089M	+1.8%
2017	S\$4,998M	

NET PROFIT

2018	S\$5,451M ⁽¹⁾	+41.5%
2017	S\$3,853M	

UNDERLYING NET PROFIT

2018	S\$3,544M	-8.4%
2017	S\$3,871M	

FREE CASH FLOW

2018	S\$3,606M	+18.1%
2017	S\$3,054M ⁽²⁾	

SHAREHOLDER PAYOUT

2018	S\$3,347M	+17.2%
2017	S\$2,857M	

RETURN ON EQUITY

2018	18.8%	+4.3 percentage points
2017	14.5%	

RETURN ON INVESTED CAPITAL

2018	14.7% ⁽³⁾	+3.8 percentage points
2017	10.9%	

CONSTANT CURRENCY

NET PROFIT

2018	S\$5,478M ⁽¹⁾	+42.2%
2017	S\$3,853M	

UNDERLYING NET PROFIT

2018	S\$3,569M	-7.8%
2017	S\$3,871M	

Notes:

⁽¹⁾ Includes an exceptional gain of S\$2.03 billion from the disposal of 75.2% effective interest in NetLink Trust.

⁽²⁾ After payment of A\$134 million (S\$142 million) to the Australian Taxation Office for amended assessments under dispute.

⁽³⁾ Return on invested capital is defined as EBIT (post-tax) divided by average capital. For FY 2018, EBIT included the gain on disposal of economic interest in NetLink Trust.

UNDERLYING NET PROFIT

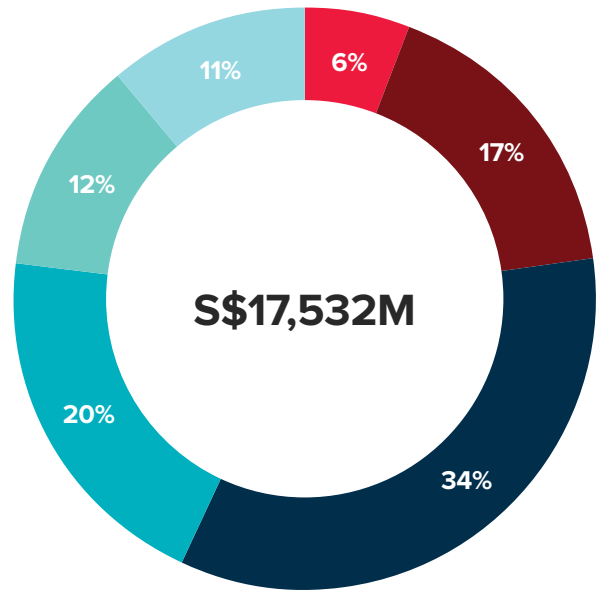
Contribution by Geography



47% Regional Associates
24% Australia
29% Singapore ⁽⁴⁾

OPERATING REVENUE

Contribution by Products and Services



● Digital Business ● Data and Internet
 ● ICT ● Sale of Equipment
 ● Mobile Communications ● Others ⁽⁵⁾

SHAREHOLDER PAYOUT

Dividend per share (S¢)

2018	17.5	3.0
2017	17.5	
2016	17.5	
2015	17.5	
2014	16.8	

● Ordinary Dividend
 ● Special Dividend

Notes:

⁽⁴⁾ Includes losses from Trustwave and Amobee.
⁽⁵⁾ Includes National telephone, International telephone and Pay television.

Singtel has a track record of generous shareholder payouts.

For the financial year ended 31 March 2018, 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 dividend for the year is 17.5 Singapore cents, unchanged from last year. The Group also paid a special dividend of 3.0 Singapore cents from NetLink Trust divestment proceeds.

Refer to page 127 for the Group’s capital management and dividend policy.

FY 2018 Achievements

The Group has achieved a lot since our last annual report. We launched new products and services and bolstered our core and digital capabilities.



Invested in SEA-Australia and SEA-North Asia submarine networks

Commissioned the INDIGO and SJC2 submarine cable systems with consortium partners. They will enhance connectivity between Australia and Southeast Asia as well as between Southeast Asia and North Asia when completed in mid-2019 and 2020 respectively.



Served as the official support network of the 2018 Commonwealth Games

Optus was the official support network of the Gold Coast 2018 Commonwealth Games, providing communications infrastructure and managed services.



Unveiled Asia's first cross-border payments initiative using telco wallets

Launched initiative to connect telco and non-telco wallets across different markets with the first phase between Singtel and AIS in Thailand planned for the third quarter of 2018.



Invested in data analytics, robotics and Internet of Things (IoT)

Partnered Nanyang Technological University (NTU) and the Agency for Science, Technology and Research (A*STAR) in Singapore to develop AI, advanced data analytics, robotics and IoT capabilities.



Acquired mobile operations in India

Airtel acquired Telenor India. It also entered into an agreement with Tata to acquire the consumer mobile business of Tata Teleservices in India.



Launched nationwide cellular IoT network

Launched cellular IoT network across Singapore, supporting CAT-M1 and NB-IoT technologies.



Debuted unlimited data, talktime and SMS

Introduced Singapore's first mobile plans with unlimited data, talktime and SMS.



Created cyber security hub for start-ups

Singtel Innov8 and the National University of Singapore (NUS) launched Singapore's first regional cyber security start-up hub ICE71.



Unlocked value in NetLink Trust

Reduced 100% stake in NetLink Trust to 24.99%, fulfilling regulatory requirements to divest stake to less than 25% before 22 April 2018.



Introduced QR code payment in Singapore

Launched SG QR code payment on Singtel Dash in Singapore.



Introduced QR code payment in the Philippines

Globe launched QR code payment on GCash in the Philippines.



Launched near-gigabit mobile data speeds

Activated 800Mbps mobile data speeds at selected high-traffic outdoor locations in Singapore.

Chairman's Message

“By repositioning our businesses for a digitally centric world, we have been able to benefit from the growth of data, driven by smartphone adoption, growing video consumption and the numerous applications, which have become central to consumers’ lives.”



Dear Shareholders,

Singtel delivered a record profit of S\$5.45 billion for the year just ended, with the successful IPO of NetLink Trust. However, underlying earnings declined 8%, largely the result of a decline in Airtel's India earnings and charges from increased network investments and spectrum. Overall, earnings remain resilient and we have made solid progress on our digital transformation.

A CHANGING COMPETITIVE LANDSCAPE

In prior years, I highlighted the growing competition from OTT players disrupting our business. By repositioning our businesses for a digitally centric world, we have been able to benefit from the growth of data, driven by smartphone adoption, growing video consumption and the numerous applications, which have become central to consumers' lives.

We are now entering an era of heightening competition, with the entry of new mobile operators across a number of our markets – a fourth operator in both Singapore and Australia, a possible third operator in the Philippines and an aggressive new player in India which has been described as the world's largest start-up with an investment in the order of US\$30 billion.

In India, Airtel is navigating a brutal price war led by the new entrant that has seen the number of operators reduced from more than a dozen to four in two years. While this is painful in the short term, we have arrived at a more sustainable market structure. Given the right regulations and fair policies, this can be expected to deliver benefits as industry earnings normalise. During the year, we increased our stake in Bharti Telecom, Airtel's holding company, as we continue to take a long-term strategic view of the future of "digital" India.

Singtel has prepared itself for increased competition by investing in content, networks and spectrum. These are key to leading in customer experience, while providing the capacity for growth in an increasingly digital world. We have implemented 4.5G and are trialling 5G.

PROGRESS IN DIGITAL TRANSFORMATION

Considerable progress has been made on digitalising the core of Singtel's operations, incorporating data analytics, machine learning and artificial intelligence. This provides critical insight into operations, drives efficiency, improves agility and positions us well for the Internet of Things era.

Our digital businesses are building new revenue streams with ICT and digital now accounting for nearly 25% of revenue. Smart cities, cloud, digital marketing and cyber security lead the growth.

Our digital marketing business Amobee has reached scale and is now EBITDA positive. The acquisition of Turn, a global programmatic advertising platform, added new capabilities and has since been successfully integrated.

In cyber security, we are integrating all the Group's operations into a single global unit, as we continue to scale and build out a global business. This brings together 10 advanced Security Operations Centres and 2,000 cyber security professionals in Asia Pacific, Europe and the Americas under a newly appointed global CEO.

Your Board is conscious of the investment in building these new businesses and will ensure value is unlocked when we judge it appropriate.

CORE BUSINESS PROVES RESILIENT

Despite increased competition, our Singapore and Australia businesses have proved resilient, leveraging network investments to deliver high quality mobile access, compelling content and competitive pricing.

The significant investments made in network and content in Australia have differentiated the business and led to strong customer growth.

Enterprise business revenues have grown on the strength of smart cities and ICT projects.

Chairman's Message

“Our digital businesses are building new revenue streams with ICT and digital now accounting for nearly 25% of revenue. Smart cities, cloud, digital marketing and cyber security lead the growth.”

DIVIDENDS

Your Board has recommended to shareholders the payment of a final dividend of 10.7 cents. If approved, taken together with the interim dividend of 6.8 cents and special dividend of 3.0 cents paid, brings the full year payout to 20.5 cents.

The Board is of the view that a dividend of 17.5 cents is sustainable for the next two financial years. Thereafter, barring unforeseen circumstances, the Group will continue with the payout ratio of 60 to 75% of underlying net profit.

DEEPENING SUSTAINABILITY COMMITMENTS

We have deepened our commitments to sustainable development in the past year, playing a leadership role in various aspects of sustainability that are aligned with global sustainability development goals. Through our stakeholder engagement, the Singtel Board and Management identified key concerns such as customer data privacy and protection, climate change and cyber bullying. These risks and concerns have become important opportunities to strengthen our risk management, and create value and long-term growth for our organisation.

I encourage shareholders to read the full report found at singtel.com/sr2018.

GOVERNANCE

Governance is constantly evolving and remains central to long-term business sustainability and value creation. Singtel's efforts continue to prove impactful, with the Group included in the World's Most Ethical Companies 2018 for the eighth straight year by Ethisphere and ranked for the second year running in Corporate Knight's Global 100 Most Sustainable Corporations. We are now the top ranked Singapore company and second highest ranking for the global telco sector in Global 100. These recognitions tell us we remain on the right governance path.

Mr Peter Ong retires after seven years on the Board and I would like to acknowledge and thank him for his contribution and service.

Yours sincerely,



SIMON ISRAEL

Chairman

GCEO Review

Dear Shareholders,

ACCELERATING OUR DIGITAL TRANSFORMATION

The past year is the sixth since we embarked on our transformation journey, crossing the threshold into digital where disruption is rampant and change is constant. Despite the challenging operating environment and intensifying competition, we managed to accelerate the build out of our new digital businesses in cyber security and digital marketing, and digitalise and strengthen our core business. The resiliency of our earnings while we accelerated changes to our business speaks to the success of our efforts thus far. Our net profit for FY 2018 was S\$5.45 billion on divestment gains from unlocking the value of NetLink Trust and a strong performance by our core business. Our ICT and new digital businesses now represent a meaningful 24% of Group revenue and have helped change our revenue profile.

STRENGTHENING OUR CORE BUSINESS

Our core consumer business across Singapore and Australia performed well as we continued to push forward on content and innovation to stay relevant to customers. High quality mobile and broadband, compelling content and competitive pricing remain at the heart of our value proposition to the market. Data-free streaming and our focus on premium sports content such as the Premier League and World Cup and quality offerings such as Netflix and National Geographic continued to pay off. Optus acquired a record number of postpaid handset mobile customers and Singapore strengthened its market leadership.

As we strive to delight our customers, we continue to invest heavily in our networks so it can handle the huge volume of video and data traffic that customers are increasingly consuming. In Australia, we committed another A\$1 billion in networks to improve and expand mobile coverage in rural and regional Australia. It is important to us that all Australians, wherever they reside, can have the same network experience and access to premium content. We are also taking the lead on the next technology wave like 5G, which we believe will truly transform the way that customers and enterprises connect – with us and with each other. In Singapore, we were the first operator to launch the first nationwide commercial cellular IoT network. In Australia, Optus launched 5G

trials at the Commonwealth Games in the Gold Coast as we further explore ways to use technology to empower and help customers simplify their lives and run their businesses.

CAPTURING NEW GROWTH THROUGH DIGITAL

The Group's digital businesses are adding new value as organisations increasingly adopt digital platforms and modes of operating, from marketing to cyber security to smart city solutions. Recent cyber security breaches around the world and the increasing migration to cloud services underlined the need for organisations to further secure their operating environments and information against cyber threats. To position ourselves well for global leadership in this area, we have integrated all our cyber security assets into a single global cyber security unit. Our cyber-related revenues totalled S\$530 million in FY 2018. Recognising that cyber security requires a wide range of defence capabilities, we recently partnered SoftBank, Telefónica and Etisalat to create the first Global Telco Security Alliance offering enterprises access to a comprehensive portfolio of cyber security services.

On the digital marketing front, our Amobee investment is showing green shoots, crossing S\$1.1 billion in revenue as EBITDA turned positive for the first time. The company's operating performance strengthened with the acquisition of Turn which helps brands optimise their media spend with their programmatic platform. We have also moved to scale the US-based business globally, expanding its operations to Asia and increasing its client base.

TAKING A LONG-TERM VIEW ON DIVERSIFICATION

While our regional associates continue to ride the growth in data, Airtel in India had a challenging year as an aggressive new operator triggered unprecedented market disruption and price erosion. While competition remains intense, we believe fair regulatory policies and sector consolidation should lead to a more stable market structure in the mid term. Our long-term view on India's prospects remains positive as we increased our effective stake in Airtel to 39.5% last year.

Elsewhere in the region, while Telkomsel's earnings were impacted by declines in legacy services and heightened price competition, it continued to leverage its network

A woman with dark hair, wearing a black blazer over a light blue top and black trousers, is smiling and looking towards the camera. She is standing in a modern office environment with blurred background elements like glass panels and lights.

“The resilience of our revenues this past year, the increasingly competitive business environment notwithstanding, demonstrates our team’s commitment to transformation and ability to execute at the operational level.”

GCEO Review

superiority and rising smartphone penetration to grow its digital businesses and spur data usage. In Thailand, AIS' profit grew on revenue improvement and cost management while Globe in the Philippines registered strong earnings growth, deepening its leadership in the market.

We remain focused on the long term when it comes to our regional diversification strategy as it has given us exposure to high-growth developing markets where populations are not just growing but getting more affluent, promising greater smartphone adoption and increasing digitalisation, all of which are growth positive. Together with our associates, the Group now serves some 650 million mobile customers across 21 countries.

UNLOCKING DIGITAL GROWTH IN THE REGION

This footprint spells even greater opportunities for our Group and our associates as we move to leverage each other's reach and capabilities to scale our businesses and better serve our customers. We recently announced for example, Asia's first telco-enabled mobile wallet technology that will allow consumers to transact seamlessly across different digital payment ecosystems through an interoperable platform. Seen in the context of ASEAN's vision of a single digital market, the Singtel Group of companies are particularly well-placed to help facilitate and accelerate the creation of such a market, working in tandem with government and the private sector.

CHAMPIONING SUSTAINABILITY FOR OUR COMMUNITIES

Besides creating value for our shareholders and our customers, we firmly believe in supporting and serving the communities in which we operate. Reinforcing our belief that technology should benefit everyone, our Singtel Group digital citizenship programmes have supported more than 140,000 students by teaching them to be digitally safe and savvy. Singtel Group Future Makers, our social innovation programme covering Australia, Singapore and the Philippines saw six start-ups receive funding to develop socially impactful businesses. We were also among the first in Singapore to pilot the SkillsFuture for Digital Workplace training programme to raise digital literacy and skills among our employees. Beyond our immediate workforce, we have also worked with partners to put in place holistic programmes to develop skills for

“We remain focused on the long term when it comes to our regional diversification strategy as it has given us exposure to high-growth developing markets where populations are not just growing but getting more affluent, promising greater smartphone adoption and increasing digitalisation, all of which are growth positive.”

a digital world, launching the Innovation Cyber Security Ecosystem at Block 71 in collaboration with the National University of Singapore, IMDA and the Cyber Security Agency. We have an energised team, excited about our future and that of our communities, and ready and willing to drive our digital growth ambitions and beliefs.

STAYING THE COURSE OF TRANSFORMATION

Singtel has undergone numerous transformations through the years, from statutory board to public-listed company to multinational and has been disciplined in looking for and building new businesses and growth areas. The challenge has always been how to navigate transitions to new business models while protecting the value of our existing businesses. The resilience of our revenues this past year, the increasingly competitive business environment notwithstanding, demonstrates our team's commitment to transformation and ability to execute at the operational level.

I would like to thank the Singtel team for staying the course, the Board for their guidance, and our partners and shareholders for their support. As we further chart our course of transformation, I'm confident that having come from a position of strength, a strong digital foundation is now in place, anchored by relevant assets, to evolve our business and capture the opportunities ahead.

Yours sincerely,



CHUA SOCK KOONG
Group Chief Executive Officer

Who We Are

As one of Asia's leading communications technology groups, Singtel provides an extensive range of telecommunication and digital services to consumers and enterprises, with a keen understanding of the unique needs of the region's different markets. Together with our regional associates AIS, Airtel, Globe and Telkomsel, the Group's presence spans Asia, Australia, Africa and the US. We now reach over 650 million mobile subscribers and derive more than 70% of our earnings from outside of Singapore. We're constantly innovating in both our core telco business and the areas of future technologies, to enrich our customers' experiences and empower them with the necessary technology to thrive in their daily lives.

139 years

of operating experience

BHARTI AIRTEL

Airtel has operations in 14 African countries

Over

650 million

mobile customers in

21 countries



66

global offices in

27 countries

428

points of presence in

362 cities to serve enterprises

Over
70%
of earnings from operations
outside of Singapore



39.5% effective interest
Mobile customers:
304m (India)
2.3m (South Asia)
89m (Africa)
26% market share (India)



23.3% of ordinary shares
40m mobile customers
45% market share



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



35.0% effective interest
193m mobile customers
47% market share



47.1% of ordinary shares ⁽¹⁾
63m mobile customers
52% market share



4.1m mobile customers
49% market share (mobile)
0.6m broadband customers
43% market share (broadband)



100% subsidiary
10.1m mobile customers
28% market share ⁽²⁾ (mobile)
1.2m broadband customers

Notes:

- ⁽¹⁾ Singtel has 21.5% interest in Globe's voting shares.
⁽²⁾ Revenue market share for the six months to 31 December 2017.
All figures as at 31 March 2018 unless otherwise stated.

Our Businesses and Strategy

From telco to global communications technology company

TRANSFORMATION STRATEGY

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

Strengthen and drive growth from the core

Create innovative, differentiated digital services

GROUP CONSUMER



Data



Content

GROUP ENTERPRISE



Cloud



Cyber security



Smart cities

GROUP DIGITAL LIFE



Digital marketing











Data analytics



OTT video

Singtel embarked on a company-wide digital transformation more than five years ago to rebuild our business around data and digital. As digital eroded industry barriers and disrupted old business models, going digital has meant developing strategies that go beyond the context of our telco industry. Instead, we have leveraged our telco assets and customer relationships to develop new businesses such as cyber security, digital marketing and smart city solutions. We have also begun building a digital ecosystem with our associates to aggregate millions of customers across the region. As digital has revolutionised consumer behaviour and company processes, we have also digitalised our core consumer and enterprise businesses.

Our new growth initiatives have grown from strength to strength – our digital and ICT businesses now contribute nearly 25% of Group revenue.

 <p>Offers a range of digital services from music, OTT video, to mobile payments in addition to voice, messaging, broadband and pay-TV.</p> <p>Read more about Group Consumer from page 35 - 48.</p> 	<h3>STAKEHOLDERS</h3>  <p>CUSTOMERS</p>  <p>INVESTORS</p>  <p>EMPLOYEES</p>  <p>COMMUNITIES</p>
 <p>Delivers core enterprise ICT services as well as cloud, cyber security and smart city solutions.</p> <p>Read more about Group Enterprise from page 49 - 54.</p>	
 <p>Focuses on digital marketing, data analytics and OTT video.</p> <p>Read more about Group Digital Life from page 55 - 60.</p>	

The Value We Create

Beyond connecting people and enabling businesses, we believe in creating value for our customers, our investors, our people, and the communities in which we operate.

For Our Customers



Over **3m** customers

actively use My Singtel and My Optus apps to manage their Singtel and Optus services



Together with our associates, our capital expenditure was more than

S\$12b

Our associates now have more than

279m

mobile data users, a

26%

increase from last year

We increased our coverage for secured high-speed data connectivity from

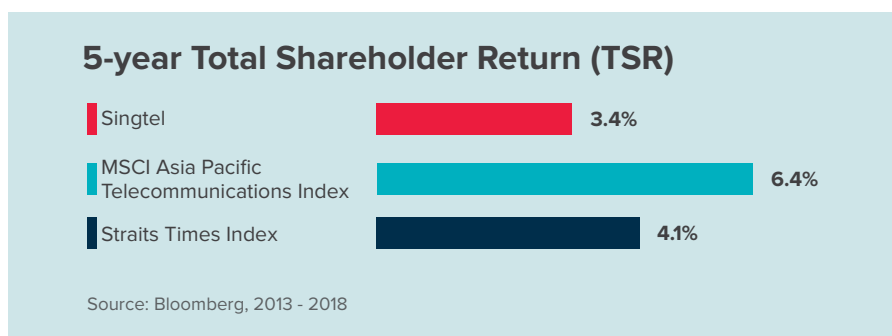
325 cities to **362** globally

For Our Investors

We paid

S\$3,346m in dividends and

S\$390m in interest



Accolades



#1 in Singapore Governance and Transparency Index 2017

#1 in ASEAN Corporate Governance Scorecard 2018 for Singapore

Special Recognition Award for Board Diversity at Singapore Corporate Awards 2017

For Our People

We have supported more than



280

students

through our internship and scholarship programmes

We invested



S\$31m

in learning and development to train staff in Singapore and Australia and our staff clocked a total of

627,000 training hours

For Our Communities

More than

5,600



SMEs participated in the 99%SME Shopping Week 2017 to rally Singapore consumers to buy SME products and services, a

100%

increase from 2016

We contributed



S\$17m

to the community, and spent

27,628

hours in staff volunteering

We were the



first

company in Asia (ex-Japan) to commit and have carbon reduction targets approved by Science Based Targets initiative

ReCYCLE, our e-waste recycling programme with SingPost, collected



9,677kg (net weight)

of e-waste since its launch in Singapore in June 2017,

250%

more than in previous years.

Our digital citizenship programmes taught digital literacy to over



430,000

students in Singapore and Australia

Singtel

FUTURE MAKERS

To encourage social innovation, Singtel Group Future Makers supported **19** start-ups from Australia, Singapore and the Philippines with over

S\$500,000 in cash grants

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 July 2003 and Chairman on 29 July 2011
- Last re-elected: 29 July 2016
- Number of directorships in listed companies (including Singtel): 3

Mr Simon Israel, 65, 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 October 2006 and Group Chief Executive Officer (CEO) on 1 April 2007
 - Last re-elected: 28 July 2017
 - Number of directorships in listed companies (including Singtel): 2
-

Ms Chua Sock Koong, 60, 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, the Defence Science and Technology Agency, Cap Vista Pte Ltd and key subsidiaries of the Singtel Group. She is also a member of the Indonesia-Singapore Business Council, the Public Service Commission, the Research, Innovation and Enterprise Council and the Singapore Management University Board of Trustees.

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.

Board of Directors



GAUTAM BANERJEE

- Non-executive and independent Director
 - Member, Audit Committee
 - Member, Risk Committee
 - Date of appointment: 1 March 2018
 - Number of directorships in listed companies (including Singtel): 4
-

Mr Gautam Banerjee, 63, is Senior Managing Director of Blackstone Group and Chairman of Blackstone Singapore Pte Ltd. Mr Banerjee spent over 30 years with PricewaterhouseCoopers (PwC) in various leadership roles in Singapore, India and East Asia. He was a Senior Partner and Executive Chairman of PwC Singapore until he retired on 31 December 2012.

Gautam sits on the boards of Singapore Airlines Limited, Piramal Enterprises Limited, The Indian Hotels Company Limited, GIC Private Limited and EDBI Pte Ltd. He also serves in several not-for-profit organisations including Singapore Business Federation, Listings Advisory Committee of the Singapore Exchange, Singapore Legal Service Commission and Yale-NUS College.

Gautam holds a Bachelor of Science (Honours) and an Honorary Doctor of Laws (LLD) from Warwick University. He is a fellow member of the Institute of Chartered Accountants in England and Wales, the Institute of Singapore Chartered Accountants and the Singapore Institute of Directors.

Gautam was a Nominated Member of Parliament in Singapore from 2007 to 2009. He was awarded the Public Service Medal by the Singapore government in 2014.



BOBBY CHIN

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

Mr Bobby Chin, 66, is a member of the Council of Presidential Advisers and 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 Chairman of Frasers Commercial Asset Management Ltd and 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 SembCorp Industries Ltd.

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.

Board of Directors



VENKY GANESAN

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

Mr Venkataraman (Venky) Ganesan, 44, is one of the Managing Partners of Menlo Ventures, a 42-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., MealPal, 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 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 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 July 2015
- Last re-elected: 28 July 2017
- Number of directorships in listed companies (including Singtel): 2

Mr Low Check Kian, 59, is a Director of Cluny Park Capital. He was previously one of the founding partners of NewSmith Capital Partners LLP (NewSmith), an independent partnership providing corporate finance advice and investment management services with its headquarters based in London. Prior to founding NewSmith, he was a Senior Vice President and Member of the Executive Management Committee of Merrill Lynch & Co and its Chairman for the Asia Pacific region.

Check Kian also sits on the boards of Broadcom Limited, Singtel Innov8 Pte. Ltd. and Singtel Innov8 Holdings Pte. Ltd., and is a trustee of the Singapore London School of Economics Trust and Nanyang Technological University. He was a Director of Neptune Orient Lines Limited and Fullerton Fund Management Company Ltd.

Check Kian holds a B. Sc (First Class Honours) and M. Sc in Economics from the London School of Economics.

Board of Directors



PETER MASON AM ⁽¹⁾

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

Mr Peter Mason, 71, is Chairman of AusNet Services Limited and a Senior Advisor to UBS Australia. He is the Chairman of the Centre for Independent Studies.

Peter has more than 40 years' experience in investment banking, including JP Morgan and Schrodgers. 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.

Note:

⁽¹⁾ Member of the Order of Australia.



CHRISTINA ONG

- Non-executive and independent Director
- Member, Audit Committee
- Member, Corporate Governance and Nominations Committee
- Date of appointment: 7 April 2014
- Last re-elected: 29 July 2016
- Number of directorships in listed companies (including Singtel): 4

Mrs Christina Ong, 66, is Co-Chairman and Senior Partner of Allen & Gledhill LLP as well as Co-Head of its Financial Services Department. She is a Director of Hongkong Land Holdings Limited, Oversea-Chinese Banking Corporation Limited, SIA Engineering Company Limited, 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.

Board of Directors



PETER ONG

- Non-executive and non-independent Director
- Member, Audit Committee
- Member, Risk Committee
- Date of appointment: 1 September 2010
- Last re-elected: 28 July 2017
- Number of directorships in listed companies (including Singtel): 1

Mr Peter Ong, 56, is Chairman of Enterprise Singapore and Senior Economic Advisor to the Ministry of Trade and Industry. He was formerly the Head of Singapore's Civil Service and Permanent Secretary (Strategy) in the Prime Minister's Office and also 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 and Lee Kuan Yew Exchange Fellowship. He is also a Senior Fellow of the Civil Service College. He was previously Chairman of the Inland Revenue Authority of Singapore and a Director of the ASEAN+3 Macroeconomic Research Office and the National Research Foundation.

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, Corporate Governance and Nominations Committee
- Member, Executive Resource and Compensation Committee
- Date of appointment: 13 April 2015
- Last re-elected: 21 July 2015
- Number of directorships in listed companies (including Singtel): 2

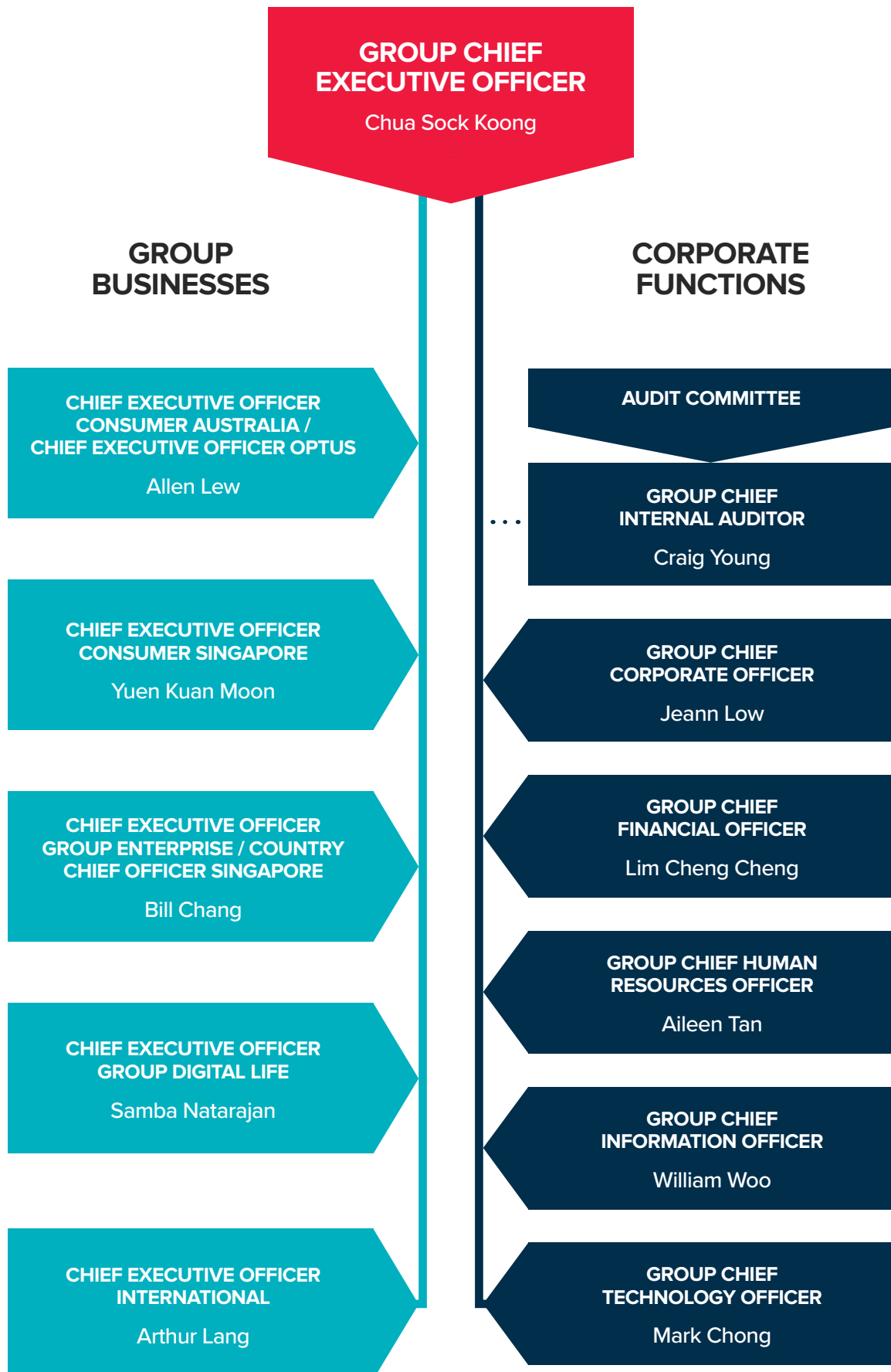
Ms Teo Swee Lian, 58, is a non-executive and independent Director of AIA Group Ltd and Avanda Investment Management Pte Ltd. Swee Lian is also a member of the Board of Directors of Dubai Financial Services Authority, United Arab Emirates, a member of the Governing Board of the Duke-NUS Medical School in Singapore, a member of the Corporate Governance Council formed by the Monetary Authority of Singapore (MAS) and a council member of the Asian Bureau of Finance & Economic Research of National University of Singapore Business School.

Swee Lian was Special Advisor in the Managing Director's Office at the MAS until she stepped down in early June 2015. Prior to that, she was the Deputy Managing Director in charge of Financial Supervision at the MAS, where she oversaw macroeconomic surveillance, regulation and supervision of the banking, insurance and capital markets industries 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.

Note:
Information as at 16 May 2018.

Organisation Structure



Management Committee

CHUA SOCK KOONG

Ms Chua Sock Koong, 60, 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, the Defence Science and Technology Agency, Cap Vista Pte Ltd and key subsidiaries of the Singtel Group. She is also a member of the Indonesia-Singapore Business Council, the Public Service Commission, the Research, Innovation and Enterprise Council and the Singapore Management University Board of Trustees.

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, 51, 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. For his contributions to the education sector, he was awarded the Public Service Star in conjunction with the National Day Honours in 2017. 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. In 2018, he was appointed a member of the Australian Institute of Company Directors' International Advisory Technology Governance and Innovations Panel and to the Board of the Urban Redevelopment Authority of Singapore.

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



Management Committee



MARK CHONG

Mr Mark Chong, 54, 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 from January 2013 to March 2017.

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, CS Loxinfo PCL and other non-listed companies such as OpenNet. He is currently the Chairman of Bridge Mobile Alliance and an Authority member of the Civil Aviation Authority of Singapore.

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



ARTHUR LANG

Mr Arthur Lang, 46, 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, such as the regional payments platform and gaming business, 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 NBN Trust, the Land Transport Authority of Singapore, the National Kidney Foundation and the Straits Times Pocket Money Fund.

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, 63, 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.



LIM CHENG CHENG

Ms Lim Cheng Cheng, 46, 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 and a Bachelor of Accountancy from Nanyang Technological University. She is a Chartered Accountant (Singapore) of the Institute of Singapore Chartered Accountants.

Management Committee



JEANN LOW

Ms Jeann Low, 57, 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 board 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, 52, 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, 51, Group Chief Human Resources Officer, is responsible for the development of human resources across the Singtel Group. She also leads its corporate sustainability function.

Aileen joined Singtel 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.

She co-chairs the Ministry of Manpower's (MOM) HR Sectoral Tripartite Committee and is a member of MOM's Workplace Safety & Health 2028 Tripartite Strategy Committee and the Media Literacy Council. She is also a member of the Institute for Human Resource Professionals (IHRP) Board, Singapore University of Social Sciences Board of Trustees and the Home Nursing Foundation Board.

Aileen graduated with a Bachelor of Arts from the National University of Singapore. She also holds a Master of Science in Organisational Behaviour from the California School of Professional Psychology, Alliant International University, US. She is a pioneer IHRP Master Professional (IHRP-MP), conferred by the IHRP in recognition of her significant contributions to the HR community and for being a role model for the HR profession.



WILLIAM WOO

Mr William Woo, 54, was appointed Group Chief Information Officer with effect from 1 August 2017. William was the Managing Director of Enterprise Data and Managed Services (EDMS) and Managing Director of Cyber Security at Group Enterprise.

He joined Singtel in May 2011 from Xchanging PLC, where he was Managing Director for the Southeast Asia region.

Prior to that, William spent 20 years at EDS and had held various senior management roles which included Managing Director of Southeast Asia & India and Vice President, Global Service Delivery of Asia, responsible for leading the Information Technology Outsourcing, Business Process Outsourcing and Applications service delivery across the Asia region. He started his career with the National Computer Board (NCB).

William graduated with a Bachelor of Applied Science in Computing (Distinction) from the Queensland University of Technology, Australia, and holds an Executive MBA from the National University of Singapore.

Management Committee



YUEN KUAN MOON

Mr Yuen Kuan Moon, 51, 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, as well as the Board of Advisors of the Institute of Service Excellence at SMU on 23 January 2018.

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



JOHN PAITARIDIS
Managing Director
Optus Business, Group Enterprise



KIM PERELL
Chief Executive Officer
Amobee, Group Digital Life



ARTHUR WONG
Chief Executive Officer
Global Cyber Security, Group Enterprise





Group Consumer

As digital becomes a way of life for most of us, we are investing in the solutions that will help you get the most out of today's technology. This means delivering a range of exciting digital services from entertainment and mobile payments to smart living on any device, any time you desire.

To plug you into the digital world, we are building ever faster connections, and curating even more content options for you. And with more ways to engage with us digitally, it has never been easier for you to access our services.

Group Consumer Singapore

In today's mobile-led world, connecting people goes beyond providing data services. At Consumer Singapore, we are not just powering our customers' lives with the island's most reliable data connections, we are offering them the widest mobile data options at the most innovative pricing plans, plus a host of premium content so they can stay connected and be entertained like never before.

INNOVATING MORE MOBILE DATA OPTIONS

As customers increasingly use their mobile devices to communicate, shop and consume entertainment, we have come up with innovative solutions to satisfy increased demand for affordable data across prepaid and postpaid plans. This is why we have extended our range of mobile data options to include an unlimited data add-on. DATA X INFINITY, when paired with our upgraded Combo plans, offers a

truly unlimited mobile experience with unlimited data, talktime and SMS/MMS. We are also giving customers the flexibility and convenience of customising their data experience both at home and away, enhancing our ReadyRoam plans to include 56 countries.

DIFFERENTIATING THROUGH NETWORK LEADERSHIP

Our superior network is key to the differentiated experience we offer. To ensure our customers continue

to enjoy exceptional connectivity, we boosted our mobile network speeds up to 500Mbps to deliver Singapore's fastest nationwide peak speeds. In addition, we remain unrivalled in topping the Info-communications Media Development Authority's 4G quality of service standards for 13 straight quarters since 2014.

We continued to leverage our spectrum assets and harness advanced technologies to lead the industry. This included the delivery of a world-first with the introduction of our quad-band FDD/TDD gigabit network which offers ultra-fast 1Gbps speeds at select high-traffic locations, providing customers an enhanced mobile data experience.

DELIVERING PREMIUM DIGITAL CONTENT, PRODUCTS AND SERVICES

From content to products and services, we offered up the very best to our customers with increasingly digital lifestyles.

Singtel TV, Singtel TV GO and CAST customers had access to all 64 matches of 2018 FIFA World Cup Russia™ in their homes and on the go, in full high definition. A stellar range of new content on Singtel TV and CAST was also introduced, headlined by the ultra-popular reality show, Sing China!

Additionally, customers had first dibs on the year's most coveted devices with exclusive launches of gaming smartphone, Razer Phone and Google's flagship, Google Pixel



2 XL. Our network was also optimised to support Apple Watch Series 3 (GPS+Cellular) with our NumberShare service, providing unprecedented on-the-go connectivity to our customers.

In the home, our customers' fibre broadband experience was enriched with enhanced corner-to-corner WiFi coverage and smart home connectivity with Samsung Connect Home.

On the mobile wallet front, Singtel Dash extended its payment universe with the launch of the Dash Visa Virtual Account, enabling mobile payments at over 50,000 merchant points across the island and on e-commerce sites. We also stepped up to be the first to adopt SG QR, enhancing Singtel Dash's features to deliver a ubiquitous mobile payments wallet for everyone and support the government's goal of transforming Singapore into a cashless society.

ENHANCING CUSTOMER SERVICE THROUGH DIGITALISATION

Superior customer service remains a key brand differentiator as we strive to make it easier and more convenient for customers to access our services, digitally or otherwise. For example, our customers can now get in touch with us at any time with a new



'Message Me' feature on My Singtel app. Powered by our new and improved chat bot, Shirley 2.0, this chat service enables customers to send queries or request callbacks with a few taps on their smartphones.

For customers' added convenience, we have also accelerated the integration of our online and offline platforms with the launch of the new Singtel Comcentre flagship store. The experiential store features for instance, an intelligent WiFi queueing system, integrated online and in-store shopping carts and instant purchases via automated checkouts. We have also brought the backroom call centre into our retail space, giving customers the option of interacting with call

centre personnel via video bots which enable conversations about any service query or issue such as billing and activation.

Our customers have been highly receptive to our digital engagement efforts. Today, almost one million of them actively use My Singtel app and more than 20% prefer to make their purchases online.



The CEO Conversation

Keeping pace with our customers' digital lifestyles

To address the rapidly evolving needs of our customers in the digital economy, Consumer Singapore has been re-inventing the way we do business. Consumer Singapore CEO Yuen Kuan Moon shares his digitalisation strategy fuelled by technology, capabilities and talent.



How is Consumer Singapore progressing on its digital transformation journey?

Moon: Our focus on customer service, along with our robust network and rich content, has been our principal differentiator and continues to set us apart from the competition. So when we started shifting gears, we focused the initial phase of our digital transformation on re-defining and enhancing our customer engagement. We've

been making strategic investments in digital innovation to create a seamless customer service experience across both our online and offline channels.

We've set new benchmarks in customer service with the introduction of new online shopping features such as "Collect@Store" and creation of digital self-help options such as My Singtel app that allow customers to engage us at their convenience.

Most recently, we also took a bold step in our omni-channel journey with the launch of our new Singtel Comcentre flagship store, one of the most intelligent retail experiences in Asia. It integrates our online and in-store shopping carts to provide customers with a consistent and personalised buying experience, provides a smart WiFi-based queue system, automated checkouts and video bots which can move around the store to assist customers.

“Our next strategic focus is overhauling our internal operations by transforming our processes digitally, optimising costs and driving operational efficiencies. To achieve this, we will need to further change the mindsets of our people.”

YUEN KUAN MOON
CEO, CONSUMER SINGAPORE

Customers have responded positively, with almost 60% of our customers using our self-help platforms and more than 20% preferring to make their purchases online. Given these encouraging results, we are doubling down on our digitalisation efforts.

Looks like you're going full on digital. What's the next phase of your agenda?

Moon: Our next strategic focus is overhauling our internal operations by transforming our processes digitally, optimising costs and driving operational efficiencies. To achieve this, we will need to further change the mindsets of our people. There is an urgent need to radically change the way we run our business, pushing past our comfort zone and unsubscribing to the adage: “If it's not broken, don't fix it.” This is the only way we can remain relevant in a fast-changing industry and deliver the experience that our customers have come to expect today.

To power ahead into the new economy, this transformation needs to be fuelled by the right people with the right capabilities. We will create an environment and provide resources to build an organisation that embraces the culture of continuous learning, from senior management to operational employees. We need to reskill our existing workforce to be equipped with new capabilities so that we can continue to lead and shape the evolving telco industry.

We will also endeavour to make Singtel an exciting digital company with the right people working in it. Only then, can we attract and retain the best talent available.

How are you leveraging technology for this digital transformation?

Moon: Technology will definitely play an essential role and provide the right tools in this digital transformation – we are embracing robotic process automation (RPA), AI and advanced data analytics.

We have started leveraging technologies such as RPA, a tool that can handle high volumes of repeatable, time-consuming and mundane tasks much faster than humans and around the clock.

We are also using emerging technologies to keep pace with our customers who are increasingly using multiple touch points to engage us and access our services.

For example, we have introduced a ‘Message Me’ option on mobile phones that allows customers to reach us 24/7. We are putting AI behind our online chat bot, Shirley, to make it more intuitive and be the first line of response. We are using analytics to know our customer better so we can deliver personalised products and services that they truly value.

Advanced analytics also plays a key role in helping us plan the best way to deploy new mobile base

stations, optimise network efficiency and make best use of capital expenditure, as well as predict capacity requirements.

What kind of Consumer Singapore will we see in the future?

Moon: With our strategic investments in spectrum and advanced network technologies, customers can count on Singtel to continue delivering on service quality, reliability and innovation.

Beyond leveraging our assets and forging strategic partnerships to connect our customers with new and exciting digital lifestyle products and services, we are also committed to supporting the growth of IoT and 5G initiatives in the future.

Internally, we are focused on transforming Consumer Singapore into a more agile entity so we can move faster, stronger and better.

We will also continue building a digitally savvy workforce empowered to create value for the organisation, our customers and the community.

I am truly excited to lead a digital Singapore consumer business in a dynamic and ever-evolving marketplace.

Group Consumer Australia

Optus continues to transition to a mobile-led, multimedia organisation that is transforming the way we connect our customers and deliver must-have entertainment and content experiences across a premium, national mobile network.

TRANSFORMING THE WAY OUR CUSTOMERS CONNECT

Digitalisation has become central to how we live our lives, so Optus is developing the digital offerings which allow customers to transform the way they connect – with us and with each other.

We have evolved the My Optus app which supports customers to digitally manage everything from billing and data usage, to bill payments and live chat. Our customers can get closer to our exclusive Premier League sports action through the Optus Sport app, while our recently introduced Optus Stadium app delivers the ultimate in game day experiences for our customers when at Perth's landmark Optus Stadium.

Optus launched a world-exclusive app in partnership with National Geographic, that delivers 129 years

of amazing storytelling directly to our customers.

In Sydney, Optus unveiled our flagship store underpinned by a 4.5G technology experience demonstrating how smart technology can simplify everyday tasks. Visitors can touch, feel and try the latest technology, including new smart home devices, smartphones and wearables.

For customers needing extra support to run their busy lives, we launched Optus Assistant, an AI initiative that provides customers with voice-activated in-call support through Google Assistant and other platforms.

CREATING A STRONG, AUSTRALIA-WIDE NETWORK

In July 2017, Optus announced a A\$1 billion investment to improve and expand mobile coverage in rural and regional Australia by the end of June 2018. The largest regional

capital expenditure programme in our 25-year history, our investment commitment affirms our focus on delivering comparable mobile network experience and coverage for customers, whether they live and work in the cities, regions or rural Australia.

We are thrilled that our mobile network was ranked Best in Test in the 2017 P3 connect Mobile Benchmark Australian test. P3 is the international leader in mobile network testing.

With more and more connected devices in the home, office and community, Optus is building a network of the future that supports digital engagement, faster speeds and improved latency.

Our 3500MHz spectrum ensures we are 5G-ready – and ahead of the competition.

**We're covering more
Australians than ever**

Gippsland East, experience
Optus 4G Plus today

OPTUS

Network satisfaction
Guarantee

Usain Bolt, Olympic Champion

The advertisement features a teal background with a large white and blue text overlay. In the center, a photograph of Usain Bolt in a yellow tank top is shown with his arms outstretched. In the bottom left corner, the Optus logo is displayed. In the bottom right corner, there is a white box with a signal icon and the text 'Network satisfaction Guarantee'. Below the photo, the text 'Usain Bolt, Olympic Champion' is written.



We have achieved milestones for our delivery of 5G technology including a world-first live network test that combined Massive MIMO and 3CC Carrier Aggregation, and a well-received outdoor trial for 5G New Radio.

These successes have made us confident in our ability to deliver 5G in Australia, with our intention to begin the roll out of 5G in Australia's key metropolitan areas by early 2019.

DELIVERING GAME-CHANGING CONTENT

Australia is a sport-loving nation, so it is no surprise that sport played a key theme for Optus in 2018. As the technology partner for the Gold Coast 2018 Commonwealth Games, we built the high-speed telecommunications

infrastructure for more than 30 locations, including 17 Games venues across Gold Coast, Brisbane, Townsville and Cairns.

Our customers enjoyed compelling content exclusive to Optus, such as Premier League and Cricket. They also enjoyed data-free streaming of the Australian Open tennis and the 2018 Winter Olympic Games.

Our National Geographic app which brings engaging video, images and stories to mobile devices and tablets has been popular with customers.

SUPPORTING THE BACKBONE OF THE AUSTRALIAN ECONOMY

Small businesses are important to Optus, and the Australian

economy, hence the SMB segment remains a focus for Optus.

We have nearly doubled our SMB footprint nationally through new Optus Business Centres, and introduced over 120 business specialists in our retail stores, supported by a dedicated SMB call centre team, premium on-boarding and business service support.

Our commitment is supported by new products including Yes Business, an online platform which allows SMBs and industry experts to exchange tips, advice and solutions on a wide range of business topics; and Optus Loop, a cloud-based system that provides a hybrid mobile and fixed line telephony service which challenges the traditional PABX.



The CEO Conversation

Changing tomorrow's telecommunications experience today

Telecommunications continues to evolve at breakneck speed as technology, content and innovation drive consumer engagement and experience. Optus CEO Allen Lew discusses the advantages and opportunities for Optus in the near future.



This year we have started to see big steps towards 5G. What can we expect in the near future?

Allen: The first phase of 5G deployment is coming much sooner than many people think. It will combine 5G network capabilities with fixed wireless services to completely disrupt the market and redefine the role a wireless service can deliver.

Shortly after global 5G standardisation was officially

drafted in December 2017, Optus was able to achieve 2Gbps data throughput using a prototype home product almost ready for market. By early 2019, we will begin rollout of this first phase of 5G and continue to lead the development of 5G in Australia. All this is thanks to an excellent team of people driving innovation, strong momentum in the market, and a unique set of technologies and spectrum that makes Optus ready for 5G deployment.

The second phase of 5G, which will focus on mobility and mass machine connectivity delivered over 5G in a range of consumer devices is further off, but it's something we're preparing for.

With a positive year of momentum, what factors have led to a strong performance, and how do you maintain that momentum?

Allen: Our consistent goal has been to build Optus into a digital organisation that delivers

“Our overarching goal remains unchanged since we entered the Australian market 25 years ago, to excite customers by disrupting the status quo, deliver customer service that focuses on ‘yes’, and offer greater competition, choice and value to Australians.”

ALLEN LEW
CEO, OPTUS

converged fixed, mobile and video services. Underpinning this has been our drive to transform the Optus network and deliver greater competition, choice and value to Australians. This year we executed on this strategy.

Last year, I said that good content and an advanced network with technology that is designed and built for the unique needs of video were essential pillars for our success.

That success was realised when our network was named ‘Best in Test’ in the P3 connect 2017 Australian benchmark following continued network investment, expansion and densification. This has meant our investment in ground-breaking partnerships, to excite customers with game-changing content and experiences has been able to reach more customers, more frequently.

With all this momentum behind us, we’re shifting focus to take the lead in the Australian market – a goal that the whole business is working towards. It’s starting with phase one of 5G but it certainly won’t stop there.

Innovation remains a cornerstone for success in the digital age. What Optus innovations have been outstanding successes?

Allen: As a challenger brand operating within a sophisticated

market like Australia, innovation is inherently instilled in our operations.

Arguably the most important example of this is how we interact with our customers. Innovation in this area, through automation, research and development and big data analytics enables Optus to make unparalleled improvements to customer interactions. These interactions have been underpinned by our strong compliance culture, trust and protection of our customers privacy and data.

Innovation allows us to integrate robotic process automation into processing customer orders for greater accuracy and faster delivery. It allows us to connect with data and trends to produce and tailor impactful customer communications, and even content offerings – from billboard advertising through to handset promotions, or our partnership with the Premier League.

What is most exciting about this is that many of the technologies we’re working with are still new and developing. As technologies continue to advance, we will be able to further integrate them into our operations, providing customers with a better experience.

You have continued to focus on transforming Optus to be a mobile-led, multimedia entertainment business.

With content so important, what can customers expect to see next from Optus?

Allen: Pairing the positive reputation of Optus’ network with our promise of delivering game-changing entertainment has seen us significantly expand on our content offering, including our role in delivering this to audiences, both on a local and global scale.

This year, we partnered with the Gold Coast 2018 Commonwealth Games to deliver the technology backbone for the event. In addition to significant network technology upgrades, we designed and implemented the Games network, enabling connectivity for broadcasting, telephony, internet and cloud services across all Games venues and providing an opportunity to showcase our capabilities on a global platform.

We’ve also secured the exclusive rights in Australia to broadcast all 64 matches from the 2018 FIFA World Cup™ live, expanding on our existing content offerings with the Premier League. Nonetheless, our overarching goal remains unchanged since we entered the Australian market 25 years ago, to excite customers by disrupting the status quo, deliver customer service that focuses on ‘yes’, and offer greater competition, choice and value to Australians.

Group Consumer Regional Associates

The proliferation of smartphones has seen data consumption surge across the markets of our regional associates in the past year. AIS and Airtel in particular, recorded jumps in data demand per user of 90% and 395% respectively. Little surprise, they have moved to enhance their digital products and services while making further investments in spectrum and networks to deliver better customer experiences. As a Group, we are pursuing a strategy to leverage our collective expertise and market base of more than 650 million mobile customers to forge new areas of growth in the digital economy.

ENHANCING SERVICES FOR CUSTOMERS AT HOME AND ON THE GO

With appetites for mobile entertainment growing, our associates have expanded their suite of digital content through partnerships with local and global content providers.

In India, Airtel partnered Hotstar, the country's largest streaming platform, and Amazon Prime Video to enhance content offerings on the Airtel TV app. In Thailand, AIS added new content to offer over 100 channels on its AIS Play app, providing customers with more entertainment choices. In the

Philippines, Globe expanded its range of Asian programmes with Viu, while Telkomsel in Indonesia introduced Catchplay, Nickelodeon and SuperSoccer. All our associates also offer HOOQ's Hollywood and original local content.

In the home, our associates are driving the subscription of broadband solutions. Globe launched prepaid home broadband plans to reach more households in the Philippines. AIS Fibre expanded its coverage to reach 50 cities and 6 million households.

TRANSFORMING CUSTOMER SERVICE

As more customer interactions move online, our associates continued to make improvements to their respective flagship apps. Both Airtel and AIS unveiled enhanced versions of their apps which enable customers to receive notifications, perform DIY services, access privileges, as well as products and services previously available only in-store. Telkomsel introduced GraPARI Virtual, a self-care customer solution which combines artificial intelligence and analytics to deliver a faster and more precise



Singtel and AIS executives and ASEAN heads of state at the preview of Singtel Group's cross-border mobile payments service during the 32nd ASEAN Summit in Singapore.

customer experience on its digital channels.

DELIVERING FASTER SPEEDS

Our associates are investing in their networks and technology, particularly for mobile broadband coverage and capacity to meet the surge in data demand and deliver a fast, seamless entertainment experience. The performance of their mobile networks has been consistently ranked among the fastest in their respective countries by independent speed tests. In Thailand, AIS launched the NEXT G mobile network which is capable of internet speeds of up to 1Gbps while in the Philippines, Globe deployed MIMO technology to expand and enhance its LTE network.

FORGING CLOSER GROUP COLLABORATION

A collaborative approach is critical to thriving in the fast-changing digital world without borders as our customers, especially the millennials, spend most of their time online, either consuming media or shopping. We are working closely, together with Optus, and our regional associates, leveraging our combined scale and capabilities to cooperate with strategic partners on a range of digital services that can be rolled out across the Group.

This past year has seen agreements with Mobike, Razer and ONE Championship to collaborate in areas such as e-payments, e-gaming and content which are some of our key consumer priorities.

In a first for the region, we announced an initiative to connect the Group’s telco wallets across markets to offer seamless cross-border payments at physical merchants. This will empower



Singtel, ONE Championship, Globe and Telkomsel executives with Angela Lee, mixed martial arts champion, at the MOU signing event between Singtel and ONE Championship.

our customers to securely and conveniently pay with their mobile wallets when they travel in Asia Pacific while helping small merchants expand their reach to millions more in the process. ASEAN heads of state had a chance to experience how this payment service would work at the 32nd ASEAN Summit held in Singapore, ahead of the first phase commercial launch between Singtel and AIS. Other mobile payment apps and our Bridge

Alliance of telco partners can potentially plug into the platform and gain ready access to our merchant and customer bases throughout the region.

This complements the Singtel Open Platform, a group-wide payment gateway, which already enables our customers to make purchases online using direct carrier billing or their respective telco mobile wallets.



The CEO Conversation

Hunting as a pack

The infocommunications industry is fast-moving and ever-changing. How is Singtel harnessing its regional reach to build an advantage? International Group CEO Arthur Lang shares his insights.



It has been a year since you became the CEO of the International Group. How have you found it, given that you come from a different background?

Arthur: There has never been a dull moment! The International Group works with our regional associates in Asia and Africa, high growth markets with large millennial populations whose digital lifestyles are driving explosive data traffic growth. It's a region that is truly mobile-first in that the first 'cinema' experience of the younger set may well be via mobile streaming. And while many may not have

credit cards or bank accounts, they definitely have a mobile subscription and increasingly, a mobile wallet.

FY 2018 was a challenging year for Airtel which faced intense competition in India sparked by an aggressive new operator. While we expect pricing pressures in India to continue in the near term, we expect the resultant consolidation and more rational pricing to lead to a healthier, more stable market structure. We take a long-term view of our strategic investments in Airtel and our other associates. All of them are strong leaders in their respective markets and they've successfully

differentiated themselves through continuous investments in networks and spectrum and innovation to deliver a better customer experience. This certainly puts each of our associates in a strong position to navigate competition and ride the digital wave even as capex intensity grows as we shift from 3G to 4G to 5G.

Coming from a non-telco background, I believe I can bring a fresh perspective and new ideas to the role. With my finance background, I can balance commercial entrepreneurship with financial rigour.

“Our focus is to leverage this scale to build an ecosystem of digital services for our customers through strategic partnerships. Such partnerships can create a huge network effect. We want to engage with customers, increase customer touchpoints and mindshare.”

ARTHUR LANG
CEO, INTERNATIONAL GROUP

The telco industry has seen disruptive changes in the last few years. How is Singtel continuing to lead the associates?

Arthur: I don't see our role as "leading" our associates. We are partners and bring together the strength of the pack as we go out and hunt for opportunities.

Today, our competition is not just traditional telcos, but digital players like OTTs too. So we have to up our game and play in that league as well. Our mindset has moved beyond local for many years now, especially since borders have eroded as the world's gone digital.

We've evolved from a telco to a communications technology company with the shift from voice to data. We continue to identify new ways to use our assets to develop new revenue streams, especially in the digital space where scale is critical to any company's success. We certainly have that scale with our customer base of more than 650 million across 21 countries.

Our focus is to leverage this scale to build an ecosystem of digital services for our customers through strategic partnerships. Such partnerships can create a huge

network effect. We want to engage with customers, increase customer touchpoints and mindshare. I'm keen to increase not just monthly active users but also daily active users.

What are some of the opportunities you see for the Group?

Arthur: Digital services are a big part of our customers' lives which is why we've identified opportunities in cross-border payments and content. All our associates, ourselves included, already offer mobile wallet services so we're simply leveraging the strength of the pack through an interoperable platform to enable our customers to pay with their mobile wallets when they travel in Asia. It's secure and convenient. We also want to connect with the millennials by engaging them with video and new forms of content such as esports, mixed martial arts and much more. Our recent collaborations with Razer and ONE Championship will help us to do just that.

Tell us more about this cross-border payments initiative.

Arthur: There's been a proliferation of mobile wallet services in Asia but these wallets don't connect with

one another across borders. We saw an opportunity to address this gap by connecting all the mobile wallet services of the Group.

We're linking Singapore and Thailand first in the third quarter of 2018. Then we'll progressively connect the rest of our markets and potentially other telco and non-telco mobile payment apps including those of our Bridge Alliance partners and even non-telco partners.

With intra-Asia travel on the rise, this will truly empower travellers of each country to transact safely and easily with their mobile wallets and help small local merchants widen their reach to millions more in the process. We believe this will unlock the growth potential of mobile payments in the region and support ASEAN's vision of a more connected community.

You mentioned esports as another area of focus. How does Singtel view esports?

Arthur: I'm a casual and occasional gamer but I've recently started watching esports. At first, I wondered why so many young people would watch someone else play a video game. But it isn't too different from watching traditional sports like football or basketball with many intense moments of action that has drawn a similarly huge following worldwide.

That's why such new forms of sports are a very natural next step for us. This is not just in terms of content, but also to grow a vibrant esports ecosystem and community in Southeast Asia which will help us excite and engage millennials even more. We're gearing up for this in the next few months, so stay tuned!

Group Enterprise

Doing business digitally is no longer 'good to have' but a 'must-have'. In a world where new technologies have levelled the playing field for even the smallest companies, going digital is key to staying ahead of the competition. Whether you're moving your operations to the cloud, keeping your information safe, or gleaning insights from data to become more competitive, we have the solutions to help enterprises embark on their digital journey, just as we have.

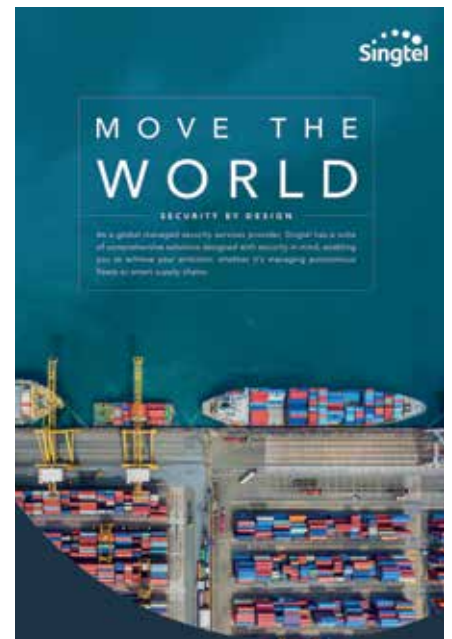




Cyber
Security

Group Enterprise

The digital revolution has totally upended the way companies do business, giving them more efficient means to run and scale their operations through the deployment of cloud, analytics, cyber security, IoT and smart city solutions. This has opened up a slew of new business opportunities for Group Enterprise, opportunities we have seized by leveraging our quality infrastructure which continues to form the backbone of our transformation, while rapidly developing our talent and building our capabilities in these new growth areas. Having embarked on our own digital transformation six years ago, Group Enterprise is now empowering other companies attempting similar transitions.



BUILDING OUT CYBER SECURITY

Having identified cyber security as a new growth driver and set our sights on becoming a global leader in this space, we are accelerating the build out of the business by consolidating our cyber security assets into a single global business. This brings together 10 advanced Security Operations Centres (SOCs) across Asia Pacific, Europe and the Americas as well as 2,000 cyber security professionals. Through these combined resources and capabilities, Singtel is primed to deliver a portfolio of world-class enterprise solutions to help protect customers and support their evolving needs, in a climate where cyber risks are rising and becoming increasingly complex.

To further broaden the reach of our business, we recently formed the

Global Telco Security Alliance with Telefónica, SoftBank and Etisalat to offer enterprises access to a wider portfolio of cyber security services in over 60 countries. Together, the alliance operates 22 world-class SOCs and employs more than 6,000 cyber security experts.

EMPOWERING DIGITAL TRANSFORMATION

Besides augmenting our cyber security capabilities, we have also undertaken several initiatives to help our customers accelerate their digital transformation.

On the cloud front, we collaborated with VMware to set up our first Digital Transformation Foundry in Singapore. The foundry is designed as a 'virtual sandbox' for customers to conduct

proof-of-concept experiments that will help bring their digital solutions to market more quickly. Similar foundries to be created in Australia and Hong Kong will initially focus on delivering a suite of cloud services to enable customers to modernise their data centres, integrate public and private clouds, transform information security and create digital workspaces of the future.

Last December, we partnered with Singapore's NTU and A*STAR to spearhead R&D in emerging technologies that will support the country's Smart Nation ambitions. The NTU partnership aims to pioneer breakthroughs in AI, advanced data analytics, robotics and smart computing applications, while that with A*STAR will focus on building automation systems,

robotics and industrial IoT applications.

To develop the IoT ecosystem in Singapore, Singtel and Ericsson recently established an innovation lab to facilitate IoT deployments. We also collaborated with Twilio, a leading cloud communications company, to develop a platform that makes IoT more accessible to software developers. During the IoT Asia conference in March, we showcased the IoT applications that we are developing for sectors such as manufacturing, healthcare, transportation, real estate and utilities.

BOLSTERING CONNECTIVITY

As we develop more innovative technologies to serve our customers, we are also upgrading our infrastructure to give them the robust connectivity they need to deploy their digital strategies. Singtel and the members of the Southeast Asia – Japan 2 undersea cable consortium recently announced the construction

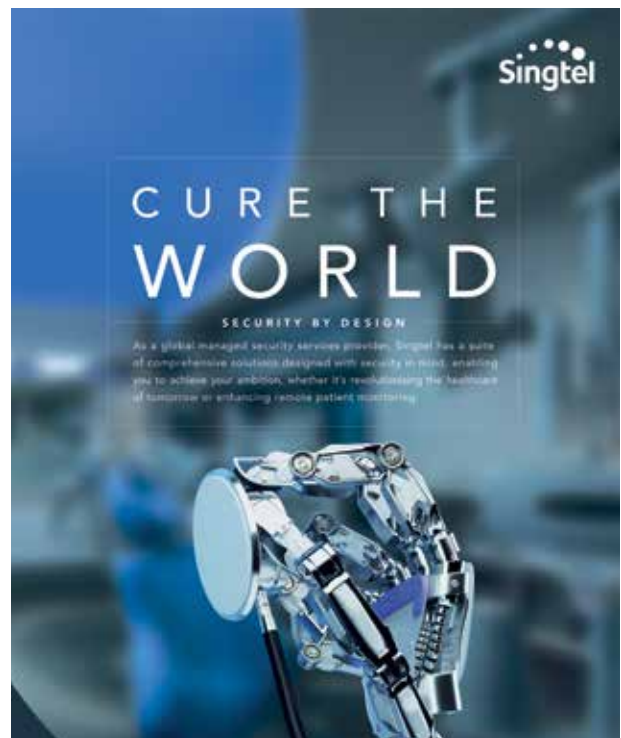


Singtel executives demonstrate the capabilities of Singtel's IoT network to Dr Vivian Balakrishnan (centre), Singapore's Minister for Foreign Affairs and Minister-in-charge of the Smart Nation initiative at IoT Asia 2018.

of a high-performance submarine cable that will connect Singapore to Southeast Asia and North Asia when completed in 2020.

The 10,500-kilometre submarine cable can carry 144 terabits of data per second, roughly the equivalent of simultaneously streaming 5.76

million ultra-high definition videos per second. Together with the 9,000-kilometre INDIGO submarine cable that will link Singapore to Australia when completed in 2019, these new cable facilities will allow us to meet the growing demand for bandwidth-intensive applications across Asia Pacific.



The CEO Conversation

Powering Singapore's Smart Nation vision

As Singapore sets its sights on being a Smart Nation, Singtel is gearing up to be the trusted enabler of the country's new digital economy. Group Enterprise CEO Bill Chang outlines Singtel's vision.



Digital transformation is the cornerstone of Singapore's Smart Nation vision. What is Singtel doing to support Singapore's digital initiatives?

Bill: As Asia's leading communications technology group, we are leveraging our core strengths and leadership in telecoms and information technology which will help serve as the digital backbone upon which our Smart Nation is built. As we continue to deepen our

capabilities in new growth areas like cyber security, cloud, IoT, advanced analytics, AI and robotics, we will provide solutions and services from these digital technologies that will allow us to contribute even more meaningfully to Singapore's digital transformation.

Singapore will need to develop the right talent pool if it is to fulfil its Smart Nation dreams and this is also a key area where Singtel is contributing. We have partnered with institutions of higher learning

to develop curriculum in emerging fields such as cyber security, digital marketing and robotics for instance to help groom a digitally savvy workforce.

How do you see these new digital technologies operating in the Singapore of tomorrow?

Bill: These new technologies will transform the way we live, learn and work. In the realm of public services, Singaporeans can expect smart apps and digital services

“As Asia’s leading communications technology group, we are leveraging our core strengths and leadership in telecoms and information technology which will help serve as the digital backbone upon which our Smart Nation is built.”

BILL CHANG
CEO, GROUP ENTERPRISE

which will mean more ease of use for citizens and greater productivity and efficiencies for organisations. Digital payments will increasingly become a way of life for many, and this will rapidly transform the interactions between consumers and enterprises, allowing them to better serve their customers, drive productivity and scale their businesses regionally and globally.

In the transportation sector, we are in the midst of developing the next generation Electronic Road Pricing system for the Land Transport Authority (LTA). By using satellites, the LTA can manage traffic flow more flexibly by pricing road usage based on the distance travelled by motorists on busy roads, while providing commuters information to better plan their journeys.

How is Singtel contributing to Singapore’s Smart Nation development?

Bill: In the smart urban infrastructure area, we are using data from IoT sensors to help the Housing & Development Board (HDB) and the town councils monitor lifts and other common facilities to ensure continuous operations. This improves the management and maintenance of critical facilities at HDB heartlands.

IoT will also be a critical lever for enterprises to transform themselves digitally and innovate in line with the government’s roadmap to bring industries into the new economy. Singtel is trialling a range of IoT applications for deployment across manufacturing, healthcare, transportation, real estate and utilities sectors.

In the healthcare sector, we are deploying robotics technology in hospital pharmacies to help speed up the dispensing of medicines, reduce the wait times for patients and boost productivity of healthcare workers.

A Smart Nation also needs to be digitally safe. What is Singtel doing to ensure enterprises are being protected?

Bill: The global impact of last year’s Wannacry and Petya malware incidents clearly demonstrate the cross-border nature of cyber threats. Enterprises with operations around the world cannot continue using standalone cyber defences to protect their local offices. They will need a global, 24/7 view of such fast-evolving threats to better protect themselves. Given our network of advanced SOCs across Asia, Australia and Europe and the Americas, we are well-positioned to provide close monitoring of cyber threats. In March, Gartner

recognised our cyber security arm Trustwave in the Leaders' Quadrant for the Global Managed Security Services category. Coupled with the swift, coordinated responses to these global threats, we can strengthen companies’ defences around-the-clock.

Additionally, we have bolstered our cyber defences through the newly-created Global Telco Security Alliance with Telefónica, SoftBank and Etisalat. The alliance will further enhance our global footprint with a combined reach of more than 1.2 billion customers in over 60 countries. We are also developing deep information security capabilities for critical infrastructure in the transportation and utilities sectors.

Technology is constantly evolving. How does Singtel keep up with technological advancements?

Bill: We have intensified our innovation drive by forming strategic partnerships to make Singtel future-ready. Our partnerships, corporate labs and collaboration with NUS, NTU and A*STAR last year underscore our efforts to create intellectual property and speed up the development of innovative products and services that will help solve the real world challenges of many enterprises.

Group Digital Life

Increasing digitisation, the behavioural changes and technology driving it, continues to weigh on businesses looking to find their feet in the new normal. Leveraging our growing digital capabilities, we help marketers better engage their audiences online, and companies marshal huge volumes of data to distil insights that sharpen their business. As digital rewards first movers and superfast followers, we continue to scout the world for the most innovative start-ups and technologies to invest in. It's all part of our plan to build on our digital strategy by staying at the leading edge of the digital revolution.



Group Digital Life

The digital revolution has dramatically changed the way we communicate and consume media, with everything we do now revolving around our mobile devices. This presents a huge opportunity for us to harness our core telecommunications assets and nurture our existing portfolio of digital businesses in digital marketing, advanced data analytics and over-the-top video to win in the digital economy. Our corporate venture arm Singtel Innov8 continues to invest in innovative start-ups that help drive our digital transformation.

AMOBEE EXPANDS ASIAN FOOTPRINT

As traditional advertising increasingly shifts to online channels and devices, global digital ad spend is expected to almost double to US\$427 billion by 2022 from about US\$232 billion in 2017, according to research firm eMarketer. This growth will be driven primarily by demand from digital advertisers in Asia Pacific. To capture such opportunities, Amobee is expanding its footprint across the region.

In the past year, Amobee has made significant progress, delivering robust revenue growth and positive EBITDA for the full year for the

first time since Singtel acquired it. Leveraging synergies from the acquisition of the Turn platform, it offers customers new programmatic solutions to improve the effectiveness of their campaigns. Amobee won more accolades, including the Gold Stevie Award for the Marketing Campaign of the Year for the Travel/Tourism/Destination industry at the 2017 American Business Awards for its work on Airbnb's "Live There" global digital campaign.

HOOQ AND DATASPARK GAIN TRACTION

Our video streaming service HOOQ and advanced analytics arm DataSpark are both gaining traction.

HOOQ now offers access to more than 35,000 hours of affordable Hollywood and local content to our customers across Indonesia, India, the Philippines, Thailand and Singapore. It continues to innovate its business and will launch its free-to-air live TV streaming service this year to bring users onto the HOOQ platform and complement its premium offerings.

HOOQ will also continue to focus on producing and licensing local original content across Southeast Asia to pull local audiences. It currently has about 20 projects in the pipeline. Among HOOQ's recent local productions were



One platform.
Every imaginable
advantage.

Only Amobee gives you access to all the data you need for every activation channel.



Indonesian filmmaker Mouly Surya’s “Marlina The Murderer In Four Acts” and romantic comedy “Kita Kita,” the highest-grossing Philippine independent film for 2017. HOOQ has won exclusive broadcast rights to air two original TV series “The Oath” and “Carter” which were produced by Sony Pictures.

DataSpark has been scaling its business across the region, offering a suite of data analytics solutions to industries ranging from telecommunications, transportation, retail and marketing to urban planning. DataSpark’s mobility intelligence platform which analyses people’s data consumption patterns and movement around high traffic areas is helping mobile operators in Singapore, Australia, Thailand, the Philippines and Indonesia optimise their network investments by allowing carriers to deploy cellular capacity where the bandwidth is most needed.

In Australia, DataSpark recently conducted a mobility study on popular suburbs frequented by tourists, enabling advertisers to create campaigns targeted at the travel market.

INNOV8 DRIVES TECH INNOVATION

Our success hinges on continued innovation. To stay ahead of the curve, Innov8 has been investing in pioneering technologies. Since 2010, Innov8 has invested in over 70 companies globally across industries such as cyber security, digital marketing and data analytics. This year, Innov8 made a series of investments including the acquisition of stakes in Myriota, a maker of nanosatellites that are used for IoT connectivity; AirSpace Systems Inc, a manufacturer of drone defence systems; Qubole, which provides software that automates data analytics; and Attivo, a cyber security company

that uses deception technology to protect IT networks.

In March, Innov8 and NUS' entrepreneurial arm launched the Innovation Cyber Security Ecosystem at Block 71 (ICE71), Singapore’s first integrated regional cyber security hub that aims to accelerate and support early stage and growing start-ups, entrepreneurs and academics from around the world.

ICE71 is the latest collaboration between Singtel Innov8 and NUS since establishing the BLOCK71 initiative in Singapore in 2011 to provide start-ups access to the resources they need to bring their solutions to market. The partners also set up BLOCK71 in San Francisco three years ago. Last year, Innov8 established its presence in Beijing to tap into potential opportunities in China’s technology industry.

The CEO Conversation

Nurturing the green shoots of digital innovation

Six years into its digital transformation journey, Singtel is beginning to see green shoots from its digital investments. Group Digital Life CEO Samba Natarajan discusses the business unit's achievements and next stage of growth.



What are the key milestones in Singtel's digital transformation journey?

Samba: We've had significant achievements in the past six years. Most importantly, we have created a portfolio of digital initiatives that now contributes meaningfully to the Group's revenue.

We are on track to scaling our digital marketing platform Amobee to become one of the world's top leading independent digital marketing players. Fuelled by

growth in digital advertising, Amobee has made significant progress, with revenues exceeding S\$1.1 billion and EBITDA turning positive in the past year as it leveraged synergies following the acquisition of Turn. It also won new clients such as Cisco, Del Monte and Heineken.

Our video streaming service HOOQ and data analytics arm DataSpark are both gaining traction. Mobile carriers around Asia are increasingly using DataSpark's analysis of people's data consumption patterns

and movement around high-traffic areas to plan mobile network investments more effectively. HOOQ has more than tripled its subscriber base across Southeast Asia in the past year and is now ranked number one in terms of app downloads in Indonesia. It has been producing and licensing more original local content across the region to woo regional viewers.

Singtel Innov8, our corporate venture arm, has given us a strong presence in the innovation communities of Silicon Valley and

Israel, with start-ups increasingly coming to us for funding and partnerships. Through the years, Innov8 has invested in over 70 companies globally in various verticals such as cyber security, digital marketing, mobile video and big data which are key pillars of our digital strategy.

How did Singtel identify these business opportunities early on?

Samba: We are constantly on the lookout for investments in the digital space, bearing in mind Singtel assets that we can leverage to provide differentiation.

For example, we got into digital marketing after noticing that advertisers have been shifting from traditional print and broadcast media to digital media. We have the right assets to win in digital advertising. Our market reach with over 650 million mobile customers across Asia, Australia and Africa gives us a significant amount of information that advertisers can use for targeted marketing campaigns in a non-invasive way. We also ventured into video on demand content because consumers' changing habits meant that they are increasingly using their mobile devices to access movies, sports and other entertainment content.

Amobee is one of the Group's more significant investments, what lies ahead for Amobee?

Samba: Amobee is constantly looking at new ways to empower brands and advertisers to reach consumers. To accelerate growth, Amobee will create a differentiated digital marketing platform by leveraging technology, data and media and will increase the self-service capabilities of the platform.

“To accelerate growth, Amobee will create a differentiated digital marketing platform by leveraging technology, data and media and will increase the self-service capabilities of the platform.”

SAMBA NATARAJAN
CEO, GROUP DIGITAL LIFE

By combining machine learning and AI technologies to glean unique data through partnerships with telcos and third-party data providers, we are developing insights that can help companies create campaigns for specific demographics such as millennials and their travel destinations at certain periods.

We will continue to innovate and expand Amobee's footprint across Asia Pacific in order to capture the growing digital ad spending in this part of the world. This will also help diversify Amobee's revenue base, which is currently US-centric.

What could be the next growth drivers for Group Digital Life?

Samba: I'm very excited about the future. Singtel's aim is to win in the digital revolution. The world of technology and our telecommunications business are rapidly evolving all the time. If you look at some of the new innovations coming up, you see a lot of immersive technology, augmented reality, virtual reality, AI, machine learning, and even further advances in cyber security and digital marketing. There is continuous innovation and disruption going on across industries such as finance, healthcare, transportation,

retail and gaming. And while disruptive, these concurrently present significant opportunities that we can capitalise or leverage.

Through Innov8, we are constantly identifying innovative start-ups to invest in so we can stay ahead of the game. I'm optimistic that we will continue to make new investments in the right areas of innovation. These would give us and our customers a stronger foundation for the future.

Given that data is key to Singtel's digitalisation strategy, what steps have you taken to protect customer data in the light of the Facebook/Cambridge Analytica data breach?

Samba: While Singtel does not engage in similar activities, we have always been committed to protecting consumer data by focusing on data anonymity. We also adhere to best practices as well as regulations in all the countries we operate in.

FY 2018 Key Awards and Accolades

BUSINESS EXCELLENCE

SINGTEL

17TH CCAS INTERNATIONAL CONTACT CENTRE AWARDS 2017

- Best-In-House Contact Centre (Between 20-100 Seats) – Gold (Home Premium Hotlines)
- Most Innovative Productivity Solution in a Contact Centre – Silver

ASIA COMMUNICATIONS AWARDS 2017

- Satellite Operator of the Year (2015 – 2017)

COMPUTERWORLD HONG KONG AWARDS 2017

- Global WAN Connectivity Service Provider of the Year (2015 – 2017)

CSISG 2017

- Best in Mobile Telecom

CUSTOMER EXPERIENCE MANAGEMENT ASIA SUMMIT 2017

- Best Omni Channel Experience – Gold
- Best Contact Centre – Gold
- Best Customer Experience Team – Silver
- Best CEM Technology – Silver

FROST & SULLIVAN ASIA PACIFIC ICT AWARDS 2017

- Telecom Group of the Year (2016 – 2017)

FROST & SULLIVAN ASIA PACIFIC BEST PRACTICES AWARDS 2017

- Singapore Managed Security Service Provider of the Year (2016 – 2017)
- Singapore Managed Cloud Service Provider of the Year

HWM + HARDWAREZONE.COM TECH AWARDS 2018

- Best Mobile Service Provider (Singapore)
- Best Fibre Broadband Service Provider (Singapore) (2010 – 2018)

NETWORKWORLD ASIA INFORMATION MANAGEMENT AWARDS 2017

- Security-as-a-Service (2012 – 2017)
- Regional Security Operations Centre
- Disaster Recovery & Business Continuity (2014 – 2017)

NETWORKWORLD ASIA READERS' CHOICE PRODUCT EXCELLENCE AWARDS 2017

- Managed Infrastructure Services (2012 – 2017)

SINGAPORE RETAILERS ASSOCIATION ACHIEVEMENT IN CUSTOMER EXCELLENCE (ACE) PROGRAMME 2017

- ACE Platinum Award (Best in Telecommunications Sector)

SITF AWARDS 2017

- Best Innovative Use of Infocomm Technology (Private Sector) – Gold

TELCO CLOUD FORUM AWARDS 2017

- Best Telco Cloud SDN/NFV Project

TELECOM ASIA AWARDS 2017

- Best Managed Services Provider
- Most Innovative Approach to Mobile Security

TMT TECHNOLOGY AWARDS 2017

- Best Mobile Service Provider – Singapore

OPTUS

2017 ACOMM AWARDS

- Commitment to Customer Service
- Best Marketing Initiative

EDISON AWARDS 2017

- Best Satellite Company

FROST & SULLIVAN AUSTRALIA EXCELLENCE AWARDS 2017

- Australia Fixed Broadband Service Provider of the Year

MVNO WORLD CONGRESS

- Best Hosting Operator

P3 CONNECT MOBILE BENCHMARK 2017

- Best in Test
- No.1 Network Operator (Voice)

NCS

FINTECH INNOVATION AWARDS 2017

- Best Innovation in Big Data and Analytics Solution

TRUSTWAVE

LEADERS' QUADRANT

- Gartner's Magic Quadrant for MSS, Worldwide 2018

SC AWARDS 2017

- Best Managed Security Service

AMOBEE

2017 AMERICAN BUSINESS AWARDS

- Marketing Campaign of the Year (Travel/Tourism/Destination) – Gold (Airbnb & Amobee)

2017 APAC STEVIE AWARDS

- Award for Innovation in Paid Media Planning & Management – Gold (Amobee Brand Intelligence)
- Award for Innovation in Social Media Marketing – Gold (Airbnb & Amobee)

DIGIDAY SIGNAL AWARDS 2017

- Best Marketing Dashboard Software (Amobee Brand Intelligence)

IMEDIA ASPY AWARDS 2017

- Best Mobile Partner – Winner

REGIONAL ASSOCIATES

AIRTEL

AON BEST EMPLOYERS INDIA AWARDS 2017

BUSINESS TODAY-PEOPLESTRONG BEST COMPANIES TO WORK FOR SURVEY 2017

- Best in Telecom & Allied

CARRIERS WORLD AWARDS 2017

- Best Wholesale Carrier (Global)

FORBES WORLD'S MOST INNOVATIVE COMPANIES 2017

- Ranked 78th globally

GOLDEN PEACOCK AWARD 2017

- Sustainability

TM FORUM EXCELLENCE AWARDS 2017

- Smart Service Provider – Business Transformation of the Year

AIS

FORBES GLOBAL 2000: WORLD'S BEST EMPLOYERS 2017

- Ranked 30th globally

IR MAGAZINE SOUTH EAST ASIA AWARDS 2017

- Best in Sector (Telecommunications) – Winner

OOKLA SPEEDTEST AWARDS 2017

- Fastest Mobile Network in Thailand

WORLD HRD CONGRESS GLOBAL HR EXCELLENCE AWARDS 2017

- Award for Managing Health at Work

GLOBE

ASIA MONEY BEST MANAGED COMPANIES POLL 2017

- Best Managed Large Cap Company in the Philippines

FROST & SULLIVAN ASIA PACIFIC ICT AWARDS 2017

- Fixed Broadband Service Provider of the Year
- Philippines Telecom Service Provider of the Year
- Philippines Mobile Service Provider of the Year
- Philippines Fixed Broadband Provider of the Year
- Telecom CEO of the Year

TELKOMSEL

BRAND ASIA AWARD 2017

- Most Powerful Telecommunication Brand in Indonesia

FROST & SULLIVAN INDONESIA EXCELLENCE AWARDS 2017

- Digital Services Provider of the Year
- m-money Service Provider of the Year (TCASH Telkomsel)

INDONESIA CHAMPION FOR ASEAN 2017

- Significant & Invaluable Contributions in Building the Market in ASEAN Region

TELECOM ASIA AWARDS 2017

- Best Mobile Carrier

WORLD BRANDING AWARDS 2017

- Brand of the Year for Telecommunications (Mobile) in Indonesia

CORPORATE CITIZENSHIP

SINGTEL

ASEAN CORPORATE GOVERNANCE SCORECARD COUNTRY REPORT FOR SINGAPORE 2018

- Top Achiever Award
- Board Diversity Award

ASIA SUSTAINABILITY REPORTING AWARDS 2017

- Asia's Best Carbon Disclosure

CDP CLIMATE CHANGE 2017

COMMUNITY CHEST AWARDS 2017

- Corporate Platinum Award
- SHARE Corporate Gold Award
- Special Events Platinum Award

FTSE4GOOD INDEX

GLOBAL 100 MOST SUSTAINABLE CORPORATIONS 2018

- Ranked 63rd globally
- Top in Singapore

GOVERNANCE AND TRANSPARENCY INDEX 2017

- 1st in Singapore

SGX SUSTAINABILITY LEADERS INDEX AND ENHANCED INDEX

SIAS INVESTORS' CHOICE AWARDS 2017

- Shareholder Communications Excellence Award (Big Cap)
- Singapore Corporate Governance Award (Diversity)
- Singapore Corporate Governance Award (Telecommunication Services)
- Sustainability Award

SINGAPORE CORPORATE AWARDS 2017

- Special Recognition Award
- Best CEO (Companies with S\$1 billion and above in market capitalisation) – Chua Sock Koong

SINGAPORE HR AWARDS 2018

- Leading HR Practices in:
 - Talent Management Practices
 - Leadership Development
 - Diversity and Inclusion Strategies
- Outstanding Contribution to HR – Aileen Tan

SUSTAINABLE BUSINESS AWARDS SINGAPORE 2017

- Community

2018 WORLD'S MOST ETHICAL COMPANIES

- Honouree (2011 – 2018)

OPTUS

2017 ITE-ANZ SUSTAINABLE TRANSPORT AWARD

AMY AWARDS (AIMIA)

- Best Website or Online Service (Health & Wellbeing)



A smiling woman in a maroon shirt is holding a menu for 'Pope Jai Thai'. The menu lists a 'RICE SET WITH DRINK' for 90 NETT. The background shows a restaurant interior with warm lighting and shelves.

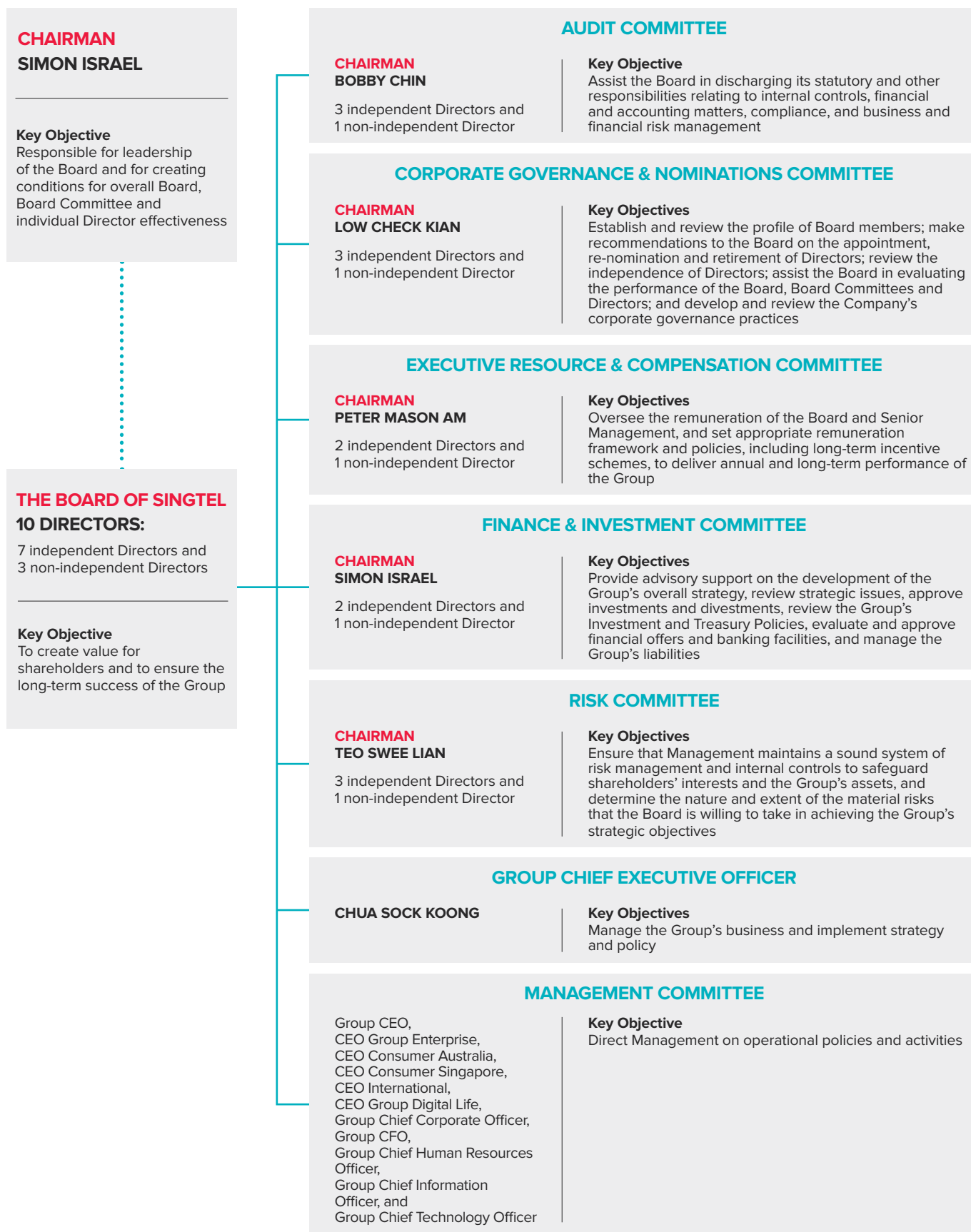
Governance and Sustainability Philosophy

In today's corporate world, doing good is simply good business. At Singtel, we have long recognised that the impact of our operations on the environment, our people and the communities we operate in is linked to our performance and the value we create for our stakeholders.

As such, we constantly strive to achieve world-class standards of governance and sustainability to ensure that we are doing our part as a responsible corporate citizen. We are happy to report that our efforts have won us global recognition. This is an ongoing journey, and we will continue to maintain the highest levels of transparency and integrity to ensure the future growth of our organisation.

Corporate Governance

OUR GOVERNANCE FRAMEWORK



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



ASEAN CORPORATE GOVERNANCE SCORECARD COUNTRY REPORT FOR SINGAPORE 2018

- Top Achiever Award
- Board Diversity Award



GOVERNANCE AND TRANSPARENCY INDEX 2017

- 1st in Singapore



SINGAPORE CORPORATE AWARDS 2017

- Best CEO
(Companies with S\$1 billion and above in market capitalisation)
- Special Recognition Award



SIAS INVESTORS' CHOICE AWARDS 2017

- Singapore Corporate Governance Award (Diversity)
- Singapore Corporate Governance Award (Telecommunications Services)
- Shareholder Communications Excellence Award (Big Cap)

DIRECTORS' ATTENDANCE AT BOARD/GENERAL MEETINGS DURING THE FINANCIAL YEAR ENDED 31 MARCH 2018 ⁽¹⁾

NAME OF DIRECTOR	SCHEDULED BOARD MEETINGS		AD HOC BOARD MEETINGS		ANNUAL GENERAL MEETING
	NUMBER		NUMBER		
	NUMBER OF MEETINGS HELD	OF MEETINGS ATTENDED	NUMBER OF MEETINGS HELD	OF MEETINGS ATTENDED	
Simon Israel	6	6	1	1	✓
Chua Sock Koong	6	6	1	1	✓
Gautam Banerjee ⁽²⁾	1	1	-	-	-
Bobby Chin	6	6	1	1	✓
Venkataraman (Venky) Ganesan	6	6	1	1	✓
Low Check Kian	6	6	1	1	✓
Peter Mason AM ⁽³⁾	6	6	1	1	✓
Christina Ong	6	6	1	1	✓
Peter Ong	6	6	1	1	✓
Teo Swee Lian	6	6	1	1	✓

Notes:

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

⁽²⁾ Mr Gautam Banerjee was appointed to the Board on 1 March 2018.

⁽³⁾ Member of the Order of Australia.

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.

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 six scheduled meetings each year, and may also hold ad hoc meetings as and when warranted by particular circumstances. Seven Board meetings were held in the financial year ended

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

31 March 2018. Attendance at Board or Board Committee meetings via telephone or video conference is permitted by Singtel's Constitution.

Typically, one Board meeting a year is held in Australia, where one of Singtel's key subsidiaries, Optus, is located. In addition, the Board makes an overseas trip annually to 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.

A record of the Directors' attendance at Board meetings during the financial year ended 31 March 2018 is set out

on page 66. 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 issues relevant 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.

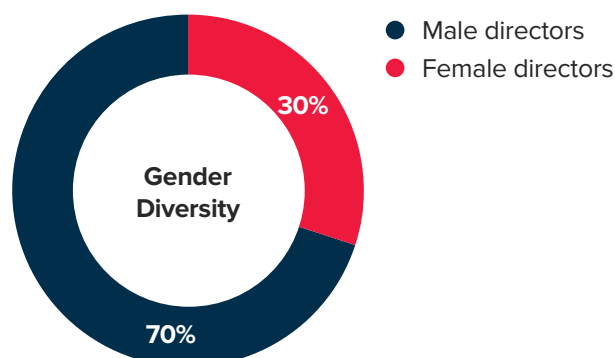
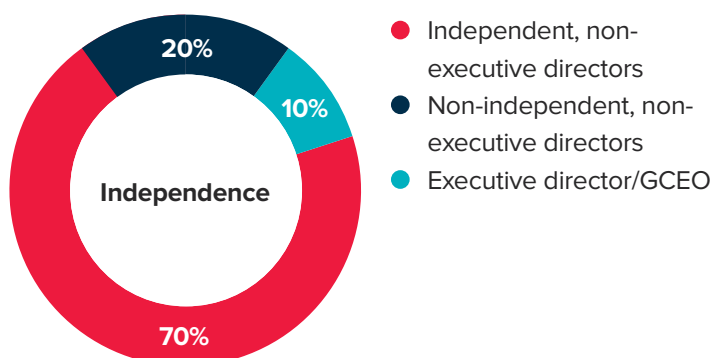
To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual

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 2018, the development/training programmes for Directors included the following:

- The Directors participated in an annual offsite workshop 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.
- Directors were invited to meet with the Technology Advisory Panel, during which they were also updated by representatives from companies in the digital/technology space on emerging trends and technologies relevant to the Group’s business.
- The Board visited the Group’s businesses in the US, including Amobee, Trustwave and Singtel Innov8 and also met with various technology companies there.
- The Board went on a tour of Singtel’s flagship data centre, DC West, in Jurong and was briefed on the data centre’s operations and business.
- The Board visited the Optus campus in Sydney, Australia, and met with business leaders and key customers there.
- Members of the Board attended forums and dialogues with experts and senior business leaders on issues facing boards and board practice.

BOARD COMPOSITION, DIVERSITY AND BALANCE



Corporate Governance

There are 10 Directors on the Board, comprising seven non-executive independent Directors, two 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 71. The profiles of the Directors are set out on pages 17 to 26.

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 for 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 10 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, 30% of the Singtel Board, or three out of the 10 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 2018. 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 as at 31 March 2018.

Mr Peter Ong is considered non-independent as he was the Permanent Secretary, Ministry of Finance until April 2016. The Singapore Minister for Finance is the owner of Temasek. Mr Ong retired from the Singapore Civil Service with effect from 1 September 2017.

Mr Bobby Chin was appointed to the Singtel Board on 1 May 2012 as an independent Director and to the Board of Directors of Temasek on 10 June 2014. 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.

Mr Bobby Chin, Mrs Christina Ong, Mr Low Check Kian and Mr Gautam Banerjee are board members of organisations that purchase services and/or equipment from the Singtel Group in the ordinary course of business. The Directors' roles in those organisations are non-executive in nature and they are not involved in the day-to-day conduct of the business of those organisations. In addition, Mrs Ong is a partner of Allen & Gledhill LLP (A&G). A&G provides legal services to, and receives fees from, the Singtel Group. However, Mrs Ong has an interest of less than 5% in A&G. Mrs Ong is also on the board of Oversea-Chinese Banking Corporation Limited, which provides banking services in the ordinary course of business to the Singtel Group. The Board is of the view that the abovementioned relationships do not impair the Directors' ability to act with independent judgement in the discharge of their responsibilities as Directors as the revenues arising from such relationships are not significant.

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

Corporate Governance

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.

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.

Role of the Non-Executive Directors

The role of the non-executive Directors encompasses the following: (i) to constructively challenge and help develop proposals on strategy; and (ii) to review the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.

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 Annual General Meeting (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 involved, and (ii) non-executive Directors should consult the Chairman or chairman of the CGNC before accepting any new appointments as Directors. There are no alternate Directors on the Board.

The Company's Constitution provides that a Director must retire from office at the third 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

Corporate Governance

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, the Board Committees and individual Directors. For the financial year ended 31 March 2018, as in previous years, an independent external consultant was appointed to facilitate this process. The 2018 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 the Board's role in shaping Singtel's future. The Directors and Senior Management were requested to complete an evaluation questionnaire focused on five key areas, namely (1) core Board effectiveness, including strategic alignment, Board focus and priorities, Board and Board Committee processes, and Board composition and structure; (2) Board culture and dynamics, including the Board's partnership with Management, and Board leadership; (3) Board agility and the Board's role in assisting Management to anticipate and shape the future and lead transformation ahead of the market, including CEO and Board succession planning; (4) Board Committee effectiveness; and (5) individual Director contribution.

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 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 2018 is set out on page 78.

AUDIT COMMITTEE

MEMBERSHIP

Bobby Chin, committee chairman and independent non-executive Director

Gautam Banerjee, independent non-executive Director (appointed on 1 March 2018)

Christina Ong, independent non-executive Director

Peter Ong, non-executive Director

Note:

Teo Swee Lian stepped down as AC member on 1 March 2018.

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, 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 full cooperation 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 for independence and effectiveness of the internal audit function, as well as adequacy of resourcing and its 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.

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 can 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 2018. Refer to pages 139 to 144 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

Teo Swee Lian, independent non-executive Director (appointed on 1 March 2018)

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 68 to 73.

The CGNC met two times during the financial year ended 31 March 2018, 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.

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.

Corporate Governance

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 83 to 90.

The ERCC met five times during the financial year ended 31 March 2018.

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 four times during the financial year ended 31 March 2018.

RISK COMMITTEE

MEMBERSHIP

Teo Swee Lian, committee chairman and independent non-executive Director
Gautam Banerjee, independent non-executive Director (appointed on 1 March 2018)
Bobby Chin, independent non-executive Director
Peter Ong, non-executive Director

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 2018.

DIRECTORS' BOARD COMMITTEE MEMBERSHIPS AND ATTENDANCE AT BOARD COMMITTEE MEETINGS DURING THE FINANCIAL YEAR ENDED 31 MARCH 2018 ⁽¹⁾

Name of Director	Audit Committee		Corporate Governance and Nominations Committee		Executive Resource and Compensation Committee		Finance and Investment Committee		Risk Committee	
	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	–	–	2	2	5	5	4	4	–	–
Chua Sock Koong ⁽²⁾	5	5	2	2	5	5	4	4	3	3
Gautam Banerjee ⁽³⁾	–	–	–	–	–	–	–	–	1	1
Bobby Chin	5	5	–	–	–	–	–	–	3	3
Venky Ganesan	–	–	–	–	–	–	4	4	–	–
Low Check Kian	–	–	2	2	–	–	4	4	–	–
Peter Mason AM	–	–	–	–	5	5	–	–	–	–
Christina Ong	5	5	2	2	–	–	–	–	–	–
Peter Ong	5	5	–	–	–	–	–	–	3	3
Teo Swee Lian ⁽⁴⁾	5	5	–	–	5	5	–	–	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 Gautam Banerjee was appointed a member of the Audit Committee and the Risk Committee on 1 March 2018.

⁽⁴⁾ Ms Teo Swee Lian was appointed to the Corporate Governance and Nominations Committee and ceased to be a member of the Audit Committee on 1 March 2018.

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.

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, Mrs Gail Kelly, 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 Venky Ganesan. The other members of the Panel are Mr Koh Boon Hwee and Mr Zorawar Biri Singh.

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 2018, 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 58 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.

Corporate Governance

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 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 2018	(\$ Mil)
Audit services	4.8
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 2018, 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 30 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 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 rest 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, including 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 within the Singtel Group, relating to financial, operational and compliance risks. Any material non-compliance or lapses in internal controls are reported to the AC, including the remedial measures recommended to address the risks identified. 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 ⁽¹⁾.

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 and/or 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 risk management and internal control framework and systems were adequate and effective as at 31 March 2018 to address financial, operational and compliance risks, including information technology risk, which the Group considers relevant and material to its operations.

The systems of risk management and internal control 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 risk management and internal control 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 99 to 107.

Note:

⁽¹⁾ Separate ACs had also been set up for significant subsidiaries within the Singtel Group such as Trustwave and Amobee, to assist the Board in its responsibility for overseeing the quality and integrity of the accounting and controls, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Communication with Shareholders

Singtel is 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 investors, academia and finance media for its strong emphasis on corporate governance and proactive approach to shareholder communication and engagement. It has also been rated highly on various indices and rankings for its sustainability practices.

Corporate Governance

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 affirms or updates the guidance to accurately reflect prevailing market conditions at the end of each quarter.

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 more than 200 meetings and conference calls in Singapore, London, Japan, 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 central locations in Singapore with convenient access

to public transportation. Under Singtel's Constitution and pursuant to the Companies Act, the Central Provident Fund Board and relevant intermediaries (as defined in the Companies Act, Chapter 50) may appoint more than two proxies to attend and vote on their behalf. A registered shareholder who is not a relevant intermediary may appoint up to two proxies. There are separate resolutions at general meetings on each substantially separate issue.

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 auditor's reports, as well as clarify any points of law, regulation or meeting procedure that may arise. Shareholders are informed of the voting procedures and rules governing the meeting. The minutes of all general meetings are posted on Singtel's IR 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 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 2017, 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 2018, 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 250. 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

Corporate Governance

to defend Directors in legal or regulatory proceedings, as permitted under the Companies Act. As at 31 March 2018, 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, and has 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 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 2018

For the financial year ended 31 March 2018, 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 2018 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 2018 was S\$2,309,334 (details are set out in the table below).

Name of Director	Director's Fees (S\$)
Simon Israel ⁽¹⁾	960,000
Gautam Banerjee ⁽²⁾	20,167
Bobby Chin	203,000
Venky Ganesan ⁽³⁾	195,000
Low Check Kian ⁽⁴⁾	188,000
Peter Mason AM ⁽⁵⁾	175,000
Christina Ong	178,000
Peter Ong ⁽⁶⁾	178,000
Teo Swee Lian	212,167
Total	2,309,334

Notes:

- (1) In addition to the Director's fees set out above, Mr Simon Israel also received car-related benefits (S\$20,446).
- (2) Mr Gautam Banerjee was appointed as a Director and a member of the Audit Committee and the Risk Committee on 1 March 2018.
- (3) In addition to the Director's fees set out above, Mr Venky Ganesan received fees of US\$70,833 for the financial year ended 31 March 2018 in his capacity as the Chairman of the Technology Advisory Panel.
- (4) In addition to the Director's fees set out above, Mr Low Check Kian received fees of S\$35,000 for the financial year ended 31 March 2018 in his capacity as a director of Singtel Innov8 Pte. Ltd.
- (5) In addition to the Director's fees set out above, Mr Peter Mason AM received fees of S\$35,000 for the financial year ended 31 March 2018 in his capacity as a member of the Optus Advisory Committee.
- (6) Mr Peter Ong was a Singapore public sector Director prior to 1 September 2017. Fees for the period 1 April 2017 to 31 August 2017 for Mr Ong were 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 2018.

Financial Year Ending 31 March 2019

For the financial year ending 31 March 2019, 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 2018. The proposed framework for Directors' fees for the financial year ending 31 March 2019 is the same as that for the financial year ended 31 March 2018.

Corporate Governance

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
- Allow for performance-related clawback if long-term sustained performance targets are not met
- Establish sound and structured funding to ensure affordability

FAIR AND APPROPRIATE

- 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
- Structure a significant but appropriate proportion of remuneration to be at risk with symmetric upside and downside

PAY-FOR-PERFORMANCE

- Measure performance based on a holistic balanced scorecard approach, comprising both financial and non-financial metrics
- Ensure targets are appropriately set for threshold, target, stretch and exceptional performance levels

EFFECTIVE IMPLEMENTATION

- Ensure link between performance and remuneration is clear and the framework is simple for employees to understand
- 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, and to 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. The ERCC also engaged Mercer (Singapore) Pte Ltd (Mercer) to conduct Executive Remuneration Benchmarking for Senior Management. 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.

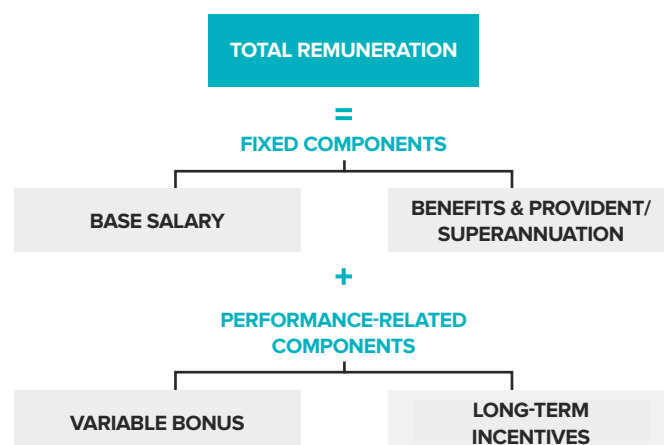
If an executive is involved in misconduct or fraud, resulting in financial loss to the company, the ERCC has the discretion not to award and to forfeit incentive components of the executive's remuneration, to the extent that such award or incentive has not been released or disbursed.

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:



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, Operational and People 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 four broad categories of targets: Financial, Strategy, Operational and People. Weightings are assigned to the targets to encourage a balanced performance and to avoid over-emphasis on any one measure. 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

Corporate Governance

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 2018.

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 shares awarded under RSA and PSA is determined using the valuation of the shares based on a Monte-Carlo simulation. The RSA share awards have a service condition, while the PSA share awards are conditional upon the achievement of predetermined performance targets over the performance period. The PSA 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.

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 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)

With effect from the June 2018 grant, RSA vesting will no longer be conditional on Singtel Group's Net Profit After Tax (NPAT) and Free Cash Flow (FCF). Instead, 50% of the 2018 RSA will vest two years from grant date and 50% will vest three years from grant date, subject to the following conditions:

- Continued employment with the Singtel Group; and
- Maintaining a satisfactory performance rating for the financial year preceding each tranche of vesting.

Performance Share Award (PSA)

The PSA has a three-year performance period from 1 April 2018 to 31 March 2021. With effect from the June 2018 grant, vesting of shares is dependent on the following performance conditions, subject to the approval of the ERCC:

- 40% based on Singtel Group's Reported NPAT – Reported NPAT achieved against predetermined targets; and
- 60% based on Singtel Group's Absolute Total Shareholder Return (Absolute TSR) – Absolute TSR achieved against predetermined targets.

The vesting schedule for PSA granted in June 2018 is shown in Figure A.

Special Share Award (SSA)

In recognition of the value created from the development and operation of Singapore's fibre network infrastructure and the successful IPO of NetLink Trust in 2017, a one-time cash award will be given in July 2018 to all our regular staff in Singapore. Senior Management will receive SSA where shares are subject to a two-year holding period. In January 2018, Singtel shareholders received a special dividend paid out of the NLT IPO proceeds.

Figure A: Performance Share Award (PSA) Vesting Schedule

Reported Group NPAT (40%)		Absolute TSR (60%)	
Performance	Vesting Level ⁽¹⁾	Performance	Vesting Level ⁽¹⁾
Exceptional	150%	Stretch	150%
Target	100%	Target	100%
Threshold	50%	Threshold	50%
Below Threshold	0%	Below Threshold	0%

Note:

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

Remuneration of Key Management

For the financial year ended 31 March 2018, 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 2018:

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	4,369,116	12,600	79,392	6,108,204
	Paid out		4,201,414			5,940,502

Performance shares granted, vested and lapsed for Ms Chua as at 31 March 2018 are as follows:

	Restricted Share Award (RSA) ⁽⁶⁾				
	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released	
				Date	(no. of shares)
2015 Awards	84,060	109,278	–	1-Jun-17	54,639
				1-Jun-18	54,639
2016 Awards	201,331	273,408	–	1-Jun-18	136,704
				3-Jun-19	136,704 ⁽⁷⁾
2017 Awards ⁽⁸⁾	382,987			3-Jun-19	
				1-Jun-20	
2018 Awards ⁽⁹⁾	396,550			1-Jun-20	
				1-Jun-21	

	Performance Share Award (PSA) ⁽⁶⁾				
	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released	
				Date	(no. of shares)
2015 Awards	1,658,980	–	1,658,980	1-Jun-18	–
2016 Awards ⁽⁸⁾	1,694,657			3-Jun-19	
2017 Awards ⁽⁸⁾	831,718			1-Jun-20	
2018 Awards ⁽⁹⁾	633,618			1-Jun-21	

Special Share Award (SSA)		
	Granted (no. of shares)	Sales Moratorium
One-Off Award ⁽¹⁰⁾	497,833	2 years

Notes:

⁽¹⁾ Fixed Remuneration refers to base salary earned for the financial year ended 31 March 2018.

⁽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.

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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 86. Variable Bonus Earned is the sum of PB and VSB awarded for the financial year ended 31 March 2018. Variable Bonus Paid Out is the sum of PB and VSB paid out in June 2018.

- (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 2018. 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 2018.
- (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 2016 RSA will be released in June 2019, 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 2018 grants of RSA and PSA were made in June 2018 for performance for the financial year ended 31 March 2018. The per unit fair values of the RSA and PSA are S\$2.940 and S\$1.840 respectively. The performance conditions for the awards have changed with effect from the 2018 grants and are detailed on page 87.
- (10) The per unit value of the SSA is S\$3.415. For more details on SSA, please refer to page 87.

Remuneration of Other Key Management

Summary compensation table for the other top five Key Management for the financial year ended 31 March 2018:

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	Earned		2,132,188	17,340	66,965	3,126,489	221,089	353,261
CEO Group		909,996						
Enterprise	Paid Out		1,966,811			2,961,112		
Hui Weng	Earned		1,061,000	9,324	387,246	2,120,570	147,960	157,609
Cheong ⁽⁷⁾		663,000						
COO, AIS	Paid Out		1,084,243			2,143,813		
Allen Lew ⁽⁸⁾	Earned		A\$3,200,460	9,180	A\$609,656	A\$5,323,350	242,858	388,044
CEO Consumer		A\$1,504,462						
Australia	Paid Out		A\$3,148,377			A\$5,271,267		
Jeann Low	Earned		1,363,332	13,260	63,567	2,350,155	191,270	305,615
Group Chief		909,996						
Corporate Officer	Paid Out		1,359,710			2,346,533		
Yuen Kuan Moon	Earned		1,803,332	22,440	65,066	2,800,834	190,972	305,140
CEO Consumer		909,996						
Singapore	Paid Out		1,442,561			2,440,063		
Total	Earned		9,709,264	71,544	1,220,874	15,969,151	994,149	1,509,669
	Paid Out	4,967,469	9,148,230			15,408,117		

Performance shares granted, vested and lapsed for the above five executives as at 31 March 2018 are as follows:

	Restricted Share Award (RSA)			
	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released Date (no. of shares)
2015 Awards	188,260	244,741	–	1-Jun-17 1-Jun-18 122,373 122,368
2016 Awards	425,487	577,815	–	1-Jun-18 3-Jun-19 288,908 288,907 ⁽⁹⁾
2017 Awards ⁽¹⁰⁾	882,644			3-Jun-19 1-Jun-20

Performance Share Award (PSA)					
	Granted (no. of shares)	Vested (no. of shares)	Lapsed (no. of shares)	Released	
				Date	(no. of shares)
2015 Awards	2,823,526	—	2,823,526	1-Jun-18	—
2016 Awards ⁽¹⁰⁾	3,032,763			3-Jun-19	
2017 Awards ⁽¹⁰⁾	1,700,195			1-Jun-20	

Special Share Award (SSA)		
	Granted (no. of shares)	Sales Moratorium
One-Off Award ⁽¹¹⁾	395,341	2 years

Notes:

- ⁽¹⁾ Fixed Remuneration refers to base salary earned for the financial year ended 31 March 2018.
- ⁽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 86. Variable Bonus Earned is the sum of PB and VSB awarded for the financial year ended 31 March 2018. Variable Bonus Paid Out is the sum of PB and VSB paid out in June 2018.
- ⁽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 2018. 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 2018.
- ⁽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 2018 for performance for the financial year ended 31 March 2018. The per unit fair values of the RSA and PSA are S\$2.940 and S\$1.840 respectively. The performance conditions for the awards have changed with effect from the 2018 grants and are detailed on page 87.
- ⁽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 2016 RSA will be released in June 2019, 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.
- ⁽¹¹⁾ The per unit value of the SSA is S\$3.415. For more details on SSA, please refer to page 87.

Code of Corporate Governance 2012

GUIDELINES FOR DISCLOSURE

Legend

- Q:** Questions
A: How has the Company complied?

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

Corporate Governance

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 of 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 10 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, 30% of the Singtel Board, or three out of the 10 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 issues relevant 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 2018, the development/training programmes for Directors included the following:

- The Directors participated in an annual offsite workshop 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.
- Directors were invited to meet with the Technology Advisory Panel, during which they were also updated by representatives from companies in the digital/technology space on emerging trends and technologies relevant to the Group's business.
- The Board visited the Group's businesses in the US, including Amobee, Trustwave and Singtel Innov8 and also met with various technology companies there.
- The Board went on a tour of Singtel's flagship data centre, DC West, in Jurong and were briefed on the data centre's operations and business.
- The Board visited the Optus campus in Sydney, Australia, and met with business leaders and key customers there.
- Members of the Board attended forums and dialogues with experts and senior business

Corporate Governance

leaders on issues facing boards and board practice.

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 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, the Board Committees and individual Directors. For the financial year ended 31 March 2018, as in previous years, an independent external consultant was appointed to facilitate this process. The 2018 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 the Board's role in shaping Singtel's future. The Directors and Senior Management were requested to complete an evaluation questionnaire focused on five key areas, namely (1) core Board effectiveness, including strategic alignment, Board focus and priorities, Board and Board Committee processes, and Board composition and structure; (2) Board culture and dynamics, including the Board's partnership with Management, and Board leadership; (3) Board agility and the Board's role in assisting Management to anticipate and shape the future and lead transformation ahead of the market, including CEO and Board succession planning; (4) Board Committee effectiveness; and (5) individual Director contribution.

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, seven out of 10 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, Mr Low Check Kian, Mr Gautam Banerjee 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, Mr Low Check Kian, Mr Gautam Banerjee 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 2018 amounted to S\$15,408,117 as indicated on page 89.

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

Corporate Governance

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, Operational and People 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 the PSA's performance conditions 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 four broad categories: Financial, Strategy, Operational and People. People targets comprise leadership competencies, core values, people development and staff engagement. VSB will be allocated based on the Economic Profit Performance of the Group. PSA is a performance-based award and its vesting is contingent on performance conditions aligned with shareholders' interests such as Reported Group NPAT and Absolute Total Shareholder Return. RSA is a time-based award and its vesting is dependent on maintaining a satisfactory individual performance rating.

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 and information technology controls, and risk management systems, please state the bases for the Board's view on the adequacy and effectiveness of the Company's risk management and internal control systems.

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 risk management and internal control framework and systems were adequate and effective as at 31 March 2018 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 and email communications. This year, Singtel engaged over 500 investors in more than 200 meetings and conference calls in Singapore, London, Japan, 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 also attends to help address shareholders’ queries relating to the conduct of the audit and the preparation and content of the auditor’s reports.

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 and sustainability standards

PROACTIVE AND OPEN COMMUNICATION WITH THE INVESTMENT COMMUNITY

We are cultivating a greater understanding of our digital transformation, as the Group leverages global opportunities to grow standalone digital businesses, and harnesses digitalisation to improve customer experience and raise productivity in our core operations. To help investors track the progress of the Group's diverse operations, we provide extensive qualitative and quantitative disclosures.

During the financial year ended 31 March 2018, the management and Investor Relations (IR) team engaged more than 500 investors in 229 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, Japan, Malaysia, the US and Europe.

To give investors a better understanding of our business and operations, we hold an Investor Day annually. Last year's event attracted close to 70 participants, who got to interact directly with the senior management of Singtel, Optus and our associates through small group presentations, as well as a question and answer session.

We continued to offer site visits to our business facilities. Our FutureNow Innovation Centre drew investors who were keen to learn about cutting-edge developments in areas such as cyber security, smart cities, data analytics and 5G applications. We also welcomed investors to our revamped flagship Singtel Shop at Comcentre, which is part of our omni-channel strategy to give customers a seamless experience whenever and wherever they interact with us.

Retail investors are an important part of our outreach efforts. We renewed our long-term sponsorship of the Securities Investors Association (Singapore) (SIAS) Investor Education Programme and leveraged the Singtel-SIAS dialogue to communicate our strategy and performance with retail shareholders. We also partnered with the Central Depository (CDP) to reach out to retail shareholders who were previously uncontactable and encouraged them to update their account particulars with the CDP. Retail investors are also welcome to contact us directly through email or telephone on any issues and concerns.

MAINTAIN LEAD IN CORPORATE GOVERNANCE, TRANSPARENCY AND INVESTOR RELATIONS

We continue to nurture and maintain strong links with sell-side research analysts and are well covered by

more than 20 analysts based in Hong Kong, Malaysia, India, 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 70 institutional investors and research analysts, gives our Board and management a better understanding of 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 continues to be recognised for its strong management, corporate governance, dividend policy and exposure to leading telcos in the emerging markets. While investors recognise the near-term challenges facing the telecoms sector, they believe we are competing from a position of strength.

Good corporate governance also plays a vital role in shaping investor perception 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.

Besides corporate governance, sustainability is becoming increasingly important for investors. We are providing more disclosures on our sustainability initiatives and helping investors understand our material issues, policies and efforts in areas such as the environment and climate change, supply chain, social matters and human rights. We have also endorsed the Task Force on Climate-Related Financial Disclosures voluntary framework and are working towards meeting its standards.

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 constantly review the level of disclosure, to align it with global best practices and take into account new business initiatives.

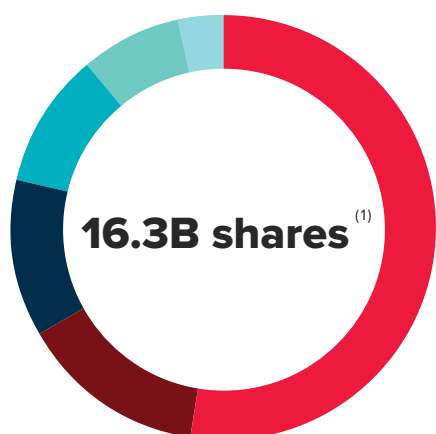
During our quarterly financial results announcements, we issue a comprehensive set of materials, including detailed financial statements, management discussion and analysis and presentation

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 2018, 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 12% and 10% of issued share capital respectively.

SHARE OWNERSHIP BY GEOGRAPHY



- Temasek Holdings (2) 52%
- US/Canada 12%
- Singapore (ex-Temasek) 12%
- Europe 10%
- Asia (ex-Singapore) 4%
- Others 10%

Notes:

(1) As at 31 March 2018.
 (2) Includes direct and deemed interest.

IR CALENDAR OF EVENTS

<p>April 2017</p> <ul style="list-style-type: none"> Investor Meeting with Chairman and Board Members, Singapore Non-deal Equity Roadshow, Japan 	<p>September 2017</p> <ul style="list-style-type: none"> CLSA Investors' Forum, Hong Kong
<p>May 2017</p> <ul style="list-style-type: none"> Non-deal Equity Roadshows, Singapore, Europe and the US 	<p>November 2017</p> <ul style="list-style-type: none"> Non-deal Equity Roadshows, Singapore, Malaysia and the UK Bank of America Merrill Lynch Telco Day, Singapore
<p>June 2017</p> <ul style="list-style-type: none"> Singtel Investor Day, Singapore 	<p>February 2018</p> <ul style="list-style-type: none"> Non-deal Equity Roadshow, Singapore
<p>July 2017</p> <ul style="list-style-type: none"> 25th Annual General Meeting, Singapore 	<p>March 2018</p> <ul style="list-style-type: none"> Credit Suisse Asian Investment Conference, Hong Kong Maybank Kim Eng Invest ASEAN 2018 site tour: FutureNow Innovation Centre, Singapore
<p>August 2017</p> <ul style="list-style-type: none"> Non-deal Equity Roadshow, Singapore 	

Risk Management Philosophy and Approach

We identify and manage risks to reduce the uncertainty associated with executing our business strategies and maximise 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 risk management and monitoring with the Group's risk appetite and 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

CYBER SECURITY RESILIENCY COMMITTEE

- Supports the Risk Management Committee on matters related to Cyber Security Risks
- Provides direction and strategy to strengthen defence against cyber security threats
- Reviews security controls of Information Technology (IT) systems and network infrastructure

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 and Sustainability,

Insurance, Treasury and Credit Management in the management of risks. In addition, through stakeholder engagement and materiality assessments, we regularly review and assess the environmental, social and governance (ESG) risks that exist or emerge in our broader value chain, and we address them with various corporate sustainability initiatives. Our corporate sustainability initiatives are discussed further on page 108 and in our Group Sustainability Report.

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 and controls. The effectiveness of our risk management policies and processes

Risk Management Philosophy and Approach

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. Overall 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
- Cyber Security Risks
- Data Protection and Privacy Risks
- Financial Risks
- Network Failure and Catastrophic Risks
- Talent Management Risks
- Electromagnetic Energy Risks
- Climate Change 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

Our Group Consumer business is geographically diversified with operations in Singapore, Australia and the emerging markets. Some of the countries in which our business 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.

We work closely with the Management and our partners in the countries where we operate to leverage the local expertise, knowledge and ability to manage the local and socio-economic conditions and risks. This way, we ensure compliance with the laws and are better able to implement risk mitigation measures.

As Group Enterprise and Group Digital Life expand their business operations across the region and around the world, exposure to similar political and socio-economic 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 and in compliance with an undertaking, Singtel divested its stake in NetLink Trust (NLT), which designs, builds, owns and operates the passive infrastructure for Next Gen NBN, to less than 25% in July 2017. The Next Gen NBN 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 by the government owned entity, NBN Co, to be operated on a wholesale-only open access basis. It is possible that the Australian government's policy decisions relating to the national broadband network or commercial decisions taken by NBN Co could ultimately lead to a sub-optimal or negative outcome for Optus.

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, workplace safety and health, cyber security and national security. 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 various stakeholders 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, data and other connectivity services. The use of spectrum in most countries where we operate is regulated by government authorities and

Risk Management Philosophy and Approach

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.

Taxation Risks

Our Group has operations across a large number of jurisdictions and we are subject to the tax regulations, or changes in regulations, in the respective jurisdictions in which we operate. The tax legislations or changes may increase our compliance obligations and business costs.

We are committed to comply with applicable tax laws in countries where we operate. We have skilled staff in taxation matters and work with external tax advisors where necessary. Material tax disputes and risks are escalated in accordance with the risk management framework, and appropriate disclosures are made in our financial statements.

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 master supply agreements with vendors, master services agreements with customers, and implemented contract policies to manage contractual arrangements with our vendors and customers. The policies also set out the necessary risk empowerment framework and principles for the Management Committee, CEOs, and management

to approve deviations from the standard terms.

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 network operator and mobile virtual network operators (MVNOs), 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. The replacement of our ADSL services with fibre services may also subject us to the risk of loss of customers to the competition.

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 national broadband network, 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 intensifying price competition for mobile data services including from new competitors and/or 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 social media networks and over-the-top (OTT) players) which 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 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 and hosting, IT services and consulting. Competitors include multinational IT and telecommunications companies, technology companies that introduce new communication services as well as other non-traditional players, while in Australia, the enterprise market is dominated by the incumbent. 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, technology innovations 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 Internet of Things (IoT) solutions for smart cities.

Group Digital Life Business

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

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 will continue to scale our digital businesses, leveraging on 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 partners. There is no guarantee that we will be able to maintain these relationships or that our 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 and talent 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, as well as in-country mergers and acquisitions. 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 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 and joint ventures. In addition to sharing network product innovation and development 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 such as under-estimation of efforts or technical complexities which can result in cost overruns, project delays and losses.

We have a project risk management framework in place for systematic assessment, monitoring and reporting of key project risks. Risk profiling of the projects are performed for project monitoring and governance, so that appropriate attention and focus are given to high risk projects including those involving new and/or complex technology.

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

Risk Management Philosophy and Approach

new areas of risks associated with the media and online industries such as media regulation, brand safety, intellectual property infringement, content rights disputes, online falsehood, and data protection regulations and legislation.

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 disruption and 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.

The rapid advancements in new technologies such as Artificial Intelligence (AI), Digital Application Programming Interfaces (APIs), cloud, and blockchain are driving development of entirely new ecosystems and business models. This may leave us with infrastructure and systems that are technically obsolete before the end of their expected useful life and may require us to replace and upgrade our network and systems infrastructure to remain competitive, and as a result, incur additional capital expenditure. On the other hand, these changes also present opportunities for us to build upon our connectivity advantage, depending on our ability to apply these technologies to relevant services.

In the emerging markets in which our associates operate, regulatory practices, including spectrum availability, may also not necessarily synchronise with the technology progression path and the market demand for new technologies.

Each business unit 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 business may also incur substantial development expenditure to gain access to related or enabling technologies to pursue new growth opportunities in the business, 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 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

Our businesses and operations rely heavily on information technology and 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 is chaired by CEO Group Enterprise and comprises senior members from the businesses, various IT and network domains and meets on a regular basis. The committee develops appropriate policies and frameworks to ensure information system security, reviews the projects and initiatives on IT and network security, reviews IT security incidents, and establishes overall governance by performing audits and cyber security drills.

We have established a Group Cyber Security Policy for managing risks associated with information security. The policy is developed based on industry best practices and is aligned with international standards such as ISO 27001. The policy covers holistically 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 and ransomware. 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 impact on our reputation, litigation from customers and/or regulatory fines and penalties.

Group Enterprise is growing our cyber security business globally. The failure to keep up with and counteract increasing cyber security threats can materially and adversely affect our reputation, 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 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's Cyber Security Institute conducts training programmes to enhance the cyber security skills and preparedness of our staff as well as our customers, including businesses and governments in Asia Pacific. The Group has also invested in a research and development lab to drive innovation in this area.

DATA PROTECTION AND PRIVACY RISKS

We seek to protect the data privacy of our customers in our networks and systems infrastructure. Significant failure of security measures may undermine customer confidence and result in litigation from 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 continue to ensure data privacy by protecting personal data of our customers and staff. We also ensure compliance with applicable privacy laws, and perform regular reviews in order to refine our practices. 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 incident management, 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 associates and joint ventures 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 associates and joint ventures 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 227 in Note 34 to the Financial Statements.

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. Some of these catastrophes have also increased in intensity and frequency

Risk Management Philosophy and Approach

due to climate change factors, causing prolonged and exacerbated impact on our infrastructure and operations. 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 robust and resilient, and continually review our processes to prevent any network disruptions and to 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. Additional to key network infrastructure, we have business continuity plans and insurance programme and 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 skills 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.

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. Perceived health risks in terms of environmental exposures from mobile base station equipment can impact and cause concerns for the local communities on the implementation of new or upgrading of existing mobile base stations. This may impact the mobile coverage at that locality and also our mobile business. In addition, government legislations and industry requirements may be introduced to address this perceived risk, affecting our ability to deploy the mobile communications infrastructure.

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 ICNIRP 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.

CLIMATE CHANGE RISKS

Climate change is one of the key long-term global risks that has the potential to impact our operations, infrastructure and supply chain. There are also other energy security and regulatory risks associated with climate change, which could result in stricter emissions standards, carbon taxes or accompanying infrastructure investments for adaptation or mitigation. To address this concern, we adopted a two-pronged approach i.e. science based carbon reduction target and the upgrading of our infrastructure to adapt to long term climate change.

We have agreed to the Science Based Target initiative (SBTi) to address the continued impact of carbon and increasing temperatures. This approach progressively aligns our 2030 carbon contribution and reduction target with the agreements made at Paris COP 21. We adapt our infrastructure design and standards progressively to long-term scenarios related to climate change, such as increased risk of inundation and stronger cyclonic activities, rising temperatures and higher frequency of bush fires in Australia. We have also committed towards aligning our climate-related risks and financial reporting with the recommendations of the Task Force for Climate Related Financial Disclosures.

Sustainability

At Singtel, we aim to make a difference in society as a sustainable business. We focus on four key pillars that remain relevant to the needs of the markets we operate in, and to our stakeholders. Our sustainability strategy strives to:

- minimise our environmental footprint;
- develop our people;
- create social impact in our communities; and
- uphold responsible business practices and maximise customer satisfaction.

Our sustainability efforts have been recognised by international awards and indices. We were named in the Financial Times Stock Exchange's FTSE4Good Global index, which measures the performance of companies' environmental, social and governance (ESG) practices. For the eighth consecutive year, we were recognised as one of the World's Most Ethical Companies by Ethisphere in 2018. We were also listed in the annual Global 100 Most Sustainable Corporations 2018 for the second time running.

Last year, we conducted a refresh of our materiality review across the Group to identify key stakeholder concerns. This was approved by the Board and formed the basis of our current sustainability focus. Issues concerning customer data privacy and protection, climate change, diversity, online safety as well as responsible supply chain management took on stronger significance in our materiality assessment and hence in our sustainability strategy.



SEAN LOH JUNJIE
Singtel Marcoms Manager

Sean volunteers under the Singtel Savvy Silvers programme to help the elderly connect with the digital world and learn to use technology. Whether he's teaching them how to navigate their way around with a mobile phone, or simply to take photos and videos, Sean is thrilled when his students 'get it'.

Sustainability

ENVIRONMENT – LEAVING THE SMALLEST FOOTPRINT

Our approach to a sustainable environment strategy for our Singapore and Australia businesses covers two key areas: climate change and product stewardship.

As our business grows and we extend our infrastructure and networks, Singtel is committed to optimising energy efficiency to minimise our environmental impact and reduce our carbon footprint in the long term.

Our 2030 carbon reduction targets were approved by the Science Based Targets initiative in October 2017, a global group which recognises organisations aligned with the COP21 Paris Agreement. We were also one of the first companies worldwide that endorsed the climate risk reporting framework recommended by the G20 Financial Stability Board’s Task Force on Climate-related Financial Disclosures in June 2017. We will enhance our disclosures of climate-related financial and risk information, and work progressively towards this reporting framework.

Through Optus, we continue to play an active role in the Australian Business Roundtable for Disaster Resilience and Safer Communities. This involves undertaking research, recommending policy and engaging stakeholders on the need to make Australian communities and infrastructure safer and more resilient to natural disasters.

Engaging and educating stakeholders on the impact of e-waste on the environment is important to us.



Unwanted electronic items can be conveniently dropped into ReCYCLE bins at selected Singtel stores and post offices.

We offer a buy-back scheme for customers to trade in used phones and provide recycling facilities at our retail shops in Singapore and Australia.

In conjunction with World Environment Day last year, Singtel and SingPost launched a nationwide e-waste ReCYCLE programme. People can dispose of their e-waste at selected Singtel shops, exclusive retailers and post offices with a ReCYCLE bin, or mail their old mobile phones and accessories in special ReCYCLE envelopes at their convenience. ReCYCLE collected 9,677 kg (net weight) of e-waste as at 31 March 2018, 2.5 times more than previous years. In Australia, Optus continues to support the Mobile Muster programme, where customers take their old mobile phones to any Optus retail outlet for recycling. Last year, 4,251 kg of handsets, batteries and accessories were collected for recycling.

Our efforts to reduce greenhouse gas emissions and mitigate climate-related risks were recognised by CDP, the global environmental disclosure platform. We achieved an A- “Leadership level” score for climate disclosure in CDP 2017.

In addition, we won Asia’s Best Carbon Disclosure award at the Asia Sustainability Reporting Awards 2017.

We have set carbon reduction targets to reduce absolute direct and indirect carbon emissions in our Singapore and Australia operations by

42%

and third-party emissions by

30%

by 2030 from base year 2015



OUR PEOPLE – DEVELOPING AND CARING FOR OUR EMPLOYEES, OUR GREATEST ASSET

HELPING OUR PEOPLE FLOURISH

Our people are our most important asset and key to sustainable, long-term growth. In FY 2018, we invested S\$31 million in staff learning and development in both Singapore and Australia, and invested an average of 29.2 training hours per employee.

To improve the digital literacy of employees and empower them in a landscape of rapid changes and constant disruption, we piloted the SkillsFuture for Digital Workplace training programme to build future

skills across our workforce. These customised training programmes ride on the SkillsFuture Singapore initiative to equip everyone with the mindset and basic functional skills to prepare for the future economy.

Our leadership development efforts are focused on building enterprise leadership, leadership brand, business acumen and innovation. During the year, we launched three new leadership initiatives: SCORE+ Leadership Programme, the SCORE Development Centre and Enterprise Leadership Programme to prepare

our leaders to lead in the disruptive digital business landscape.

To address the industry's increasingly pressing need for highly skilled professionals in the digital economy, we need to constantly build and nurture a robust young talent pool. In FY 2018, we awarded S\$2.7 million in scholarships and apprenticeships to 72 university and polytechnic students. We have supported more than 280 students through our internship and scholarship programmes.



NICK MALHAM

Optus Product and Digital Lead

Nick realised there was a growing digital divide between those who had internet access and the disadvantaged who could not afford it. In an Australian first, he conceived the Donate Your Data programme for Optus customers to donate unused data, enabling disadvantaged youths to access technology for their education.

Sustainability


BUILDING A DIVERSE AND INCLUSIVE WORKFORCE

Singtel values a diverse workforce. This is especially important given the global and diverse nature of the Group's business, as well as the fast-changing digital economy. Women represent 34% of our staff across the Group, 26% of our upper and middle management positions as well as a third of our Board positions. As a group, we are an equal opportunity employer with more than 25,000 employees of about 90 different nationalities.

In Australia, Optus introduced Happy People, a targeted health and wellness programme for employees to improve their energy, sleep, mood and stress levels.

We engaged employees in Singapore with a Health and Wellness Carnival as well as a one-stop health information portal. We also encouraged them to take part in the Health Promotion Board's National Steps Corporate Challenge 2017, which saw more than 2,800 Singtel participants.

We have more than **25,000** employees of about **90** nationalities



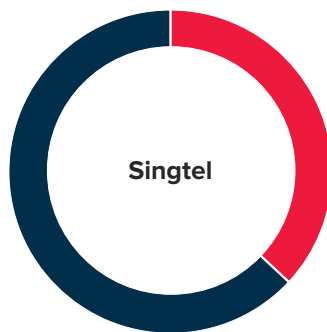
In Australia, Optus continues to work on increasing the representation of women in senior leadership and key technical roles, and we have implemented initiatives to encourage networking and leadership development. Internships are offered to Indigenous Australians to provide an opportunity for skills development and first-hand work experience.

KEEPING EMPLOYEES ENGAGED AND HEALTHY

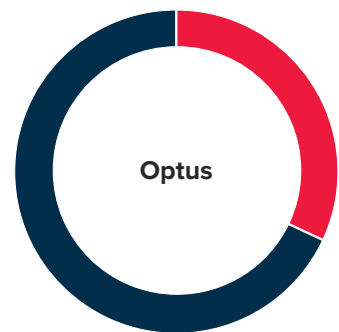
We recognise that happy employees are the most engaged and productive. Besides maintaining a healthy staff engagement score of 79, our results from the Singtel Group Your Voice Survey 2017 showed that 14% more employees felt empowered to come up with solutions that better serve customers. Compared to last year, 10% more employees felt Singtel has an excellent reputation among the community.

We encourage healthy living and build a healthy workplace by promoting mental well-being, physical fitness, encouraging good nutrition habits and effective management of work and family commitments.

GENDER DISTRIBUTION

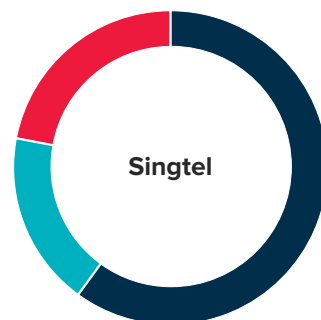


● Female 35%
● Male 65%

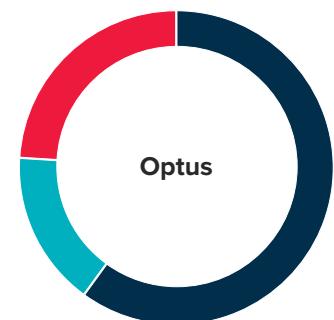


● Female 32%
● Male 68%

AGE DISTRIBUTION



● <30 years old 21%
● 30-49 years old 59%
● ≥ 50 years old 20%



● <30 years old 23%
● 30-49 years old 60%
● ≥ 50 years old 17%

COMMUNITY – CREATING POSITIVE SOCIAL IMPACT WITH THE MOST CONNECTED COMMUNITIES

We are committed to driving positive change by empowering the vulnerable and disadvantaged in our communities, through corporate giving, volunteerism and driving social change through innovation.

GIVING TIME AND TALENT

We give employees one day of paid leave per year to volunteer for causes they are passionate about. Singtel business units are also encouraged to adopt VolunTeaming, or department team building with a volunteering element. Last year, the annual Singtel Carnival hosted 1,500 students from special education

schools, including beneficiaries of the Singtel Touching Lives Fund. Two thousand staff volunteers planned and organised the event, which is now in its fifth year.

In Australia, Optus employees are similarly enthusiastic about volunteering and advocate developing the education and employability opportunities for youths. Since becoming a founding member of the Australian Business and Community Network in 2008, we have helped build the skills and raise the aspirations of over 7,700 students across Australia through mentoring and workshop facilitation.

Singtel Touching Lives Fund has raised

\$39m since 2002



Optus employee giving platform, yes4Good, has raised over

A\$5.6m since 2006

We spent

27,628

hours in staff volunteering in Singapore and Australia



Australian students learn how to use technology safely and responsibly at a Digital Thumbprint workshop organised by Optus and Kids Helpline.

Sustainability



Primary school students learn how to use the internet safely and responsibly at the #DQEveryChild workshop organised in collaboration with the DQ Institute.

We have also widened the scope of skills-based volunteering, such as in our Singtel Group Future Makers social innovation programme.

The spirit of giving back transcends boundaries as employees across the Group actively participate in “Better Together”, our annual overseas volunteering programme. More than 70 volunteers from Airtel, AIS, Globe, Optus and Singtel participated in three community projects in India, Thailand and the Philippines. Volunteers conducted English lessons for Bharti Foundation school students, organised an English camp for scholarship holders of AIS’ Good Kids Great Hearts programme, and held cyber wellness lessons for children from economically disadvantaged families and a shoreline clean-up in the respective countries.

PROMOTING CYBER WELLNESS AND DIGITAL INTELLIGENCE

Singtel is committed to creating empowered, educated and responsible digital citizens who thrive in today’s digital world. We strive to protect their well-being by equipping them with the knowledge

and behaviour they need to benefit from the power of technology while staying safe online.

Our Digital Thumbprint Programme partners community organisations to deliver workshops teaching primary and secondary school students positive online behaviour. Introduced in 2013, the programme has reached over 430,000 students in Singapore and Australia. A similar programme run by Globe in the Philippines has also reached over 16,000 students since 2016. To augment the workshops, we organised our inaugural Digital Smarts Day at the Optus campus in Sydney, Australia. A team of staff volunteers educated primary and high school students on digital citizenship and online safety in a fun and interactive way.

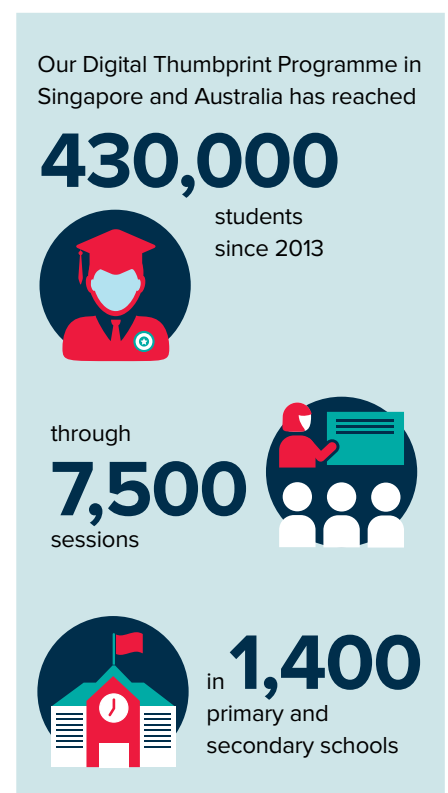
Singtel is also a strategic partner of the #DQEveryChild programme, following our collaboration with the DQ Institute. The DQ Institute is an international coalition spearheaded by Singtel and NTU in association with the World Economic Forum to improve digital education through cross-sector

collaborations, global dialogue and research.

#DQEveryChild aims to nurture and measure digital intelligence among children. A pilot study of #DQEveryChild conducted in Singapore last year found that children who completed the programme showed a 13% improvement in their Digital Intelligence Quotient or DQ score and a corresponding 18% reduction in cyber risks.

With a combination of online education tools and real-time assessment, the 8- to 12-year-olds learnt to deal with cyber issues and use digital technology responsibly and safely.

The programme will be rolled out to all primary schools in Singapore after the successful pilot.





TAY WEI YI
Singtel Business Development Manager

Wei Yi regularly provides advice and mentorship in the Singtel Future Makers programme, volunteering his expertise to social entrepreneurs and start-ups which create technological innovations that enhance our lives. Here, he shares his knowledge on smart living with Japhia Yeo of healthcare start-up Jaga-Me, which developed an online platform matching professional caregivers with patients at home.

THE MARKETPLACE AND OUR CUSTOMERS – ENSURING THE BEST EXPERIENCE THROUGH RESPONSIBLE BUSINESS PRACTICES AND INNOVATION

Our commitment to embrace responsible business practices includes having a responsible supply chain. We continue to make progress on our risk assessments of our key suppliers and engage them for self-assessments of their material risks. We engaged our regional associates to align our supply chain risk categories and implement common principles under our Group Supplier Code of Conduct. Through Optus, we meet the requirements of the Australian Government's Indigenous Opportunity Policy, and will engage Indigenous business suppliers as part of our wider inclusion strategy.

Data privacy and protection is a key concern in our supply chain and to our stakeholders. We rolled out a Data Protection Impact Assessment process last year to identify and assess personal data protection risks in our systems or processes,

with recommendations to address them. To help our enterprise customers protect their own data and their customer data, we offer cyber security solutions with real-time monitoring, response and remediation against advanced and evolving cyber threats.

Our Singtel Group Future Makers programme in Singapore and Australia continued to support social entrepreneurs that leverage technological innovation to address social causes and scale their impact in the community.

In 2017, the Future Makers programme was extended to Globe in the Philippines. Winning teams were chosen for the viability of their solutions, their progress made and scalability into the communities they benefit. We funded more than S\$500,000 in local and regional




grants, while extending support such as mentorship by cross-sector experts, competency workshops, as well as networking and collaborative opportunities with Singtel and our partners.

For the first time last year, six finalists from the local tracks were incepted into the Singtel Group Future Makers 2017 regional round in Sydney, Australia, to pitch for additional funding and regional capacity-building support. The start-up teams pitched for a total of S\$100,000 in additional funding for innovations such as a mobility solution and a work-matching platform for persons with disabilities.

More information on our sustainability efforts can be found in the Singtel Group Sustainability Report 2018 at singtel.com/sr2018.

Sustainability

KEY ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS

	Singapore		Australia	
	2018	2017	2018	2017
 Environmental Performance ⁽¹⁾				
Energy use (GJ)	1,395,100	1,404,843	1,724,106	1,702,440
Carbon footprint (tonnes CO ₂ equivalent)	174,391	173,811	418,760	418,269
Water use (cubic metres)	752,207	814,447	74,235 ⁽²⁾	82,111 ⁽²⁾
Hazardous and non-hazardous wastes (tonnes)	6,289	4,613	2,197 ⁽³⁾	1,853 ⁽³⁾
 Social Performance – People				
Employee turnover (%)	17.1	16.4	15.4	15.4
Employee turnover by gender (%)				
– Male	11.1	10.7	9.7	9.7
– Female	6.0	5.7	5.7	5.7
Average training hours per employee	30.6	30.4	27.6	30.9
Employee health and safety ⁽⁴⁾				
– Workplace injury incidence rate	2.1	1.3	4.1	1.3
– Workplace injury frequency rate	0.9	0.6	2.8	0.8
– Workplace injury severity rate	14.7	3.3	7.3	8.7
 Social Performance – Community				
Community investment (\$ million) ⁽⁵⁾	S\$7.5	S\$8.3	A\$9.4	A\$8.2
Total volunteering hours	15,500	17,140	12,128	16,420

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⁾ Waste across facility under Optus waste direct contract and not inclusive of all sites.
- ⁽⁴⁾ Workplace safety and health metrics based on the International Labour Organization (ILO) definitions.
- ⁽⁵⁾ Community investment has been verified by The London Benchmarking Group (LBG).

For more details and audited statistics, refer to our Sustainability Report at singtel.com/sr2018.

Group Five-year Financial Summary

	Financial Year ended 31 March					
	2018	Restated ⁽¹⁾ 2017	2017	2016	2015	2014
Income Statement (S\$ million)						
Group operating revenue	17,532	16,711	16,711	16,961	17,223	16,848
Singtel	8,396	7,928	7,928	7,663	7,348	6,912
Optus	9,136	8,784	8,784	9,298	9,875	9,936
Optus (A\$ million)	8,710	8,425	8,425	9,115	8,790	8,466
Group EBITDA	5,089	4,998	4,998	5,013	5,091	5,155
Singtel	2,181	2,213	2,213	2,187	2,146	2,223
Optus	2,909	2,784	2,784	2,825	2,945	2,932
Optus (A\$ million)	2,774	2,669	2,669	2,771	2,624	2,502
Share of associates' pre-tax profits	2,461	2,886	2,942	2,791	2,579	2,201
Group EBITDA and share of associates' pre-tax profits	7,550	7,884	7,939	7,804	7,670	7,357
Group EBIT	5,210	5,645	5,701	5,655	5,508	5,224
Net profit after tax	5,451	3,853	3,853	3,871	3,782	3,652
Underlying net profit ⁽²⁾	3,544	3,871	3,915	3,805	3,779	3,610
Exchange rate (A\$ against S\$) ⁽³⁾	1.049	1.043	1.043	1.020	1.123	1.174
Cash Flow (S\$ million)						
Group free cash flow ⁽⁴⁾	3,606	3,054	3,054	2,718	3,549	3,249
Singtel	1,126	1,040	1,040	869	1,379	1,181
Optus	989	514	514	631	1,070	1,020
Optus (A\$ million)	948	500	500	617	976	903
Associates' dividends (net of withholding tax)	1,492	1,500	1,500	1,218	1,100	1,048
Cash capital expenditure	2,349	2,261	2,261	1,930	2,238	2,102
Balance Sheet (S\$ million)						
Total assets	48,254	48,294	48,294	43,566	42,067	39,320
Shareholders' funds	29,679	28,214	28,214	24,989	24,733	23,868
Net debt	9,820	10,384	10,384	9,142	7,963	7,534
Key Ratios						
Proportionate EBITDA from outside Singapore (%)	77	75	75	74	74	73
Return on invested capital (%) ⁽⁵⁾	14.7	10.9	11.1	11.7	12.1	11.6
Return on equity (%)	18.8	14.5	14.5	15.6	15.6	15.3
Return on total assets (%)	11.2	8.3	8.3	9.0	9.3	9.2
Net debt to EBITDA and share of associates' pre-tax profits (number of times)	1.3	1.3	1.3	1.2	1.0	1.0
EBITDA and share of associates' pre-tax profits to net interest expense (number of times)	20.2	23.4	23.6	25.3	29.2	28.7
Per Share Information (S cents)						
Earnings per share - basic	33.40	23.96	23.96	24.29	23.73	22.92
Earnings per share - underlying net profit ⁽²⁾	21.71	24.07	24.35	23.88	23.71	22.65
Net assets per share	182	173	173	157	155	150
Dividend per share - ordinary	17.5	17.5	17.5	17.5	17.5	16.8
Dividend per share - special	3.0	-	-	-	-	-

"Singtel" refers to the Singtel Group excluding Optus.

Notes:

- ⁽¹⁾ FY 2017 has been restated to reclassify AIS' 3G/4G handset subsidy costs from exceptional items of the Group to share of associates' profits to be consistent with FY 2018.
- ⁽²⁾ Underlying net profit is defined as net profit before exceptional items.
- ⁽³⁾ Average A\$ rate for translation of Optus' operating revenue.
- ⁽⁴⁾ Free cash flow refers to cash flow from operating activities, including dividends from associates, less cash capital expenditure.
- ⁽⁵⁾ Return on invested capital is defined as EBIT (post-tax) divided by average capital. For FY 2018, EBIT included the gain on disposal of economic interest in NetLink Trust.

Group Five-year Financial Summary

5-YEAR FINANCIAL REVIEW

FY 2018

The Group delivered record earnings for FY 2018 with net profit of S\$5.45 billion bolstered by exceptional gain of S\$2.03 billion from the divestment of NetLink Trust and a strong core performance. Operating revenue was S\$17.53 billion, 4.9% higher than FY 2017, while EBITDA rose 1.8% to S\$5.09 billion reflecting strong customer gains in Australia and first time contribution from Turn (acquired by Amobee in April 2017). In constant currency terms, operating revenue and EBITDA increased by 4.7% and 1.5% respectively.

The associates' pre-tax contributions declined 15% to S\$2.46 billion on weaker earnings from Airtel India and Telkomsel impacted by intense competition and mandated reduction in mobile termination charges in India, as well as lower contribution from NetLink NBN Trust following the reduction in economic interest of 75.2% in July 2017. The decline was partly mitigated by higher contribution from Intouch (acquired in November 2016).

With lower associates' contributions, higher depreciation and amortisation charges on network investments and spectrum, as well as increased net finance expense, underlying net profit declined by 8.4%.

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.

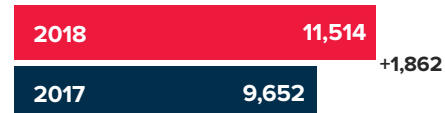
Group Value Added Statements

GROUP VALUE ADDED STATEMENTS

	FY 2018 S\$ million	FY 2017 S\$ million
Value added from:		
Operating revenue	17,532	16,711
Less: Purchase of goods and services	(10,049)	(9,406)
	7,483	7,306
Other income	259	215
Interest and investment income (net)	46	115
Share of results of associates (post-tax)	1,787	2,017
Exceptional items	1,940	(1)
	4,032	2,346
Total value added	11,514	9,652
Distribution of total value added		
To employees in wages, salaries and benefits	2,652	2,523
To government in income and other taxes	701	684
To providers of capital on:		
- Interest on borrowings	390	374
- Dividends to shareholders	3,346	2,816
Total distribution	7,090	6,398
Retained in business		
Depreciation and amortisation	2,340	2,239
Retained profits	2,105	1,037
Non-controlling interests	(21)	(22)
	4,424	3,254
Total value added	11,514	9,652
Average number of employees	25,614	25,590

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			Change in constant currency ⁽¹⁾ (%)
	2018 (S\$ million)	2017 (S\$ million)	Change (%)	
Operating revenue	17,532	16,711	4.9	4.7
EBITDA	5,089	4,998	1.8	1.5
EBITDA margin	29.0%	29.9%		
Share of associates' pre-tax profits ⁽²⁾	2,461	2,886	-14.7	-13.5
EBIT ⁽²⁾	5,210	5,645	-7.7	-7.2
<i>(exclude share of associates' pre-tax profits)</i>	2,749	2,759	-0.4	-0.7
Net finance expense	(345)	(260)	32.8	32.1
Taxation ⁽²⁾	(1,343)	(1,536)	-12.6	-12.4
Underlying net profit ^{(2) (3)}	3,544	3,871	-8.4	-7.8
<i>Underlying earnings per share (S cents) ⁽²⁾</i>	21.7	24.1	-9.8	-10.0
Exceptional items (post-tax) ⁽²⁾	1,908	(18)	nm	nm
Net profit	5,451	3,853	41.5	42.2
<i>Basic earnings per share (S cents)</i>	33.4	24.0	39.4	38.8
Share of associates' post-tax profits ⁽²⁾	1,823	2,048	-11.0	-9.6

"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 2017 (FY 2017).

⁽²⁾ Comparatives have been restated to reclassify AIS' 3G/4G handset subsidy costs from exceptional items of the Group to share of associates' results to be consistent with FY 2018.

⁽³⁾ 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 2018.

Net profit for the year hit a new high, rising a robust 42% to S\$5.45 billion. This was due to exceptional divestment gains from NetLink Trust and a strong performance from the core business.

Operating revenue surged 4.9% and EBITDA rose 1.8%, reflecting strong execution in Australia Consumer and the digital businesses following the acquisition of Turn in April 2017. Revenue from ICT and digital businesses increased a strong 19% to S\$4.18 billion and contributed 24% of the Group's revenue, up from 21% last year.

Depreciation and amortisation charges increased on higher investments in mobile infrastructure network and spectrum across the Group.

Consequently, the Group's EBIT (before the associates' contributions) was stable.

In the emerging markets, the regional associates continued to win new customers and drive data growth with investments in network and spectrum. The customer base of the

Group and its regional associates reached 706 million in 21 countries as at 31 March 2018, up 11% or 68 million from a year ago. Singtel has strengthened its collaborations with the regional associates to build an ecosystem of digital services by leveraging the Group's strengths and customer base across these countries.

The associates' post-tax underlying profit contributions declined by 11% on weaker earnings from Airtel and Telkomsel as well as lower contribution from NetLink NBN Trust following the reduction in economic interest of 75.2% in July 2017. The decline was partly mitigated by higher contribution from Intouch (acquired in November 2016).

Airtel's results were impacted by continued intense competition with aggressive pricing led by a new player and further aggravated by mandated cuts in mobile termination rates in India, partly mitigated by continued positive growth momentum in Africa. Telkomsel's earnings fell on softer revenue growth amid heightened price competition in data and steep declines in voice and SMS revenues, coupled with higher depreciation charges and a weaker Indonesian Rupiah against the Singapore Dollar.

Including the associates' contributions, the Group's EBIT declined by 7.7% to S\$5.21 billion.

Net finance expense increased 33% on lower dividend income from the Southern Cross consortium, decline in net interest income from NetLink Trust with the repayment of unitholder loan in July 2017, as well as higher interest expense on increased average borrowings.

With lower associates' contributions, higher depreciation and amortisation charges as well as increased net finance expense, underlying net profit declined by 8.4% for the year.

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.

Management Discussion and Analysis

BUSINESS SEGMENT

	Financial Year Ended 31 March			Change in constant currency ⁽¹⁾ (%)
	2018 (S\$ million)	2017 (S\$ million)	Change (%)	
Operating revenue				
- Group Consumer	9,826	9,572	2.7	2.2
- Group Enterprise	6,625	6,600	0.4	0.3
Core Business	16,452	16,172	1.7	1.4
- Group Digital Life	1,080	539	100.4	104.5
Group	17,532	16,711	4.9	4.7
EBITDA				
- Group Consumer	3,369	3,295	2.3	1.8
- Group Enterprise	1,856	1,913	-3.0	-3.1
Core Business	5,225	5,208	0.3	**
- Group Digital Life	(51)	(122)	-58.0	-57.4
- Corporate	(85)	(88)	-4.1	-4.1
Group	5,089	4,998	1.8	1.5
EBIT (before share of associates' pre-tax profits)				
- Group Consumer	1,736	1,771	-2.0	-2.3
- Group Enterprise	1,219	1,268	-3.9	-4.0
Core Business	2,955	3,039	-2.8	-3.0
- Group Digital Life	(120)	(190)	-36.7	-35.7
- Corporate	(86)	(90)	-4.3	-4.3
Group	2,749	2,759	-0.4	-0.7

*** denotes less than 0.5%.

Note:

⁽¹⁾ Assuming constant exchange rates for the Australian Dollar and United States Dollar from FY 2017.

GROUP CONSUMER

Group Consumer contributed 56% (FY 2017: 57%) and 66% (FY 2017: 66%) to the Group's operating revenue and EBITDA respectively. Operating revenue and EBITDA grew 2.7% and 2.3% respectively with growth in Australia partly offset by decline in Singapore. EBIT declined 2.0% on higher depreciation and amortisation charges on network investments, spectrum and new billing system.

In Singapore, operating revenue fell 2.7% impacted by fierce competition in mobile services and continued decline in voice services due to data substitution. Mobile Communications, which contributed 54% of Singapore Consumer's revenue, fell 3.3% on declines in both local and roaming voice revenues and increased mix of SIM-only plans which reduced the subscription revenues. The declines were partially offset by strong growth in mobile data. Consumer Home revenue (comprising fixed broadband, Singtel TV and voice) was stable as robust growth in fixed broadband was offset by the decline in TV revenue. With lower operating revenue, EBITDA declined 4.5%.

In Australia, operating revenue grew 3.9% and increased 5.8% excluding the impact of mobile service credits

from device repayment plans. The increase was driven by strong customer additions in mobile and fixed broadband, increased Equipment sales and higher National Broadband Network (**NBN**) migration revenues despite the temporary suspension in connecting and migrating customers to NBN's HFC network. Outgoing mobile service revenue rose 1.7% and would be up 5.7% excluding the service credits. Optus gained mobile market share with net addition of 384,000 customers, underpinned by its investments in network and content. Mass Market Fixed revenue grew 9.4% driven by higher NBN revenue from net addition of 225,000 customers for the year. With higher operating revenue and increase in other income from a dispute settlement, EBITDA grew by 4.0%.

GROUP ENTERPRISE

Group Enterprise contributed 38% (FY 2017: 39%) and 36% (FY 2017: 38%) to the Group's operating revenue and EBITDA respectively. Operating revenue was stable with growth in ICT and Equipment sales offsetting the decline in traditional carriage services. ICT services was boosted by strong contributions from cyber security, cloud, and smart cities which in total contributed approximately S\$1.1 billion in revenue,

an increase of 15% from a year ago. EBITDA and EBIT declined 3.0% and 3.9% respectively due to increased mix of lower-margin ICT business with investments in new growth platforms and pricing pressures in traditional services. In April 2018, the Group consolidated its cyber security operations across Singtel, Trustwave, Optus, and NCS into a single global unit to strengthen and scale the cyber business to accelerate growth.

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 doubled to S\$1.08 billion driven by first time contribution from Turn (acquired in April 2017) and strong performance from Amobee's media and social businesses. With higher operating revenue, negative EBITDA and EBIT were lower by 58% and 37% respectively. Amobee achieved positive EBITDA for the year as it leveraged on increased scale and synergies with Turn while HOOQ's losses narrowed on higher operating revenue.

Management Discussion and Analysis

ASSOCIATES

	Financial Year Ended 31 March			Change in constant currency ⁽¹⁾ (%)
	2018 (S\$ million)	2017 (S\$ million)	Change (%)	
Group share of associates' pre-tax profits ⁽²⁾	2,461	2,886	-14.7	-13.5
Share of post-tax profits				
Telkomsel	1,031	1,071	-3.7	-0.8
AIS ⁽²⁾	292	278	4.9	0.4
Globe ⁽³⁾				
- ordinary results	180	208	-13.5	-7.1
- exceptional items	22	-	nm	nm
	202	208	-2.7	4.6
Intouch ^{(3) (4)}				
- operating results	106	35	204.0	198.1
- amortisation of acquired intangibles	(21)	(7)	210.6	207.5
	86	28	202.5	195.9
Airtel ⁽³⁾				
- ordinary results (India and South Asia)	(31)	364	nm	nm
- ordinary results (Africa)	145	(102)	nm	nm
- exceptional items	(13)	-	nm	nm
	101	262	-61.5	-62.0
BTL ⁽⁵⁾	(18)	8	nm	nm
	83	270	-69.1	-69.5
Regional associates ⁽²⁾	1,694	1,855	-8.7	-7.1
NetLink NBN Trust/ NetLink Trust ⁽⁶⁾	72	130	-45.0	-45.0
Other associates	57	64	-9.8	-9.8
Group share of associates' post-tax profits ⁽²⁾	1,823	2,048	-11.0	-9.6

"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 2017.
- ⁽²⁾ The share of AIS' 3G/4G handset subsidy costs in FY 2017 previously classified as exceptional items of the Group have been reclassified to share of AIS' ordinary results to be consistent with FY 2018.
- ⁽³⁾ Excluded the Group's share of the associates' certain one-off items which have been classified as exceptional items of the Group.
- ⁽⁴⁾ Intouch, which Singtel acquired an equity interest of 21% in November 2016, has an equity interest of 40.5% in AIS.
- ⁽⁵⁾ Bharti Telecom Limited (**BTL**) holds 50.1% equity interest in Airtel as at 31 March 2018. In BTL's standalone books, its results for FY 2018 comprised mainly interest charges on debt arising from its acquisition of additional equity interest in Airtel.
- ⁽⁶⁾ Singtel ceased to own units in NetLink Trust following the sale to NetLink NBN Trust in July 2017 but continues to have an interest of 24.8% in NetLink NBN Trust, the holding company of NetLink Trust. The share of results included Singtel's amortisation of deferred gain of S\$26 million (FY 2017: S\$52 million) on assets transferred to NetLink Trust in prior years, but excluded fair value adjustments recorded by NetLink NBN Trust in respect of its acquisition of units in NetLink Trust.

	Telkomsel	AIS	Airtel ⁽¹⁾	Globe
Country mobile penetration rate	154%	136%	89%	116%
Market share, 31 March 2018 ⁽²⁾	47.0%	44.8%	25.6%	52.1%
Market share, 31 March 2017 ⁽²⁾	46.0%	44.8%	23.4%	48.1%
Market position ⁽²⁾	#1	#1	#1	#1
Mobile customers ('000)				
- Aggregate	192,752	40,050	395,722	63,263
- Proportionate	67,463	9,340	156,350	29,816
Growth in mobile customers (%) ⁽³⁾	13.8%	-1.5%	11.3%	8.0%

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 2017 and based on aggregate mobile customers.

The regional associates continued to win new customers and capture strong data growth, reaping the benefits of sustained investments in network and spectrum. However, with weaker earnings from Airtel and Telkomsel and a reduction in economic interest in NetLink NBN Trust partly offset by higher contribution from Intouch, the associates' pre-tax and post-tax underlying profit contributions fell 15% and 11% respectively.

The Group's combined mobile customer base reached 706 million, an increase of 11% or 68 million from a year ago. Telkomsel registered 14% increase in its customer base to 193 million, including 109 million of data customers as at end of March 2018. Airtel's total mobile customer base covering India, Sri Lanka and across Africa, reached 396 million as at 31 March 2018, an increase of 11% from a year ago.

Telkomsel delivered 5% increase in revenue with growth in data and digital services amid heightened price competition. Data and digital services revenue rose 29% on higher data usage, but traditional voice and SMS revenues declined with increased popularity of OTT applications and higher smartphone penetration. EBITDA grew 2% despite higher network expenses from accelerated deployment of 4G network and increased frequency fees for 2300 MHz spectrum acquired in October 2017. With higher depreciation charges from network investments and a weaker Indonesian Rupiah, Telkomsel's post-tax contribution declined 3.7%.

AIS' service revenue (excluding interconnect and equipment rental) grew 5% on increases in data and fixed broadband revenues lifted by higher usage and improved 4G network coverage. EBITDA grew 11% on the back of service revenue growth, lower marketing spend with reduced subsidy costs and lower regulatory fees on reduction in licence fee rate. This was partly offset by higher costs from network expansion and payments to TOT Public Company Limited for the lease of 2100 MHz spectrum, towers, equipment and facilities. With higher depreciation and spectrum amortisation charges and a stronger Thai Baht, AIS' post-tax contribution rose 4.9%.

Globe's service revenue grew 7% driven by growth in mobile data related services as demand for internet and data connectivity continued to increase. EBITDA rose 11% despite higher network costs to support the growing customer base and network expansion. The growth was offset by higher depreciation charges and finance costs from its data network investments. Singtel also recorded its share of Globe's one-off gain of S\$22 million from the increase in fair value of its retained equity interest in its associate (previously a wholly-owned subsidiary). With a weaker Philippine Peso, Globe's post-tax contribution declined 2.7%.

Singtel acquired 21% equity interest in **Intouch**⁽¹⁾ in November 2016. The Group's share of Intouch's post-tax profit was S\$106 million. After including amortisation of acquired intangibles of S\$21 million, Intouch's post-tax contribution was S\$86 million.

In India, **Airtel's** results were adversely impacted by intense competition with aggressive pricing by a new player and further aggravated by mandated cuts in mobile termination rates, despite recording strong customer additions and data usage growth. Consequently, Airtel's revenue in India fell 13% led by a drop in mobile revenue partly mitigated by growth in other segments. EBITDA correspondingly declined 22%. In Africa, operating revenue was stable in constant US Dollar terms and would have increased 5% across the 14 countries if excluding the divested operations, led by strong growth in data and Airtel Money services. EBITDA was up a significant 46% with continued strong cost control initiatives and efficiency gains, as well as improved margins.

In reported Indian Rupee terms, Airtel's consolidated revenue and EBITDA declined 12% and 15% respectively. With higher depreciation charges from network assets and increased spectrum amortisation and financing costs in India, Airtel's post-tax contribution declined 62%. Including the share of Bharti Telecom Limited's (**BTL**) net loss of S\$18 million which comprised mainly net finance expense, the Group's share of post-tax contribution from Airtel and BTL fell 69%.

In April 2018, Airtel announced the merger of Indus Towers and Bharti Infratel to create the largest tower company in the world outside of China, subject to regulatory and shareholder approvals.

Note:

⁽¹⁾ 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		
	2018 (S\$ million)	2017 (S\$ million)	Change (%)
Net cash inflow from operating activities	5,955	5,315	12.1
Net cash outflow for investing activities	(1,951)	(4,832)	-59.6
Net cash outflow for financing activities	(4,009)	(422)	@
Net change in cash balance	(5)	60	nm
Exchange effects on cash balance	(4)	12	nm
Cash balance at beginning of year	534	462	15.6
Cash balance at end of year	525	534	-1.7
Singtel ⁽¹⁾	1,126	1,040	8.3
Optus ⁽²⁾	989	514	92.2
Associates (net dividends after withholding tax)	1,492	1,500	-0.6
Group free cash flow ⁽²⁾	3,606	3,054	18.1
(exclude ATO tax payment)	3,606	3,197	12.8
Optus (in A\$ million) ⁽²⁾	947	500	89.6
(exclude ATO tax payment)	947	634	49.5
<i>Cash capital expenditure as a percentage of operating revenue</i>	13%	14%	

"@" denotes >500% and "nm" denotes not meaningful.

Notes:

⁽¹⁾ Refers to Singtel Group excluding Optus.

⁽²⁾ FY 2017 included S\$142 million (A\$134 million) paid to the Australian Taxation Office (ATO) 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 strongly by 12% to S\$5.96 billion. The increase was mainly driven by working capital movements and lower tax payments. Dividend receipts from associates were stable with higher dividends from Telkomsel and Airtel as well as first time dividend from Intouch offset by lower dividends from AIS and the Southern Cross consortium.

The investing cash outflow was S\$1.95 billion. In July 2017, Singtel received net proceeds of S\$1.11 billion from the disposal of units in NetLink Trust and S\$1.10 billion for the repayment of unitholder loan. Other investing cash flows

included payments for spectrum purchases of S\$937 million, and equity investments of S\$337 million for Turn acquired in April 2017 and S\$539 million for the 1.7% upstake in BTL in March 2018. Capital expenditure totalled S\$2.35 billion, comprising S\$783 million for Singtel and S\$1.57 billion (A\$1.49 billion) for Optus. In Singtel, major capital investments in the year included S\$231 million for fixed and data infrastructure, S\$178 million for mobile networks and S\$374 million for ICT and other investments. In Optus, capital investments in mobile networks amounted to A\$880 million with the balance in fixed and other investments.

The Group's free cash flow increased a robust 18% to S\$3.61 billion. The increase was driven by working capital movements and lower tax payments, partly offset by higher capital expenditure.

Net cash outflow for financing activities amounted to S\$4.01 billion. Major cash outflows included net decrease in borrowings of S\$312 million, interest payments of S\$380 million, and payments of S\$1.75 billion for final dividends in respect of FY 2017, S\$1.11 billion for interim dividends and S\$490 million for special dividends in respect of FY 2018.

SUMMARY STATEMENTS OF FINANCIAL POSITION

	As at 31 March	
	2018 (S\$ million)	2017 (S\$ million)
Current assets	5,981	5,918
Non-current assets	42,273	42,377
Total assets	48,254	48,294
Current liabilities	8,293	9,272
Non-current liabilities	10,307	10,808
Total liabilities	18,600	20,081
Net assets	29,654	28,214
Share capital	4,127	4,127
Retained earnings	31,601	29,494
Currency translation reserve ⁽¹⁾	(5,773)	(4,508)
Other reserves	(276)	(900)
Equity attributable to shareholders	29,679	28,214
Non-controlling interests and other reserve	(26)	*
Total equity	29,654	28,214

“*” 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.

Total assets were stable with additions from the purchase of spectrum, acquisition of Turn and upstake of 1.7% equity interest in BTL offset by the repayment of unitholder loan of S\$1.10 billion by NetLink

Trust. Total liabilities decreased on the reduction in borrowings and the release of net deferred gains of S\$1.10 billion on past sales of infrastructure assets to NetLink Trust following the disposal of an effective interest of 75.2% in NetLink Trust in July 2017.

Currency translation losses increased mainly from the translation of the Group’s investments in Optus, Telkomsel and Airtel due to the weaker Australian Dollar, Indonesian Rupiah and Indian Rupee against the Singapore Dollar from a year ago.

Management Discussion and Analysis

CAPITAL MANAGEMENT AND DIVIDEND POLICY

	Financial Year Ended 31 March	
	2018	2017
Group		
Gross debt (S\$ million)	10,345	10,918
Net debt ⁽¹⁾ (S\$ million)	9,820	10,384
Net debt gearing ratio ⁽²⁾ (%)	24.9	26.9
Net debt to EBITDA and share of associates' pre-tax profits (number of times) ⁽³⁾	1.3	1.3
Interest cover ⁽³⁾⁽⁴⁾ (number of times)	20.2	23.4

As at 31 March 2018, the Group's net debt was S\$9.8 billion, 5% lower 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 A1 by Moody's and A+ by S&P Global Ratings. The Group continues to maintain a healthy capital structure.

Singtel is committed to delivering dividends that increase over time with growth in underlying earnings. Its dividend payout ratio is between 60% and 75% of underlying net profit. The Group is also committed

to maintaining an optimal capital structure and investment credit grade ratings.

For the financial year ended 31 March 2018, total ordinary dividend, including the proposed final dividend, was 17.5 cents per share, representing 81% of the Group's underlying net profit. Including a special dividend of 3.0 cents, total dividend per share for the financial year was 20.5 cents.

While continuing competition in India may impact Airtel's profit contribution to the Group in the short term, the impact on the Group's cash flow and hence dividend payment

is not expected to be significant. Barring unforeseen circumstances, the Group expects to maintain its ordinary dividends at 17.5 cents per share for the next two financial years and thereafter revert to the payout ratio of between 60% to 75% of its underlying net profit.

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⁾ FY 2017 has been restated to reclassify AIS' 3G/4G handset subsidy costs from exceptional items of the Group to share of associates' profits to be consistent with FY 2018.
- ⁽⁴⁾ 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 2019

For the Group's outlook for the financial year ending 31 March 2019, please refer to pages 8 to

10 of the Management Discussion and Analysis for the fourth quarter and year ended 31 March 2018 announced on 17 May 2018.

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Directors' Statement

For the financial year ended 31 March 2018

The Directors present their statement to the members together with the audited financial statements of the Company (“Singtel”) and its subsidiaries (the “Group”) for the financial year ended 31 March 2018.

In the opinion of the Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 145 to 249 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2018, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. DIRECTORS

The Directors of the Company in office at the date of this statement are -

Simon Claude Israel (Chairman)
Chua Sock Koong (Group Chief Executive Officer)
Gautam Banerjee (appointed on 1 March 2018)
Bobby Chin Yoke Choong
Venkataraman Vishnampet Ganesan
Christina Hon Kwee Fong (Christina Ong)
Low Check Kian
Peter Edward Mason AM ⁽¹⁾
Peter Ong Boon Kwee
Teo Swee Lian

Note:

⁽¹⁾ Member of the Order of Australia

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except for performance shares granted under the Singtel Performance Share Plan 2012 (the “Singtel PSP 2012”) and share options granted by Amobee Group Pte. Ltd. (“Amobee”).

Directors' Statement

For the financial year ended 31 March 2018

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The interests of the Directors holding office at the end of the financial year in the share capital of the Company and related corporations according to the register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act were as follows –

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 31 March 2018	At 1 April 2017 or date of appointment, if later	At 31 March 2018	At 1 April 2017 or date of appointment, if later
The Company				
<u>Singapore Telecommunications Limited</u>				
(Ordinary shares)				
Simon Claude Israel	919,961 ⁽¹⁾	836,275	1,360 ⁽²⁾	1,360
Chua Sock Koong	7,540,668 ⁽³⁾	7,034,926	4,852,449 ⁽⁴⁾	5,156,191
Gautam Banerjee	-	-	-	-
Bobby Chin Yoke Choong	-	-	-	-
Low Check Kian	1,490	1,490	-	-
Peter Edward Mason AM	50,000 ⁽⁵⁾	50,000	-	-
Christina Ong	-	-	-	-
Peter Ong Boon Kwee	870	870	1,537 ⁽²⁾	1,537
Teo Swee Lian	1,550	1,550	-	-
(American Depositary Shares)				
Venkataraman Vishnampet Ganesan	3,341.45 ⁽⁶⁾	3,341.45	-	-
Subsidiary Corporations				
<u>Amobee Group Pte. Ltd.</u>				
(Options to subscribe for ordinary shares)				
Venkataraman Vishnampet Ganesan	750,718	750,718	-	-
<u>Optus Finance Pty Limited</u>				
(A\$250,000,000 4% fixed rate notes due 2022)				
Simon Claude Israel	A\$1,600,000 ⁽⁷⁾ (principal amount)	A\$1,600,000 (principal amount)	-	-

Directors' Statement

For the financial year ended 31 March 2018

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (Cont'd)

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 31 March 2018	At 1 April 2017 or date of appointment, if later	At 31 March 2018	At 1 April 2017 or date of appointment, if later
<i>Related Corporations</i>				
<u>Ascendas Funds Management (S) Limited</u>				
(Unit holdings in Ascendas Real Estate Investment Trust)				
Simon Claude Israel	1,000,000 ⁽⁸⁾	1,000,000	-	-
Chua Sock Koong	142,000	142,000	-	-
Gautam Banerjee	20,000	20,000	-	-
<u>Ascendas Property Fund Trustee Pte. Ltd.</u>				
(Unit holdings in Ascendas India Trust)				
Gautam Banerjee	120,000	120,000	-	-
<u>Mapletree Commercial Trust Management Ltd.</u>				
(Unit holdings in Mapletree Commercial Trust)				
Simon Claude Israel	4,043,520 ⁽⁷⁾	4,043,520	-	-
Bobby Chin Yoke Choong	-	-	117,000 ⁽²⁾	117,000
<u>Mapletree Greater China Commercial Trust Management Ltd.</u>				
(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
<u>Mapletree Industrial Trust Management Ltd.</u>				
(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	-	-
<u>Mapletree Logistics Trust Management Ltd.</u>				
(Unit holdings in Mapletree Logistics Trust)				
Simon Claude Israel	1,100,000 ⁽⁷⁾	1,000,000	-	-
<u>Mapletree Treasury Services Limited</u>				
(\$625,500,000 4.5% perpetual capital securities)				
Simon Claude Israel	S\$500,000 (principal amount)	S\$500,000 (principal amount)	-	-

Directors' Statement

For the financial year ended 31 March 2018

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (Cont'd)

	Holdings registered in the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 31 March 2018	At 1 April 2017 or date of appointment, if later	At 31 March 2018	At 1 April 2017 or date of appointment, if later
<u>Olam International Limited</u>				
(Ordinary shares)				
Low Check Kian	500,000	-	2,074,518 ⁽⁹⁾	-
<u>Singapore Airlines Limited</u>				
(Ordinary shares)				
Simon Claude Israel	9,000 ⁽¹⁰⁾	9,000	-	-
Chua Sock Koong	2,000	2,000	-	-
Bobby Chin Yoke Choong	-	-	2,000 ⁽²⁾	2,000
Low Check Kian	5,600	77,550	-	-
<u>Singapore Technologies Engineering Limited</u>				
(Ordinary shares)				
Christina Ong	1	1	-	-

Notes:

- ⁽¹⁾ 915,550 ordinary shares held in the name of Citibank Nominees Singapore Pte Ltd and 4,411 ordinary shares held in the name of DBS Nominees (Private) Limited.
- ⁽²⁾ Held by Director's spouse.
- ⁽³⁾ 688,750 ordinary shares held in the name of DBS Nominees (Private) Limited.
- ⁽⁴⁾ Ms Chua Sock Koong's deemed interest of 4,852,449 shares included:
- (a) 28,137 ordinary shares held by Ms Chua's spouse; and
- (b) An aggregate of up to 4,824,312 ordinary shares in Singtel awarded to Ms Chua pursuant to the Singtel PSP 2012, subject to certain performance criteria being met and other terms and conditions. Depending on the extent of the satisfaction of the relevant minimum performance criteria, up to an aggregate of 7,209,150 ordinary shares may be released pursuant to the conditional awards granted. According to the Register of Directors' Shareholdings, Ms Chua had a deemed interest in 10,836,742 shares held by DBS Trustee Limited, the trustee of a trust established for the purposes of the Singtel Performance Share Plan and the Singtel PSP 2012 for the benefit of eligible employees of the Group, as at 19 November 2012, being the date on which the Securities and Futures (Disclosure of Interests) Regulations 2012 (the "SFA (DOI) Regulations") came into operation. Under regulation 6 of the SFA (DOI) Regulations, Ms Chua is exempted from reporting interests, and changes in interests, in shares held by the trust, with effect from 19 November 2012.
- ⁽⁵⁾ Held (through custodians) by Burgoyne Investments Pty Ltd as trustee for Burgoyne Superannuation Fund. Both Mr Peter Edward Mason AM and spouse are directors of Burgoyne Investments Pty Ltd and beneficiaries of Burgoyne Superannuation Fund.
- ⁽⁶⁾ 1 American Depositary Share represents 10 ordinary shares in Singtel.
- ⁽⁷⁾ Held in the name of Citibank Nominees Singapore Pte Ltd.
- ⁽⁸⁾ 100,000 units held jointly by Mr Israel and his spouse, and 900,000 units held in the name of Citibank Nominees Singapore Pte Ltd.
- ⁽⁹⁾ Held by Cluny Capital Limited. Mr Low Check Kian is the sole shareholder of Cluny Capital Limited.
- ⁽¹⁰⁾ 6,200 ordinary shares held in the name of Citibank Nominees Singapore Pte Ltd and 2,800 ordinary shares held in the name of DBS Nominees (Private) Limited.

According to the register of Directors' shareholdings, there were no changes to any of the above-mentioned interests between the end of the financial year and 21 April 2018.

Directors' Statement

For the financial year ended 31 March 2018

4. PERFORMANCE SHARES

The Executive Resource and Compensation Committee (“**ERCC**”) is responsible for administering the Singtel PSP 2012. At the date of this statement, the members of the ERCC are Peter Edward Mason AM (Chairman of the ERCC), Simon Claude Israel and Teo Swee Lian.

At the Extraordinary General Meeting held on 27 July 2012, the shareholders approved the adoption of the Singtel PSP 2012. The duration of the Singtel PSP 2012 is 10 years commencing 27 July 2012. This plan gives the flexibility to either allot and issue and deliver new Singtel shares or purchase and deliver existing Singtel shares upon the vesting of awards.

The participants of the Singtel PSP 2012 will receive fully paid Singtel shares free of charge, the equivalent in cash, or combinations thereof, provided that certain prescribed performance targets are met within a prescribed performance period. The performance period for the awards granted is three years, except for Restricted Share Awards which have a performance period of two years. The number of Singtel shares that will vest for each participant or category of participants will be determined at the end of the performance period based on the level of attainment of the performance targets.

Awards comprising an aggregate of 70.6 million shares have been granted under the Singtel PSP 2012 from its commencement to 31 March 2018.

Performance share awards granted, vested and cancelled during the financial year, and share awards outstanding at the end of the financial year, were as follows –

Date of grant	Balance as at 1 April 2017 ('000)	Share awards granted ('000)	Additional share awards from targets exceeded ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 March 2018 ('000)
Share award for Chairman						
(Simon Claude Israel)						
16.08.17	-	84	-	(84)	-	-
Performance shares						
(Restricted Share Awards)						
For Group Chief Executive Officer						
(Chua Sock Koong)						
23.06.14	66	-	-	(66)	-	-
17.06.15	84	-	26	(55)	-	55
20.06.16	201	-	-	-	-	201
19.06.17	-	383	-	-	-	383
	351	383	26	(121)	-	639

Directors' Statement

For the financial year ended 31 March 2018

4. PERFORMANCE SHARES (Cont'd)

Date of grant	Balance as at 1 April 2017 ('000)	Share awards granted ('000)	Additional share awards from targets exceeded ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 March 2018 ('000)
For other staff						
23.06.14	2,641	-	-	(2,624)	(17)	-
17.09.14	7	-	-	(7)	-	-
23.12.14	2	-	-	(2)	-	-
17.06.15	3,595	-	1,068	(2,351)	(180)	2,132
28.09.15	23	-	7	(15)	-	15
05.01.16	7	-	3	(5)	-	5
20.06.16	5,118	-	1	(67)	(342)	4,710
20.03.17	87	-	-	(67)	-	20
19.06.17	-	7,318	-	(15)	(393)	6,910
21.09.17	-	87	-	-	-	87
18.12.17	-	77	-	-	-	77
14.03.18	-	150	-	-	-	150
	11,480	7,632	1,079	(5,153)	(932)	14,106
<i>Sub-total</i>	11,831	8,015	1,105	(5,274)	(932)	14,745

Performance shares

(Performance Share Awards)

For Group Chief Executive Officer

(Chua Sock Koong)

23.06.14	1,423	-	-	(235)	(1,188)	-
17.06.15	1,659	-	-	-	-	1,659
20.06.16	1,695	-	-	-	-	1,695
19.06.17	-	832	-	-	-	832
	4,777	832	-	(235)	(1,188)	4,186

Directors' Statement

For the financial year ended 31 March 2018

4. PERFORMANCE SHARES (Cont'd)

Date of grant	Balance as at 1 April 2017 ('000)	Share awards granted ('000)	Additional share awards from targets exceeded ('000)	Share awards vested ('000)	Share awards cancelled ('000)	Balance as at 31 March 2018 ('000)
For other staff						
23.06.14	6,524	-	-	(1,050)	(5,474)	-
17.09.14	15	-	-	(2)	(13)	-
23.12.14	6	-	-	(1)	(5)	-
17.06.15	7,317	-	-	-	(447)	6,870
28.09.15	125	-	-	-	-	125
05.01.16	32	-	-	-	-	32
20.06.16	7,373	-	-	-	(417)	6,956
20.03.17	91	-	-	-	-	91
19.06.17	-	3,972	-	-	(75)	3,897
21.09.17	-	24	-	-	-	24
18.12.17	-	53	-	-	-	53
14.03.18	-	79	-	-	-	79
	21,483	4,128	-	(1,053)	(6,431)	18,127
<i>Sub-total</i>	26,260	4,960	-	(1,288)	(7,619)	22,313
Total	38,091	13,059	1,105	(6,646)	(8,551)	37,058

During the financial year, awards in respect of an aggregate of 6.6 million shares granted under the Singtel PSP 2012 were vested. The awards were satisfied in part by the delivery of existing shares purchased from the market and in part by the payment of cash in lieu of delivery of shares, as permitted under the Singtel PSP 2012.

As at 31 March 2018, no participant has received shares pursuant to the vesting of awards granted under the Singtel PSP 2012 which, in aggregate, represents five per cent or more of the aggregate of -

- (i) the total number of new shares available under the Singtel PSP 2012; and
- (ii) the total number of existing shares purchased for delivery of awards released under the Singtel PSP 2012.

Directors' Statement

For the financial year ended 31 March 2018

5. SHARE OPTION PLANS

During the financial year, there were:

- (a) no options granted by the Company to any person to take up unissued shares of the Company; and
- (b) no shares issued by virtue of any exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

The particulars of the share option plans of subsidiary corporations of the Company are as follows:

Amobee Group Pte. Ltd.

In April 2015, Amobee, a wholly-owned subsidiary corporation of the Company, implemented the 2015 Long-Term Incentive Plan ("**Amobee LTI Plan**"). Under the terms of Amobee LTI Plan, options to purchase ordinary shares of Amobee may be granted to employees (including executive directors) and non-executive directors of Amobee and/or any of its subsidiaries.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of Amobee on the date of grant.

From 1 April 2017 to 31 March 2018, options in respect of an aggregate of 43.8 million of ordinary shares in Amobee have been granted to the employees and non-executive directors of Amobee and/or its subsidiaries. As at 31 March 2018, options in respect of an aggregate of 63.1 million of ordinary shares in Amobee are outstanding.

The grant dates and exercise prices of the share options were as follows –

<u>Date of grant</u>	<u>Exercise price</u>
<u>For employees</u>	
13 April 2015, 14 October 2015	US\$0.54 to US\$0.79
20 January 2016, 10 May 2016, 23 June 2016, 24 August 2016, 25 January 2017, 19 July 2017, 18 August 2017, 12 September 2017, 25 January 2018	US\$0.54
<u>For non-executive directors</u>	
14 October 2015	US\$0.54

The options granted to employees and non-executive directors expire 10 years and 5 years from the date of grant respectively.

No ordinary shares of Amobee were issued during the financial year pursuant to the exercise of options granted under the Amobee LTI Plan. The persons to whom the options have been granted do not have the right to participate, by virtue of the options, in any share issue of any other company.

Trustwave Holdings, Inc.

In December 2015, Trustwave Holdings, Inc. ("**Trustwave**"), a 98%-owned subsidiary corporation of the Company, implemented the Stock Option Incentive Plan ("**Trustwave ESOP**"). Under the terms of the Trustwave ESOP, options to purchase common stock of Trustwave may be granted to employees (including executive directors) and non-executive directors of Trustwave and/or any of its subsidiaries.

Options are exercisable at a price no less than 100% of the fair value of the common stock of Trustwave on the date of grant.

Directors' Statement

For the financial year ended 31 March 2018

5. SHARE OPTION PLANS (Cont'd)

From 1 April 2017 to 31 March 2018, options in respect of an aggregate of 0.4 million of common stock in Trustwave have been granted to the employees of Trustwave and/or its subsidiaries. As at 31 March 2018, options in respect of an aggregate of 2.4 million of common stock in Trustwave are outstanding.

The grant dates and exercise prices of the stock options were as follows –

<u>Date of grant</u>	<u>Exercise price</u>
1 December 2015, 22 January 2016, 19 May 2016, 12 September 2016	US\$16.79
20 January 2017	US\$16.24
15 March 2018	US\$15.37

The options granted expire 10 years from the date of grant.

No common stock of Trustwave was issued during the financial year pursuant to the exercise of options granted under the Trustwave ESOP. The persons to whom the options have been granted do not have the right to participate, by virtue of the options, in any share issue of any other company.

HOOQ

In December 2015, HOOQ Digital Pte. Ltd. ("**HOOQ**"), a 65%-owned subsidiary corporation of the Company, implemented the HOOQ Digital Employee Share Option Scheme ("the **Scheme**"). Under the terms of the Scheme, options to purchase ordinary shares of HOOQ may be granted to employees (including executive directors) of HOOQ and/or any of its subsidiaries.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of HOOQ on the date of grant.

From 1 April 2017 to 31 March 2018, options in respect of an aggregate of 14.0 million of ordinary shares in HOOQ have been granted to the employees of HOOQ and/or its subsidiaries. As at 31 March 2018, options in respect of an aggregate of 42.8 million of ordinary shares in HOOQ are outstanding.

The grant dates and exercise prices of the stock options were as follows –

<u>Date of grant</u>	<u>Exercise price</u>
16 May 2016, 24 April 2017, 2 May 2017, 31 July 2017, 8 September 2017, 23 October 2017, 10 January 2018	US\$0.07

The options granted expire 10 years from the date of grant.

No ordinary shares of HOOQ were issued during the financial year pursuant to the exercise of options granted under the Scheme. The persons to whom the options have been granted do not have the right to participate, by virtue of the options, in any share issue of any other company.

Directors' Statement

For the financial year ended 31 March 2018

6. AUDIT COMMITTEE

At the date of this statement, the Audit Committee comprises the following members, all of whom are non-executive and the majority of whom, including the Chairman, are independent -

Bobby Chin Yoke Choong (Chairman of the Audit Committee)
Gautam Banerjee (appointed on 1 March 2018)
Christina Hon Kwee Fong (Christina Ong)
Peter Ong Boon Kwee

Teo Swee Lian, who served during the financial year, stepped down as a member of the Audit Committee on 1 March 2018.

The Audit Committee carried out its functions in accordance with Section 201B of the Singapore Companies Act, Chapter 50.

In performing its functions, the Committee reviewed the overall scope and results of both internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal auditors to discuss the results of the respective examinations and their evaluation of the Company's system of internal accounting controls. The Committee also held discussions with the internal and external auditors and is satisfied that the processes put in place by management provide reasonable assurance on mitigation of fraud risk exposure to the Group.

The Committee also reviewed the financial statements of the Company and the Group, as well as the Independent Auditor's Report thereon. In the review of the financial statements of the Company and the Group, the Committee had discussed with management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements.

In addition, the Committee had, with the assistance of the internal auditors, reviewed the procedures set up by the Company and the Group to identify and report, and where necessary, sought appropriate approval for interested person transactions.

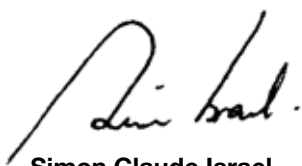
The Committee has full access to and has the co-operation of management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Committee has made its recommendations to the Board of Directors and the Board of Directors is satisfied with the proposed appointment of KPMG LLP as external auditor of the Company in place of the retiring auditor, Deloitte & Touche LLP, at the forthcoming 2018 Annual General Meeting.

7. AUDITOR

The retiring auditor, Deloitte & Touche LLP, will not be seeking re-appointment at the forthcoming Annual General Meeting. KPMG LLP has expressed its willingness to accept appointment as auditor.

On behalf of the Directors



Simon Claude Israel
Chairman



Chua Sock Koong
Director

Singapore
16 May 2018

Independent Auditor's Report

To the Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2018

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Singapore Telecommunications Limited (the “**Company**”) and its subsidiaries (the “**Group**”) which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2018, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 145 to 249.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the “**Act**”) and Financial Reporting Standards in Singapore (“**FRSs**”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2018, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“**SSAs**”). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (“**ACRA**”) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“**ACRA Code**”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters

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 contracts which may exhibit areas of audit interest such as low and/or significant change in margins, loss-making contracts, and accounts with high accrued revenue amongst others. We challenged the assumptions and judgements underpinning forecast performance of the identified contracts and the adequacy of contract loss provisions.
- We evaluated the relevant IT systems and the design and operating effectiveness of controls over the capture and recording of revenue transactions by involving our IT specialists to assist in the audit of automated controls, including interface controls between different IT applications.

Independent Auditor's Report

To the Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2018

Key Audit Matters

Revenue recognition (*Cont'd*)

Our audit performed and responses thereon

- We evaluated the business process controls in place over the authorisation of rate changes, the introduction of new plans and the input of this information to billing systems. We tested the access controls and change management controls for the Group's billing systems.
- We tested samples of customer bills for accuracy for new products and tariffs introduced in the year.
- We tested key reconciliations used by management to assess the completeness and accuracy of revenue, including testing the period in which it is reported.
- We tested supporting evidence for manual journal entries posted to revenue accounts to identify any unusual items.

We have validated and are satisfied with the assumptions and key management estimates adopted where revenue is recognised on a percentage of completion basis.

We have not noted any significant deficiency in the relevant IT systems and business process controls of the relevant revenue streams.

No exceptions were noted in the key reconciliations and manual journal entries relating to revenue recorded in the year.

Taxation

The Group's subsidiaries, associates and joint ventures have operations across a large number of jurisdictions and are subject to periodic challenges by local tax authorities.

As discussed in Note 38(b) to the financial statements, the Group has been responding to an ongoing specific issue audit by the Australian Taxation Office ("**ATO**") in connection with the acquisition financing of Singtel Optus Pty Limited ("**Optus**").

The Group has engaged external specialists to advise management on this specific issue audit, including raising objections to the amended assessments. Evaluation of the outcome of the specific issue audit, and whether the risk of loss is remote, possible or probable, requires significant judgement given the complexities involved.

We have involved our tax specialists in assessing the judgements taken by management in reaching their conclusion that the specific issue audit by the ATO represents a contingent liability of the Group and that the amount paid continues to represent a receivable as at 31 March 2018.

We have examined the advice obtained by management from the Group's tax specialists to support the judgement taken, and have discussed the merits of the case.

Based on our procedures, we believe that the position taken by the Group is appropriate.

We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements, in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Independent Auditor's Report

To the Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2018

Key Audit Matters

Goodwill impairment review

Optus, Amobee, Inc. and Trustwave

Under FRSs, the Group is required to annually test goodwill for impairment. This assessment requires the exercise of significant judgement about future market conditions, including growth rates and discount rates, as well as the cash generating unit ("CGU") on which the goodwill is tested for impairment.

As at 31 March 2018, the goodwill recorded on Optus, Amobee, Inc. and Trustwave Holdings, Inc. ("**Trustwave**") amounted to S\$9.28 billion, S\$1.01 billion and S\$999 million respectively, cumulatively constituting approximately 23% of the Group's total assets.

As disclosed in Note 23 to the financial statements, the goodwill recorded on Amobee, Inc. of S\$1.01 billion includes goodwill of S\$327 million resulting from the finalisation of the purchase price allocation work on the acquisition of Turn, Inc. during the year.

Subsequent to the restructuring and reorganisation of the Group's cyber security business during the financial year, which became effective from 1 April 2018, management has assessed and considered that the combined cyber security businesses of the Group, which includes Trustwave, are considered as one CGU to support the carrying value of goodwill amounting to S\$999 million.

The key assumptions to the impairment test and the sensitivity of changes in these assumptions to the risk of impairment are disclosed in Note 23 to the financial statements.

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.

Our audit performed and responses thereon

Optus, Amobee, Inc. and Trustwave

Our audit procedures focused on evaluating and challenging the key assumptions used by management in conducting the impairment review. These procedures included:

- challenging the appropriateness of the CGU to which goodwill is allocated and tested for impairment, and that the change in CGU for Trustwave to be the combined cyber security business is in accordance with the requirements in FRS 36 *Impairment of Assets*;
- using our valuation specialists to independently develop expectations for the key macro-economic assumptions used in the impairment analysis and purchase price allocation work, in particular the discount rate and long-term growth rate, and comparing the independent expectations with those used by management;
- challenging the cash flow forecasts used, comparing with recent performance, trend analysis and market expectations; and
- by reference to prior years' forecasts, where relevant, assessing whether the Group has achieved them.

Based on our procedures, we noted management's key assumptions to be within a reasonable range of our expectations.

We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.

Bharti Airtel

Our audit procedures included the review of relevant working papers of the auditors of Airtel (the "**Bharti Airtel Auditors**"), with particular focus on those related to the goodwill impairment review. We also discussed with Airtel management, Bharti Airtel Auditors and specialists used by them, including those engaged to assist the Bharti Airtel Auditors in assessing the assumptions adopted in the goodwill impairment model prepared by Airtel management.

The Group's share of Airtel's results is calculated based on Airtel's audited financial statements on which the Bharti Airtel Auditors have expressed an unmodified opinion.

Independent Auditor's Report

To the Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2018

Key Audit Matters

Our audit performed and responses thereon

Contingent liabilities: Share of significant joint ventures' and associate's reported regulatory and tax disputes

The Group's significant joint ventures and associate have operations across a number of jurisdictions including Africa, India, Indonesia, the Philippines and Thailand, and are subject to periodic challenges by local regulators and tax authorities.

Management of these significant joint ventures and associate have engaged specialists to advise them on such disputes, and to assess whether the risk of loss is remote, possible or probable. Such assessment requires significant judgement given the complexities involved. The joint ventures' and associate's contingent liabilities have been disclosed in Note 39 to the financial statements.

Our audit procedures included the review of relevant working papers of the auditors of the significant joint ventures and associate (the "**Component Auditors**"), with particular focus on those related to regulatory and tax disputes. We have also discussed with management of these significant joint ventures and associate, and their respective Component Auditors, including those engaged to assist the Component Auditors in evaluating the contingent liabilities.

We have also reviewed legal advice received by the Component Auditors for certain of the key contingent liabilities that are significant to the Group and assessed the adequacy of disclosure of the contingent liabilities in the financial statements, in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises all the information included in the Annual Report, excluding the Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of our auditor's report on the Financial Statements.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Independent Auditor's Report

To the Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2018

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report

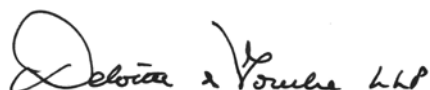
To the Members of Singapore Telecommunications Limited

For the financial year ended 31 March 2018

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this Independent Auditor's Report is Mr Philip Yuen Ewe Jin.



Public Accountants and
Chartered Accountants
Singapore

16 May 2018

Consolidated Income Statement

For the financial year ended 31 March 2018

	Notes	2018 S\$ Mil	2017 S\$ Mil
Operating revenue	4	17,531.8	16,711.4
Operating expenses	5	(12,701.5)	(11,929.0)
Other income	6	258.8	215.3
		5,089.1	4,997.7
Depreciation and amortisation	7	(2,340.1)	(2,238.9)
Exceptional items	8	1,940.4	(1.2)
Profit on operating activities		4,689.4	2,757.6
Share of results of associates and joint ventures	9	1,786.7	2,017.3
Profit before interest, investment income (net) and tax		6,476.1	4,774.9
Interest and investment income (net)	10	45.6	114.8
Finance costs	11	(390.2)	(374.3)
Profit before tax		6,131.5	4,515.4
Tax expense	12	(701.2)	(684.4)
Profit after tax		5,430.3	3,831.0
Attributable to -			
Shareholders of the Company		5,451.4	3,852.7
Non-controlling interests		(21.1)	(21.7)
		5,430.3	3,831.0
Earnings per share attributable to shareholders of the Company			
- basic (cents)	13	33.40	23.96
- diluted (cents)	13	33.35	23.91

The accompanying notes on pages 155 to 249 form an integral part of these financial statements.
Independent Auditor's Report – pages 139 to 144.

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2018

	2018 S\$ Mil	2017 S\$ Mil
Profit after tax	5,430.3	3,831.0
Other comprehensive (loss)/ income:		
Items that may be reclassified subsequently to income statement:		
Exchange differences arising from translation of foreign operations and other currency translation differences	(1,265.1)	432.7
Cash flow hedges		
- Fair value changes during the year	0.5	16.3
- Tax effects	(55.2)	20.1
	(54.7)	36.4
- Fair value changes transferred to income statement	2.1	(1.5)
- Tax effects	46.8	(18.8)
	48.9	(20.3)
	(5.8)	16.1
Available-for-sale investments		
- Fair value changes during the year	(31.5)	16.5
Share of other comprehensive income of associates and joint ventures	650.3	223.4
Other comprehensive (loss)/ income, net of tax	(652.1)	688.7
Total comprehensive income	4,778.2	4,519.7
Attributable to -		
Shareholders of the Company	4,798.6	4,541.5
Non-controlling interests	(20.4)	(21.8)
	4,778.2	4,519.7

The accompanying notes on pages 155 to 249 form an integral part of these financial statements.
Independent Auditor's Report – pages 139 to 144.

Statements of Financial Position

As at 31 March 2018

	Notes	Group		Company	
		2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Current assets					
Cash and cash equivalents	15	524.9	533.8	92.0	89.2
Trade and other receivables	16	5,035.4	4,924.2	2,323.9	1,673.3
Inventories	17	397.4	352.2	21.8	23.8
Derivative financial instruments	25	23.2	107.3	70.1	107.1
		5,980.9	5,917.5	2,507.8	1,893.4
Non-current assets					
Trade and other receivables	16	747.2	769.5	143.7	155.1
Property, plant and equipment	18	11,800.8	11,892.9	2,303.9	2,326.5
Intangible assets	19	13,969.1	13,072.8	-	-
Subsidiaries	20	-	-	19,425.9	17,441.0
Associates	21	2,005.5	1,952.2	24.7	603.5
Joint ventures	22	12,782.6	12,282.9	22.8	23.0
Available-for-sale ("AFS") investments	24	197.9	192.9	5.5	37.4
Derivative financial instruments	25	409.6	455.2	134.1	284.9
Deferred tax assets	12	360.1	657.8	-	-
Loan to an associate	26	-	1,100.5	-	1,100.5
		42,272.8	42,376.7	22,060.6	21,971.9
Total assets		48,253.7	48,294.2	24,568.4	23,865.3
Current liabilities					
Trade and other payables	27	5,233.9	4,922.4	1,468.4	1,602.0
Advance billings		794.1	835.4	80.1	74.8
Current tax liabilities		351.3	296.3	101.5	100.6
Borrowings (unsecured)	28	1,800.5	3,046.9	-	-
Borrowings (secured)	29	23.1	86.7	7.4	1.5
Derivative financial instruments	25	70.0	15.8	84.9	110.0
Net deferred gain	26	20.1	68.8	-	-
		8,293.0	9,272.3	1,742.3	1,888.9
Non-current liabilities					
Advance billings		225.1	245.7	136.7	138.3
Deferred tax liabilities	12	520.4	574.6	275.6	282.2
Borrowings (unsecured)	28	8,525.1	7,852.7	673.2	746.2
Borrowings (secured)	29	81.5	199.6	68.5	157.2
Derivative financial instruments	25	302.2	303.1	279.0	370.0
Net deferred gain	26	357.7	1,282.7	-	-
Other non-current liabilities	30	295.1	349.9	31.4	23.7
		10,307.1	10,808.3	1,464.4	1,717.6
Total liabilities		18,600.1	20,080.6	3,206.7	3,606.5
Net assets		29,653.6	28,213.6	21,361.7	20,258.8
Share capital and reserves					
Share capital	31	4,127.3	4,127.3	4,127.3	4,127.3
Reserves		25,551.9	24,086.3	17,234.4	16,131.5
Equity attributable to shareholders of the Company					
		29,679.2	28,213.6	21,361.7	20,258.8
Non-controlling interests		(3.2)	22.4	-	-
Other reserve		(22.4)	(22.4)	-	-
Total equity		29,653.6	28,213.6	21,361.7	20,258.8

The accompanying notes on pages 155 to 249 form an integral part of these financial statements.
Independent Auditor's Report – pages 139 to 144.

Statements of Changes in Equity

For the financial year ended 31 March 2018

	Attributable to shareholders of the Company											
	Share Capital	Treasury Shares	Capital Reserve	Currency Translation Reserve	Hedging Reserve	Fair Value Reserve	Retained Earnings	Other Reserves	Total	Non-controlling Interests	Other Reserve	Total Equity
Group - 2018	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil
Balance as at 1 April 2017	4,127.3	(32.5)	(108.0)	(4,507.5)	11.1	57.0	29,493.9	(827.7)	28,213.6	22.4	(22.4)	28,213.6
Changes in equity for the year												
Performance shares purchased by the Company	-	(2.4)	-	-	-	-	-	-	(2.4)	-	-	(2.4)
Performance shares purchased by Trust ⁽⁵⁾	-	(15.9)	-	-	-	-	-	-	(15.9)	-	-	(15.9)
Performance shares vested	-	18.1	(18.1)	-	-	-	-	-	-	-	-	-
Equity-settled share-based payment	-	-	32.5	-	-	-	-	-	32.5	0.2	-	32.7
Transfer of liability to equity	-	-	4.2	-	-	-	-	-	4.2	-	-	4.2
Cash paid to employees under performance share plans	-	-	(0.2)	-	-	-	-	-	(0.2)	-	-	(0.2)
Performance shares purchased by Singtel Optus Pty Limited ("Optus") and vested	-	-	(6.6)	-	-	-	-	-	(6.6)	-	-	(6.6)
Final dividend paid (see Note 32)	-	-	-	-	-	-	(1,746.6)	-	(1,746.6)	-	-	(1,746.6)
Interim dividend paid (see Note 32)	-	-	-	-	-	-	(1,110.0)	-	(1,110.0)	-	-	(1,110.0)
Special dividend paid (see Note 32)	-	-	-	-	-	-	(489.7)	-	(489.7)	-	-	(489.7)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(5.4)	-	(5.4)
Others	-	-	-	-	-	-	1.7	-	1.7	-	-	1.7
	-	(0.2)	11.8	-	-	-	(3,344.6)	-	(3,333.0)	(5.2)	-	(3,338.2)
Total comprehensive (loss)/ income for the year	-	-	-	(1,265.8)	(5.8)	(31.5)	5,451.4	650.3	4,798.6	(20.4)	-	4,778.2
Balance as at 31 March 2018	4,127.3	(32.7)	(96.2)	(5,773.3)	5.3	25.5	31,600.7	(177.4)	29,679.2	(3.2)	(22.4)	29,653.6

The accompanying notes on pages 155 to 249 form an integral part of these financial statements.
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Statements of Changes in Equity

For the financial year ended 31 March 2018

	Attributable to shareholders of the Company												
	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Currency Translation Reserve ⁽²⁾		Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Other Reserves ⁽³⁾ S\$ Mil	Total S\$ Mil	Non-controlling Interests S\$ Mil	Other Reserve ⁽⁴⁾ S\$ Mil	Total Equity S\$ Mil
				Reserve	Reserve								
Group - 2017													
Balance as at 1 April 2016	2,634.0	(30.6)	(116.4)	(4,940.3)	(5.0)	40.5	28,456.9	(1,049.9)	24,989.2	35.7	(22.4)	25,002.5	
Changes in equity for the year													
Issue of new shares (net of costs)	1,493.3	-	-	-	-	-	-	-	1,493.3	-	-	1,493.3	
Performance shares purchased by the Company	-	(1.9)	-	-	-	-	-	-	(1.9)	-	-	(1.9)	
Performance shares purchased by Trust ⁽⁵⁾	-	(18.2)	-	-	-	-	-	-	(18.2)	-	-	(18.2)	
Performance shares vested	-	18.2	(18.2)	-	-	-	-	-	-	-	-	-	
Equity-settled share-based payment	-	-	26.5	-	-	-	-	-	26.5	0.7	-	27.2	
Transfer of liability to equity	-	-	4.7	-	-	-	-	-	4.7	-	-	4.7	
Cash paid to employees under performance share plans	-	-	(0.3)	-	-	-	-	-	(0.3)	-	-	(0.3)	
Performance shares purchased by Optus and vested	-	-	(7.0)	-	-	-	-	-	(7.0)	-	-	(7.0)	
Final dividend paid (see Note 32)	-	-	-	-	-	-	(1,705.5)	-	(1,705.5)	-	-	(1,705.5)	
Interim dividend paid (see Note 32)	-	-	-	-	-	-	(1,110.0)	-	(1,110.0)	-	-	(1,110.0)	
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(5.0)	-	(5.0)	
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	12.9	-	12.9	
Share of other reserves of associates and joint ventures	-	-	2.7	-	-	-	-	(2.7)	-	-	-	-	
Others	-	-	-	-	-	-	(0.2)	1.5	1.3	(0.1)	-	1.2	
	1,493.3	(1.9)	8.4	-	-	-	(2,815.7)	(1.2)	(1,317.1)	8.5	-	(1,308.6)	
Total comprehensive income/ (loss) for the year	-	-	-	432.8	16.1	16.5	3,852.7	223.4	4,541.5	(21.8)	-	4,519.7	
Balance as at 31 March 2017	4,127.3	(32.5)	(108.0)	(4,507.5)	11.1	57.0	29,493.9	(827.7)	28,213.6	22.4	(22.4)	28,213.6	

The accompanying notes on pages 155 to 249 form an integral part of these financial statements.
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Statements of Changes in Equity

For the financial year ended 31 March 2018

Company - 2018	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 April 2017	4,127.3	(0.9)	38.3	60.3	27.7	16,006.1	20,258.8
Changes in equity for the year							
Performance shares purchased by the Company	-	(2.4)	-	-	-	-	(2.4)
Performance shares vested	-	2.3	(2.3)	-	-	-	-
Equity-settled share-based payment	-	-	11.8	-	-	-	11.8
Transfer of liability to equity	-	-	4.2	-	-	-	4.2
Cash paid to employees under performance share plans	-	-	(0.2)	-	-	-	(0.2)
Contribution to Trust ⁽⁵⁾	-	-	(12.4)	-	-	-	(12.4)
Final dividend paid (see Note 32)	-	-	-	-	-	(1,747.2)	(1,747.2)
Interim dividend paid (see Note 32)	-	-	-	-	-	(1,110.4)	(1,110.4)
Special dividend paid (see Note 32)	-	-	-	-	-	(489.9)	(489.9)
	-	(0.1)	1.1	-	-	(3,347.5)	(3,346.5)
Total comprehensive (loss)/ income for the year	-	-	-	(0.2)	(25.5)	4,475.1	4,449.4
Balance as at 31 March 2018	4,127.3	(1.0)	39.4	60.1	2.2	17,133.7	21,361.7

The accompanying notes on pages 155 to 249 form an integral part of these financial statements.
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Statements of Changes in Equity

For the financial year ended 31 March 2018

Company - 2017	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 April 2016	2,634.0	(1.2)	(71.3)	46.7	25.5	15,600.1	18,233.8
Changes in equity for the year							
Issue of new shares (net of costs) ⁽⁶⁾	1,493.3	-	109.1	-	-	-	1,602.4
Performance shares purchased by the Company	-	(1.9)	-	-	-	-	(1.9)
Performance shares vested	-	2.2	(2.2)	-	-	-	-
Equity-settled share-based payment	-	-	12.7	-	-	-	12.7
Transfer of liability to equity	-	-	4.9	-	-	-	4.9
Cash paid to employees under performance share plans	-	-	(0.3)	-	-	-	(0.3)
Contribution to Trust ⁽⁵⁾	-	-	(14.6)	-	-	-	(14.6)
Final dividend paid (see Note 32)	-	-	-	-	-	(1,706.0)	(1,706.0)
Interim dividend paid (see Note 32)	-	-	-	-	-	(1,110.4)	(1,110.4)
	1,493.3	0.3	109.6	-	-	(2,816.4)	(1,213.2)
Total comprehensive income for the year	-	-	-	13.6	2.2	3,222.4	3,238.2
Balance as at 31 March 2017	4,127.3	(0.9)	38.3	60.3	27.7	16,006.1	20,258.8

Notes:

- ⁽¹⁾ 'Treasury Shares' are accounted for in accordance with Singapore Financial Reporting Standard ("FRS") 32, *Financial Instruments: Presentation*.
- ⁽²⁾ 'Currency Translation Reserve' relates mainly to the translation of the net assets of foreign subsidiaries, associates and joint ventures of the Group denominated mainly in Australian Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Thai Baht and United States Dollar.
- ⁽³⁾ 'Other Reserves' relate mainly to goodwill on acquisitions completed prior to 1 April 2001 and the share of other comprehensive income or loss of the associates and joint ventures.
- ⁽⁴⁾ This amount relates to a reserve for an obligation arising from a put option written with the non-controlling shareholder of Trustwave Holdings, Inc. ("Trustwave"). When exercised under certain conditions, this will require Singtel to purchase the remaining 2% equity interest in Trustwave.
- ⁽⁵⁾ DBS Trustee Limited (the "Trust") is the trustee of a trust established to administer the performance share plans.
- ⁽⁶⁾ The amount credited to 'Capital Reserve' relates to fair value adjustment on the new shares issued on completion of the acquisitions of equity interest in Intouch Holdings Public Company Limited and Bharti Telecom Limited.

The accompanying notes on pages 155 to 249 form an integral part of these financial statements.
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Consolidated Statement of Cash Flows

For the financial year ended 31 March 2018

	2018 S\$ Mil	2017 S\$ Mil
Cash Flows From Operating Activities		
Profit before tax	6,131.5	4,515.4
Adjustments for -		
Depreciation and amortisation	2,340.1	2,238.9
Share of results of associates and joint ventures	(1,786.7)	(2,017.3)
Exceptional items	(1,965.6)	(37.1)
Interest and investment income (net)	(45.6)	(114.8)
Finance costs	390.2	374.3
Other non-cash items	30.3	25.8
	(1,037.3)	469.8
Operating cash flow before working capital changes	5,094.2	4,985.2
Changes in operating assets and liabilities		
Trade and other receivables	(195.4)	(561.7)
Trade and other payables	76.5	93.4
Inventories	(59.1)	(23.6)
Cash generated from operations	4,916.2	4,493.3
Dividends received from associates and joint ventures	1,647.7	1,655.5
Income tax and withholding tax paid (Note 1)	(607.8)	(833.8)
Payment to employees in cash under performance share plans	(0.9)	(0.3)
Net cash from operating activities	5,955.2	5,314.7
Cash Flows From Investing Activities		
Payment for purchase of property, plant and equipment	(2,349.0)	(2,260.6)
Purchase of intangible assets	(1,124.4)	(257.7)
Investment in associate and joint ventures (Note 2)	(540.6)	(2,471.8)
Payments for acquisition of subsidiaries, net of cash acquired (Note 3)	(336.5)	(4.9)
Investment in AFS investments	(59.6)	(34.6)
Withholding tax paid on intra-group interest income	(26.0)	(27.3)
Proceeds/ deferred proceeds from disposal of associates and joint ventures (Note 4)	1,146.4	61.5
Repayment of loan by an associate (Note 4)	1,100.5	-
Proceeds from sale of property, plant and equipment	142.6	34.2
Proceeds from sale of AFS investments	77.7	75.0
Interest received	16.4	39.4
Dividends received from AFS investments (net of withholding tax paid)	1.8	1.7
Contribution from non-controlling interests	-	12.9
Net cash used in investing activities	(1,950.7)	(4,832.2)

The accompanying notes on pages 155 to 249 form an integral part of these financial statements.
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Consolidated Statement of Cash Flows

For the financial year ended 31 March 2018

	Note	2018 S\$ Mil	2017 S\$ Mil
Cash Flows From Financing Activities			
Proceeds from term loans		6,948.6	6,174.9
Repayment of term loans		(6,726.0)	(5,263.7)
Proceeds from bond issue		430.2	675.4
Repayment of bonds		(936.4)	(404.2)
Proceeds from finance lease liabilities		18.0	10.1
Finance lease payments		(46.3)	(34.9)
Net (repayment of)/ proceeds from borrowings		(311.9)	1,157.6
Proceeds from issue of shares (Note 2)		-	1,602.4
Final dividend paid to shareholders of the Company		(1,746.6)	(1,705.5)
Interim dividend paid to shareholders of the Company		(1,110.0)	(1,110.0)
Special dividend paid to shareholders of the Company		(489.7)	-
Net interest paid on borrowings and swaps		(379.9)	(351.3)
Settlement of swap for bonds repaid		61.4	16.3
Purchase of performance shares		(25.0)	(27.2)
Dividend paid to non-controlling interests		(5.4)	(5.0)
Others		(2.1)	0.3
Net cash used in financing activities		(4,009.2)	(422.4)
Net change in cash and cash equivalents		(4.7)	60.1
Exchange effects on cash and cash equivalents		(4.2)	11.9
Cash and cash equivalents at beginning of year		533.8	461.8
Cash and cash equivalents at end of year	15	524.9	533.8

Note 1: Income tax and withholding tax paid

The payments in the previous financial year included an amount of S\$142 million (A\$134 million) paid to the Australian Taxation Office in November 2016 for amended assessments under dispute related to the acquisition financing of Optus (see **Note 16**).

Note 2: Investments in associate and joint ventures, and proceeds from issue of shares

On 12 March 2018, Singtel completed the acquisition of an additional 1.7% equity interest in Bharti Telecom Limited ("**BTL**") for S\$539 million.

On 17 November 2016, Singtel completed the acquisitions of 21.0% equity interest in Intouch Holdings Public Company Limited ("**Intouch**") for S\$1.59 billion and an additional 7.4% equity interest in BTL for S\$884 million. The acquisitions were partially financed by proceeds of S\$1.60 billion from the issuance of 385,581,351 new ordinary shares of Singtel listed on the Singapore Exchange.

The accompanying notes on pages 155 to 249 form an integral part of these financial statements.
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Consolidated Statement of Cash Flows

For the financial year ended 31 March 2018

Note 3: Payments for acquisition of subsidiaries

- (a) On 10 April 2017, Singtel's wholly-owned subsidiary, Amobee, Inc. ("**Amobee**"), acquired 100% of the share capital of Turn, Inc. ("**Turn**") for S\$392 million (US\$281 million). The acquisition of Turn, a leading provider of a global technology platform for marketers and agencies, expands Amobee's digital marketing technology. The fair values of identifiable net assets and the net cash outflow on the acquisition were as follows –

	31 March 2018 S\$ Mil
Identifiable intangible assets	53.3
Non-current assets	11.8
Cash and cash equivalents	55.6
Current assets (excluding cash and cash equivalents)	103.6
Total liabilities	<u>(179.7)</u>
Net assets acquired	44.6
Goodwill (see Note 19.1)	<u>347.5</u>
Total cash consideration	392.1
Less: Cash and cash equivalents acquired	<u>(55.6)</u>
Net outflow of cash	<u>336.5</u>

- (b) The payments in the previous financial year included deferred payments of S\$3.4 million and S\$1.5 million made in respect of the acquisitions of Adconion Media, Inc. and Adconion Pty Limited (together, "**Adconion**") and Ensyst Pty Limited respectively.

Note 4: Proceeds from disposal of associate, and repayment of loan by an associate

On 19 July 2017, Singtel sold its 100% interest in NetLink Trust to NetLink NBN Trust for an aggregate consideration of S\$1.89 billion comprising a cash consideration of S\$1.11 billion and 24.8% interest in NetLink NBN Trust. In addition, a unitholder loan of S\$1.10 billion was repaid by NetLink Trust to Singtel.

The accompanying notes on pages 155 to 249 form an integral part of these financial statements.
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Notes to the Financial Statements

For the financial year ended 31 March 2018

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

Singtel is domiciled and incorporated in Singapore and is publicly traded on the Singapore Exchange. The address of its registered office is 31 Exeter Road, Comcentre, Singapore 239732.

The principal activities of the Company consist of the operation and provision of telecommunications systems and services, and investment holding. The principal activities of the significant subsidiaries are disclosed in **Note 42**.

In Singapore, the Group has the rights to provide fixed national and international telecommunications services to 31 March 2037, and public cellular mobile telephone services to 31 March 2032.

In addition, the Group is licensed to offer Internet services and has also obtained frequency spectrum and licence rights to install, operate and maintain mobile communication systems and services including wireless broadband systems and services. The Group also holds the requisite licence to provide nationwide subscription television services.

In Australia, Optus is granted telecommunication licences under the Telecommunications Act 1991. Pursuant to the Telecommunications (Transitional Provisions and Consequential Amendments) Act 1997, the licences continued to have effect after the deregulation of telecommunications in Australia in 1997. The licences do not have a finite term, but are of continuing operation until cancelled under the Telecommunications Act 1997.

These financial statements were authorised and approved for issue in accordance with a Directors' resolution dated 16 May 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("**FRS**") including related interpretations, and the provisions of the Singapore Companies Act. They have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement are disclosed in **Note 3**.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2.1 Basis of Accounting (*Cont'd*)

The accounting policies have been consistently applied by the Group, and are consistent with those used in the previous financial year. The adoption of the new or revised FRS and Interpretations to FRS (“**INT FRS**”) which were mandatory from 1 April 2017 had no significant impact on the financial statements of the Group or the Company in the current financial year.

2.2 Group Accounting

The accounting policy for investments in subsidiaries, associates and joint ventures in the Company’s financial statements is stated in **Note 2.4**. The Group’s accounting policy on goodwill is stated in **Note 2.15.1**.

2.2.1 Subsidiaries

Subsidiaries are entities (including structured entities) controlled by the Group. Control exists when the Group has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the Group the ability to direct activities that significantly affect the entity’s returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above. Subsidiaries are consolidated from the date that control commences until the date that control ceases. All significant inter-company balances and transactions are eliminated on consolidation.

2.2.2 Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Equity accounting involves recording the investment in associates initially at cost, and recognising the Group’s share of the post-acquisition results of associates in the consolidated income statement, and the Group’s share of post-acquisition reserve movements in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investments in the consolidated statement of financial position.

Where the Group’s interest in an associate reduces as a result of a deemed disposal, any gain or loss arising as a result of the deemed disposal is taken to the consolidated income statement.

Where the Group increases its interest in its existing associate and it remains as an associate, the incremental cost of investment is added to the existing carrying amount without considering the fair value of the associate’s identifiable assets and liabilities.

In the consolidated statement of financial position, investments in associates include goodwill on acquisition identified on acquisitions completed on or after 1 April 2001, net of accumulated impairment losses. Goodwill is assessed for impairment as part of the investment in associates.

When the Group’s share of losses in an associate equals or exceeds its interest in the associate, including loans that are in fact extensions of the Group’s investment, the Group does not recognise further losses, unless it has incurred or guaranteed obligations in respect of the associate.

Unrealised gains resulting from transactions with associates are eliminated to the extent of the Group’s interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2.2.3 Joint ventures

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangements. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing the control.

The Group's interest in joint ventures is accounted for in the consolidated financial statements using the equity method of accounting.

Where the Group's interest in a joint venture reduces as a result of a deemed disposal, any gain or loss arising as a result of the deemed disposal is taken to the consolidated income statement.

Where the Group increases its interest in its existing joint venture and it remains as a joint venture, the incremental cost of investment is added to the existing carrying amount without considering the fair value of the joint venture's identifiable assets and liabilities.

In the consolidated statement of financial position, investments in joint ventures include goodwill on acquisition identified on acquisitions completed on or after 1 April 2001, net of accumulated impairment losses. Goodwill is assessed for impairment as part of the investment in joint ventures.

The Group's interest in its unincorporated joint operations is accounted for by recognising the Group's assets and liabilities from the joint operations, as well as expenses incurred by the Group and the Group's share of income earned from the joint operations, in the consolidated financial statements.

Unrealised gains resulting from transactions with joint ventures are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2.4 Dividends from associates and joint ventures

Dividends are recognised when the Group's rights to receive payment have been established. Dividends received from an associate or joint venture in excess of the Group's carrying value of the equity accounted investee are recognised as dividend income in the consolidated income statement where there is no legal or constructive obligation to refund the dividend nor is there any commitment to provide financial support to the investee. Equity accounting is then suspended until the investee has made sufficient profits to cover the income previously recognised for the excess cash distributions.

2.2.5 Structured entity

The Trust has been consolidated in the consolidated financial statements under FRS 110, *Consolidated Financial Statements*.

2.2.6 Business combinations

Business combinations are accounted for using the acquisition method on and after 1 April 2010. The consideration for each acquisition is measured at the aggregate of the fair values of assets given, liabilities incurred and equity interests issued by the Group and any contingent consideration arrangement at acquisition date. Acquisition-related costs, other than those associated with the issue of debt or equity, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the consolidated income statement.

For business combinations that are achieved in stages, any existing equity interests in the acquiree entity are re-measured to their fair values at acquisition date and any changes are taken to the consolidated income statement.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2.2.6 Business combinations (Cont'd)

Non-controlling interests in subsidiaries represent the equity in subsidiaries which are not attributable, directly or indirectly, to the shareholders of the Company, and are presented separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and within equity in the consolidated statement of financial position. The Group elects for each individual business combination whether non-controlling interests in the acquiree entity are recognised at fair value, or at the non-controlling interests' proportionate share of the fair value of the acquiree entity's identifiable net assets, at the acquisition date.

Total comprehensive income is attributed to non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a debit balance.

Changes in the Group's interest in subsidiaries that do not result in loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, any interest retained in the former subsidiary is recorded at fair value with the re-measurement gain or loss recognised in the consolidated income statement.

2.3 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new equity shares are taken to equity as a deduction, net of tax, from the proceeds.

When the Company purchases its own equity share capital, the consideration paid, including any directly attributable costs, is recognised as 'Treasury Shares' within equity. When the shares are subsequently disposed, the realised gains or losses on disposal of the treasury shares are included in 'Other Reserves' of the Company.

The Trust acquires shares in the Company from the open market for delivery to employees upon vesting of performance shares awarded under Singtel performance share plans. Such shares are designated as 'Treasury Shares'. In the consolidated financial statements, the cost of unvested shares, including directly attributable costs, is recognised as 'Treasury Shares' within equity.

Upon vesting of the performance shares, the weighted average costs of the shares delivered to employees, whether held by the Company or the Trust, are transferred to 'Capital Reserve' within equity in the consolidated financial statements.

2.4 Investments in Subsidiaries, Associates and Joint Ventures

In the Company's statement of financial position, investments in subsidiaries, associates and joint ventures, including loans that meet the definition of equity instruments, are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable value. On disposal of investments in subsidiaries, associates and joint ventures, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in the income statement of the Company.

2.5 Investments

Purchases and sales of investments are recognised on trade date, which is the date that the Group commits to purchase or sell the investment.

Notes to the Financial Statements

For the financial year ended 31 March 2018

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.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2.6.1 Hedge accounting (Cont'd)

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the income statement.

Net investment hedge

Changes in the fair value of designated derivatives that qualify as net investment hedges, and which are highly effective, are recognised in 'Other Comprehensive Income' in the consolidated financial statements and the amounts accumulated in 'Currency Translation Reserve' are transferred to the consolidated income statement in the period when the foreign operation is disposed.

In the Company's financial statements, the gain or loss on the financial instrument used to hedge a net investment in a foreign operation of the Group is recognised in the income statement.

The Group has entered into the following derivative financial instruments to hedge its risks, namely -

Cross currency swaps and interest rate swaps are fair value hedges for the interest rate risk and cash flow hedges for the currency risk arising from the Group's issued bonds. The swaps involve the exchange of principal and floating or fixed interest receipts in the foreign currency in which the issued bonds are denominated, for principal and floating or fixed interest payments in the Group's functional currency.

Certain cross currency swaps relate to net investment hedges for the foreign currency exchange risk on the Group's Australia operations.

Forward foreign exchange contracts are cash flow hedges for the Group's exposure to foreign currency exchange risks arising from forecasted or committed expenditure.

2.7 Fair Value Estimation of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

The following methods and assumptions are used to estimate the fair value of each class of financial instrument -

Bank balances, receivables and payables, current borrowings

The carrying amounts approximate fair values due to the relatively short term maturity of these instruments.

Quoted and unquoted investments

The fair value of investments traded in active markets is based on the market quoted mid-price (average of offer and bid price) or the mid-price quoted by the market maker at the close of business at the end of the reporting period.

The fair values of unquoted investments are determined by using valuation techniques. These include the use of recent arm's length transactions, reference to the net asset values of the investee companies or discounted cash flow analysis.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2.7 Fair Value Estimation of Financial Instruments (Cont'd)

Cross currency and interest rate swaps

The fair value of a cross currency or an interest rate swap is the estimated amount that the swap contract can be exchanged for or settled with under normal market conditions. This fair value can be estimated using the discounted cash flow method where the future cash flows of the swap contract are discounted at the prevailing market foreign exchange rates and interest rates. Market interest rates are actively quoted interest rates or interest rates computed by applying techniques to these actively quoted interest rates.

Forward foreign currency contracts

The fair value of forward foreign exchange contracts is determined using forward exchange market rates for contracts with similar maturity profiles at the end of the reporting period.

Non-current borrowings

For disclosure purposes, the fair values of non-current borrowings which are traded in active markets are based on the market quoted ask price. For other non-current borrowings, the fair values are based on valuations provided by service providers or estimated by discounting the future contractual cash flows using discount rates based on the borrowing rates which the Group expects would be available at the end of the reporting period.

2.8 Financial Guarantee Contracts

Financial guarantees issued by the Company prior to 1 April 2010 are recorded initially at fair values plus transaction costs and amortised in the income statement over the period of the guarantee. Financial guarantees issued by the Company on or after 1 April 2010 are directly charged to the subsidiary as guarantee fees based on fair values.

2.9 Trade and Other Receivables

Trade and other receivables, including loans given by the Company to subsidiaries, associates and joint ventures, are initially recognised at fair values and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the debts. Loss events include financial difficulty or bankruptcy of the debtor, significant delay in payments and breaches of contracts. The impairment loss, measured as the difference between the debt's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate, is recognised in the income statement. When the debt becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in the income statement.

2.10 Trade and Other Payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Borrowings

Borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs. After initial recognition, unhedged borrowings are subsequently stated at amortised cost using the effective interest method.

Notes to the Financial Statements

For the financial year ended 31 March 2018

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**.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2.14 Provisions

A provision is recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. No provision is recognised for future operating losses.

The provision for liquidated damages in respect of information technology contracts is made based on management's best estimate of the anticipated liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

2.15 Intangible Assets

2.15.1 Goodwill

Goodwill on acquisition of subsidiaries on and after 1 April 2010 represents the excess of the consideration transferred, the recognised amount of any non-controlling interest in the acquiree entity and the fair value of any previous equity interest in the acquiree entity over the fair value of the net identifiable assets acquired, including contingent liabilities, at the acquisition date. Such goodwill is recognised separately as intangible asset and stated at cost less accumulated impairment losses.

Acquisitions completed prior to 1 April 2001

Goodwill on acquisitions of subsidiaries, associates and joint ventures completed prior to 1 April 2001 had been adjusted in full against 'Other Reserves' within equity. Such goodwill has not been retrospectively capitalised and amortised.

The Group also had acquisitions where the costs of acquisition were less than the fair value of identifiable net assets acquired. Such differences (negative goodwill) were adjusted against 'Other Reserves' in the year of acquisition.

Goodwill which has been previously taken to 'Other Reserves', is not taken to the consolidated income statement when the entity is disposed of or when the goodwill is impaired.

Acquisitions completed on or after 1 April 2001

Prior to 1 April 2004, goodwill on acquisitions of subsidiaries, associates and joint ventures completed on or after 1 April 2001 was capitalised and amortised on a straight-line basis in the consolidated income statement over its estimated useful life of up to 20 years. In addition, goodwill was assessed for indications of impairment at the end of each reporting period.

Since 1 April 2004, goodwill is no longer amortised but is tested annually for impairment or whenever there is an indication of impairment (see **Note 2.16**). The accumulated amortisation for goodwill as at 1 April 2004 had been eliminated with a corresponding decrease in the capitalised goodwill.

A bargain purchase gain is recognised directly in the consolidated income statement.

Gains or losses on disposal of subsidiaries, associates and joint ventures include the carrying amount of capitalised goodwill relating to the entity sold.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2.15.2 Other intangible assets

Optus' telecommunication licences are not amortised and are reviewed for impairment on an annual basis. Other expenditure on telecommunication and spectrum licences are capitalised and amortised using the straight-line method over their estimated useful lives of 4 to 18 years.

Other intangible assets which are acquired in business combinations are carried at fair values at the date of acquisition, and amortised on a straight-line basis over the period of the expected benefits. Customer relationships or customer contracts, brand, and technology have estimated useful lives of 4 to 10 years. Other intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

2.16 Impairment of Non-Financial Assets

Goodwill on acquisition of subsidiaries is subject to annual impairment test or is more frequently tested for impairment if events or changes in circumstances indicate that it might be impaired. Goodwill is not amortised (see **Note 2.15.1**).

Other intangible assets of the Group, which have finite useful lives and are subject to amortisation, as well as property, plant and equipment and investments in subsidiaries, associates and joint ventures, are reviewed at the end of each reporting period to determine whether there is any indicator for impairment, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the assets' recoverable amounts are estimated.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value-in-use.

An impairment loss for an asset, other than goodwill on acquisition of subsidiaries, is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Impairment loss on goodwill on acquisition of subsidiaries is not reversed in the subsequent period.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Work-in-progress is stated at cost and associated profits are recognised based on projects-in-progress, less progress payments received and receivable on uncompleted information technology projects. Costs include third party hardware and software costs, direct labour and other direct expenses attributable to the project activity.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

In the consolidated statement of financial position, work-in-progress is included in "Trade and other receivables", and the excess of progress billings over work-in-progress is included in "Trade and other payables" as applicable.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2.18 Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, where applicable. The cost of self-constructed assets includes the cost of material, direct labour, capitalised borrowing costs and an appropriate proportion of production overheads.

Depreciation is calculated on a straight-line basis to write off the cost of the property, plant and equipment over its expected useful life. Property, plant and equipment under finance lease is depreciated over the shorter of the lease term or useful life. The estimated useful lives are as follows -

	No. of years
Buildings	5 - 40
Transmission plant and equipment	5 - 25
Switching equipment	3 - 15
Other plant and equipment	2 - 20

Other plant and equipment consist mainly of motor vehicles, office equipment, and furniture and fittings.

No depreciation is provided on freehold land, long-term leasehold land with a remaining lease period of more than 100 years and capital work-in-progress. Leasehold land with a remaining lease period of 100 years or less is depreciated in equal instalments over its remaining lease period.

In respect of capital work-in-progress, assets are depreciated from the month the asset is completed and ready for use.

Costs of computer software which are an integral part of the related hardware are capitalised and recognised as assets and included in property, plant and equipment when it is probable that the costs will generate economic benefits beyond one year and the costs are associated with identifiable software products which can be reliably measured by the Group.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Costs may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Subsequent expenditure is included in the carrying amount of an asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period.

On disposal of property, plant and equipment, the difference between the disposal proceeds and its carrying value is taken to the income statement.

2.19 Leases

2.19.1 Finance leases

Finance leases are those leasing agreements which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items. Assets financed under such leases are treated as if they had been purchased outright at the lower of fair value and present value of the minimum lease payments and the corresponding leasing commitments are shown as obligations to the lessors.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2.19.1 Finance leases *(Cont'd)*

Lease payments are treated as consisting of capital repayments and interest elements. Interest is charged to the income statement over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding.

2.19.2 Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as expenses in the income statement on a straight-line basis over the period of the lease.

2.19.3 Sales of network capacity

Sales of network capacity are accounted as finance leases where -

- (i) the purchaser's right of use is exclusive and irrevocable;
- (ii) the asset is specific and separable;
- (iii) the terms of the contract are for the major part of the asset's economic useful life;
- (iv) the attributable costs or carrying value can be measured reliably; and
- (v) no significant risks are retained by the Group.

Sales of network capacity that do not meet the above criteria are accounted for as operating leases.

2.19.4 Gains or losses from sale and leaseback

Gains on sale and leaseback transactions resulting in finance leases are deferred and amortised over the lease term on a straight-line basis, while losses are recognised immediately in the income statement.

Gains and losses on sale and leaseback transactions established at fair value which resulted in operating leases are recognised immediately in the income statement.

2.19.5 Capacity swaps

The Group may exchange network capacity with other capacity or service providers. The exchange is regarded as a transaction which generates revenue unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given up is reliably measurable.

2.20 Revenue Recognition

Revenue for the Group is recognised based on fair value for sale of goods and services rendered, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

Revenue includes the gross income received and receivable from revenue sharing arrangements entered into with overseas telecommunication companies in respect of traffic exchanged.

Revenue from subscription contract is recognised ratably over the service, maintenance or subscription period.

For mobile device repayment plans, the consideration is allocated to its separate revenue-generating activities based on the best estimate of the price of each activity in the arrangement. Handset sales are accounted for in accordance with the sale of equipment accounting policy (see below) of the Group. As the service credits under the device repayment plans are provided over time for services, they are recorded as a reduction of subscription revenue.

For prepaid cards which have been sold, provisions for unearned revenue are made for services which have not been rendered as at the end of the reporting period. Expenses directly attributable to the unearned revenue are deferred until the revenue is recognised.

Revenue from the sale of equipment is recognised upon the transfer of significant risks and rewards of ownership to the customer which generally coincides with delivery and acceptance of the equipment sold.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2.20 Revenue Recognition (Cont'd)

Revenues for system and network installation and integration projects are recognised based on the percentage of completion of the projects using cost-to-cost basis. Revenues from the rendering of services which involve the procurement of computer equipment, third party software for installation and information technology professional services are recognised upon full completion of the projects.

Revenue from sale of perpetual software licences and the related hardware are recognised when title passes to the customer, generally upon delivery.

Revenue from digital advertising services and solutions is recognised when advertising services are delivered, and when digital advertising impressions are delivered or click-throughs occur. Revenue from selling advertising space is recognised when the advertising space is filled and sold to customers.

Dividend income is recorded gross in the income statement when the right to receive payment is established.

Interest income is recognised on a time proportion basis using the effective interest method.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease.

2.21 Employees' Benefits

2.21.1 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund. The Group has no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

The Group's contributions to the defined contribution plans are recognised in the income statement as expenses in the financial year to which they relate.

2.21.2 Employees' leave entitlements

Employees' entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability of annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

2.21.3 Share-based compensation

Performance shares and share options

The performance share plans of the Group are accounted for either as equity-settled share-based payments or cash-settled share-based payments. The share option plans of the subsidiaries are accounted as equity-settled share-based payments.

Equity-settled share-based payments are measured at fair value at the date of grant, whereas cash-settled share-based payments are measured at current fair value at the end of each reporting period. The share-based payment expense is amortised and recognised in the income statement on a straight-line basis over the vesting period.

At the end of each reporting period, the Group revises its estimates of the number of equity instruments that the participants are expected to receive based on non-market vesting conditions. The difference is charged or credited to the income statement, with a corresponding adjustment to equity or liability for equity-settled and cash-settled share-based payments respectively.

The dilutive effects of the Singtel performance share plans are reflected as additional share dilution in the computation of diluted earnings per share.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2.22 Borrowing Costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in arranging borrowings, and finance lease charges. Borrowing costs are generally expensed as incurred, except to the extent that they are capitalised if they are directly attributable to the acquisition, construction, or production of a qualifying asset.

2.23 Customer Acquisition and Retention Costs

Customer acquisition and retention costs, including related sales and promotion expenses and activation commissions, are expensed as incurred.

2.24 Pre-incorporation Expenses

Pre-incorporation expenses are expensed as incurred.

2.25 Government Grants

Grants in recognition of specific expenses are recognised in the income statement over the periods necessary to match them with the relevant expenses they are intended to compensate. Grants related to depreciable assets are deferred and recognised in the income statement over the period in which such assets are depreciated and used in the projects subsidised by the grants.

2.26 Exceptional Items

Exceptional items refer to items of income or expense within the consolidated income statement from ordinary activities that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the financial year.

2.27 Income Tax

Income tax expense comprises current and deferred tax.

The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement as it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by, at the end of the reporting period.

Deferred taxation is provided in full, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit/ loss, it is not recognised. Deferred income tax is also not recognised for goodwill which is not deductible for tax purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates (and tax laws) enacted or substantively enacted in countries where the Company and its subsidiaries operate by, at the end of the reporting period.

Notes to the Financial Statements

For the financial year ended 31 March 2018

2.27 Income Tax (Cont'd)

Deferred tax liabilities are provided on all taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and carry forward of unutilised tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carry forward of unused losses can be utilised.

At the end of each reporting period, the Group re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Group recognises a previously unrecognised deferred tax asset to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered. The Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable profit will be available to allow the benefit of all or part of the deferred tax asset to be utilised.

Current and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or different period, directly to equity.

2.28 Dividends

Interim and special dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2.29 Segment Reporting

An operating segment is identified as the component of the Group that is regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

2.30 Non-current Assets (or Disposal Groups) Held for Sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amounts are recovered principally through sale transactions rather than through continuing use.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

FRS 1, *Presentation Of Financial Statements*, requires disclosure of the judgements management has made in the process of applying the accounting policies that have the most impact on the amounts recognised in the financial statements. It also requires disclosure about the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The estimates and assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

Notes to the Financial Statements

For the financial year ended 31 March 2018

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Cont'd)*

The following presents a summary of the critical accounting estimates and judgements -

3.1 Impairment Reviews

The accounting policies for impairment of non-financial assets are stated in **Note 2.16**.

During an impairment review, the Group assesses whether the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Recoverable amount is defined as the higher of an asset's or cash generating unit's fair value less costs to sell and its value-in-use. In making this judgement, the Group evaluates the value-in-use which is supported by the net present value of future cash flows derived from such assets or cash-generating units using cash flow projections which have been discounted at an appropriate rate. Forecasts of future cash flows are based on the Group's estimates using historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

Goodwill recorded by associates and joint ventures is required to be tested for impairment at least annually. The impairment assessment requires the exercise of significant judgement about future market conditions, including growth rates and discount rates applicable in a number of markets where the associates and joint ventures operate.

The assumptions used by management to determine the value-in-use calculations of goodwill on acquisition of subsidiaries are disclosed in **Note 23**. The carrying values of associates and joint ventures including goodwill capitalised are stated in **Note 21** and **Note 22** respectively.

3.2 Impairment of Trade Receivables

The Group assesses at the end of each reporting period whether there is objective evidence that trade receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated experience.

3.3 Estimated Useful Lives of Property, Plant and Equipment

The Group reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the carrying value of property, plant and equipment.

3.4 Taxation

3.4.1 Deferred tax asset

The Group reviews the carrying amount of deferred tax asset at the end of each reporting period. Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

Notes to the Financial Statements

For the financial year ended 31 March 2018

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Cont'd)*

3.4.2 Income taxes

The Group is subject to income taxes in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business, including the tax matter disclosed in **Note 38(b)**. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.5 Fair values of derivative financial instruments

The Group uses valuation techniques to determine the fair values of financial instruments. The valuation techniques used for different financial instruments are selected to reflect how the market would be expected to price the instruments, using inputs that reasonably reflect the risk-return factors inherent in the instruments. Depending upon the characteristics of the financial instruments, observable market factors are available for use in most valuations, while others involve a greater degree of judgment and estimation.

3.6 Share-based Payments

Equity-settled share-based payments are measured at fair value at the date of grant, whereas cash-settled share-based payments are measured at current fair value at the end of each reporting period. In addition, the Group revises the estimated number of equity instruments that participants are expected to receive based on non-market vesting conditions at the end of each reporting period.

The assumptions of the valuation model used to determine fair values are set out in **Note 5.3**.

3.7 Contingent Liabilities

The Group consults with its legal counsel on matters related to litigation, and other experts both within and outside the Group with respect to matters in the ordinary course of business. As at 31 March 2018, the Group was involved in various legal proceedings where it has been vigorously defending its claims as disclosed in **Note 38**.

The Group also reports significant contingent liabilities of its associates and joint ventures. Assessment on whether the risk of loss is remote, possible or probable requires significant judgement given the complexities involved. The significant contingent liabilities of the Group's associate and joint ventures have been disclosed in **Note 39**.

3.8 Purchase Price Allocation

The Group completed the acquisition of Turn in April 2017. Purchase price allocation exercise requires a significant amount of management estimation, particularly in relation to the identification and valuation of intangible assets and assignment of their useful lives. The Group's disclosure of the above is set out in **Note 3(a)** to the Consolidated Statement of Cash Flows.

Notes to the Financial Statements

For the financial year ended 31 March 2018

4. OPERATING REVENUE

	Group	
	2018 S\$ Mil	2017 S\$ Mil
Mobile communications ⁽¹⁾	5,955.2	5,926.5
Data and Internet ⁽¹⁾	3,427.3	3,319.0
Infocomm Technology ⁽¹⁾	3,067.6	2,948.0
Sale of equipment	2,031.9	1,903.8
Digital businesses	1,113.1	565.6
National telephone	963.2	1,062.4
International telephone	421.1	479.7
Pay television ⁽¹⁾	369.4	356.1
Others ⁽¹⁾	183.0	150.3
Operating revenue	17,531.8	16,711.4
Operating revenue	17,531.8	16,711.4
Other income	258.8	215.3
Interest and dividend income (see Note 10)	49.2	99.7
Total revenue	17,839.8	17,026.4

Note:

⁽¹⁾ Comparatives have been reclassified to be consistent with current year.

5. OPERATING EXPENSES

	Group	
	2018 S\$ Mil	2017 S\$ Mil
Selling and administrative costs ⁽¹⁾	2,922.5	2,921.9
Staff costs	2,652.4	2,523.4
Other cost of sales	2,613.3	2,115.4
Cost of equipment sold	2,529.6	2,415.9
Traffic expenses	1,615.8	1,575.6
Repairs and maintenance	367.9	376.8
	12,701.5	11,929.0

Note:

⁽¹⁾ Includes mobile and broadband subscriber acquisition and retention costs, supplies and services, as well as rentals of properties and mobile base stations.

Notes to the Financial Statements

For the financial year ended 31 March 2018

5.1 Staff Costs

	Group	
	2018 S\$ Mil	2017 S\$ Mil
Staff costs included the following -		
Contributions to defined contribution plans	252.3	233.9
Performance share and share option expenses		
- equity-settled arrangements	32.7	33.9
- cash-settled arrangements	1.9	2.0

5.2 Key Management Personnel Compensation

	Group	
	2018 S\$ Mil	2017 S\$ Mil
Key management personnel compensation ⁽¹⁾		
Executive director ⁽²⁾	6.1	6.6
Other key management personnel ⁽³⁾	22.4	20.8
	28.5	27.4
Directors' remuneration ⁽⁴⁾	2.5	2.6
	31.0	30.0

Notes:

⁽¹⁾ Comprise base salary, bonus, contributions to defined contribution plans and other benefits, but exclude performance share and share option expenses disclosed below.

⁽²⁾ The Group Chief Executive Officer, an executive director of Singtel, was awarded up to 1,712,538 (2017: 1,895,988) ordinary shares of Singtel pursuant to Singtel performance share plans and a one-off Special Share Award ("SSA"), subject to certain performance criteria including other terms and conditions being met. The performance share expense computed in accordance with FRS 102, *Share-based Payment*, was S\$3.3 million (2017: S\$2.4 million).

⁽³⁾ The other key management personnel of the Group comprise the Chief Executive Officers of Consumer Singapore, Consumer Australia, Group Enterprise, Group Digital Life and International Group, as well as the Group Chief Corporate Officer, Group Chief Financial Officer, Group Chief Human Resources Officer, Group Chief Information Officer and Group Chief Technology Officer.

The other key management personnel were awarded up to 4,391,498 (2017: 4,331,295) ordinary shares of Singtel pursuant to Singtel performance share plans and a one-off SSA, subject to certain performance criteria including other terms and conditions being met. The performance share expense computed in accordance with FRS 102, *Share-based Payment*, was S\$8.5 million (2017: S\$5.6 million).

⁽⁴⁾ Directors' remuneration comprises the following:

(i) Directors' fees of S\$2.5 million (2017: S\$2.5 million), including fees paid to certain directors in their capacities as members of the Optus Advisory Committee and the Technology Advisory Panel, and as director of Singtel Innov8 Pte. Ltd.

(ii) Car-related benefits of Chairman of S\$20,446 (2017: S\$21,611).

In addition to the directors' remuneration, Venkataraman Vishnampet Ganesan, a non-executive director of Singtel, was awarded 750,718 share options pursuant to the Amobee Long-Term Incentive Plan in 2016, subject to certain terms and conditions being met. No similar share option was awarded during the financial year (2017: Nil). The share option expense computed in accordance with FRS 102, *Share-based Payment*, was S\$21,607 (2017: S\$64,418).

Notes to the Financial Statements

For the financial year ended 31 March 2018

5.3 Share-based Payments

5.3.1 Performance share plans

With effect from 1 April 2012, Restricted Share Awards and Performance Share Awards are given to selected employees of Singtel and its subsidiaries. The awards are conditional upon the achievement of predetermined performance targets over the performance period, which is two years for the Restricted Share Awards and three years for the Performance Share Awards. Both awards are generally settled by delivery of Singtel shares, with the awards for certain senior executives to be settled by Singtel shares or cash, at the option of the recipient.

Additionally, early vesting of the performance shares can also occur under special circumstances approved by the Executive Resource and Compensation Committee such as retirement, redundancy, illness and death while in employment.

Though the performance shares are awarded by Singtel, the respective subsidiaries bear all costs and expenses in any way arising out of, or connected with, the grant and vesting of the awards to their employees.

The fair values of the performance shares are estimated using a Monte-Carlo simulation methodology at the measurement dates, which are the grant value dates for equity-settled awards, and at the end of the reporting period for cash-settled awards.

Restricted Share Awards

The movements of the number of performance shares for the Restricted Share Awards during the financial year were as follows –

Group and Company	Outstanding as at 1 April 2017 '000	Granted '000	Awarded from targets exceeded '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2018 '000
Date of grant						
FY2015 ⁽¹⁾						
23 June 2014	2,707	-	-	(2,690)	(17)	-
September 2014 to March 2015	9	-	-	(9)	-	-
FY2016						
17 June 2015	3,679	-	1,094	(2,406)	(180)	2,187
September 2015 to March 2016	30	-	10	(20)	-	20
FY2017						
20 June 2016	5,319	-	1	(67)	(342)	4,911
September 2016 to March 2017	87	-	-	(67)	-	20
FY2018						
19 June 2017	-	7,701	-	(15)	(393)	7,293
September 2017 to March 2018	-	314	-	-	-	314
	11,831	8,015	1,105	(5,274)	(932)	14,745

Note:

⁽¹⁾ "FY2015" denotes financial year ended 31 March 2015.

Notes to the Financial Statements

For the financial year ended 31 March 2018

5.3.1 Performance share plans (Cont'd)

Group and Company 2017	Outstanding as at 1 April 2016 '000	Granted '000	Awarded from targets exceeded '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2017 '000
Date of grant						
FY2014						
21 June 2013	2,482	-	-	(2,441)	(41)	-
September 2013 to March 2014	8	-	-	(5)	(3)	-
FY2015						
23 June 2014	4,514	-	1,328	(2,921)	(214)	2,707
September 2014 to March 2015	14	-	4	(9)	-	9
FY2016						
17 June 2015	3,993	-	2	(54)	(262)	3,679
September 2015 to March 2016	30	-	-	-	-	30
FY2017						
20 June 2016	-	5,541	-	(8)	(214)	5,319
September 2016 to March 2017	-	87	-	-	-	87
	11,041	5,628	1,334	(5,438)	(734)	11,831

The fair values of the Restricted Share Awards and the assumptions of the fair value model for the grants were as follows –

Equity-settled	Date of grant		
	17 June 2015	20 June 2016	19 June 2017
Fair value at grant date	S\$3.79	S\$3.46	S\$3.34
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.8%	15.6%	14.3%
MSCI Asia Pacific Telco Index	10.2%	NA	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding May 2015	36 months historical volatility preceding May 2016	36 months historical volatility preceding May 2017
Risk free interest rates			
Yield of Singapore Government Securities on	4 June 2015	1 June 2016	7 June 2017

"NA" denotes Not Applicable.

Notes to the Financial Statements

For the financial year ended 31 March 2018

5.3.1 Performance share plans (Cont'd)

Cash-settled 2018	Date of grant		
	17 June 2015	20 June 2016	19 June 2017
Fair value at 31 March 2018	S\$3.37	S\$3.28	S\$3.10

Assumptions under Monte-Carlo Model

Expected volatility

Singtel	14.4%	14.4%	14.4%
MSCI Asia Pacific Telco Index	10.2%	NA	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2018		

Risk free interest rates

Yield of Singapore Government Securities on	31 March 2018	31 March 2018	31 March 2018
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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
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Notes to the Financial Statements

For the financial year ended 31 March 2018

5.3.1 Performance share plans (Cont'd)

Performance Share Awards

The movements of the number of performance shares for the Performance Share Awards during the financial year were as follows –

Group and Company 2018	Outstanding as at 1 April 2017 '000	Granted '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2018 '000
Date of grant					
FY2015					
23 June 2014	7,947	-	(1,285)	(6,662)	-
September 2014 to March 2015	21	-	(3)	(18)	-
FY2016					
17 June 2015	8,976	-	-	(447)	8,529
September 2015 to March 2016	157	-	-	-	157
FY2017					
20 June 2016	9,068	-	-	(417)	8,651
September 2016 to March 2017	91	-	-	-	91
FY2018					
19 June 2017	-	4,804	-	(75)	4,729
September 2017 to March 2018	-	156	-	-	156
	26,260	4,960	(1,288)	(7,619)	22,313

Group and Company 2017	Outstanding as at 1 April 2016 '000	Granted '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2017 '000
Date of grant					
FY2014					
21 June 2013	8,313	-	(1,215)	(7,098)	-
September 2013 to March 2014	15	-	(2)	(13)	-
FY2015					
23 June 2014	8,169	-	-	(222)	7,947
September 2014 to March 2015	21	-	-	-	21
FY2016					
17 June 2015	9,221	-	-	(245)	8,976
September 2015 to March 2016	157	-	-	-	157
FY2017					
20 June 2016	-	9,133	-	(65)	9,068
September 2016 to March 2017	-	91	-	-	91
	25,896	9,224	(1,217)	(7,643)	26,260

Notes to the Financial Statements

For the financial year ended 31 March 2018

5.3.1 Performance share plans (Cont'd)

The fair values of the Performance Share Awards and the assumptions of the fair value model for the grants were as follows –

Equity-settled	Date of grant		
	17 June 2015	20 June 2016	19 June 2017
Fair value at grant date	S\$1.17	S\$1.81	S\$1.28
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.8%	15.6%	14.3%
MSCI Asia Pacific Telco Index	10.2%	NA	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding May 2015	36 months historical volatility preceding May 2016	36 months historical volatility preceding May 2017
Risk free interest rates			
Yield of Singapore Government Securities on	4 June 2015	1 June 2016	7 June 2017
Cash-settled 2018	Date of grant		
	17 June 2015	20 June 2016	19 June 2017
Fair value at 31 March 2018	-	S\$0.91	S\$0.80
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.4%	14.4%	14.4%
MSCI Asia Pacific Telco Index	10.2%	NA	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2018		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2018	31 March 2018	31 March 2018

Notes to the Financial Statements

For the financial year ended 31 March 2018

5.3.1 Performance share plans (Cont'd)

Cash-settled 2017	Date of grant		
	23 June 2014	17 June 2015	20 June 2016
Fair value at 31 March 2017	S\$0.63	S\$0.53	S\$2.03

Assumptions under Monte-Carlo Model

Expected volatility

Singtel	14.5%	14.5%	14.5%
MSCI Asia Pacific Telco Index	11.0%	11.0%	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2017		

Risk free interest rates

Yield of Singapore Government Securities on	31 March 2017	31 March 2017	31 March 2017
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5.3.2 Amobee's share options - equity-settled arrangement

In April 2015, Amobee Group Pte. Ltd. ("Amobee"), a wholly-owned subsidiary of the Company, implemented the 2015 Long-Term Incentive Plan ("Amobee LTI Plan"). Selected employees (including executive directors) and non-executive directors of Amobee group are granted options to purchase ordinary shares of Amobee.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of Amobee on the date of grant. Options for employees are scheduled to be fully vested in either 3 years or 3.5 years from the vesting commencement date.

The grant dates, exercise prices and fair values of the share options were as follows –

Equity-settled Date of grant	Exercise price US\$	Fair value at grant/ repriced date US\$
For employees		
13 April 2015	0.79	0.224 to 0.261
14 October 2015	0.54 to 0.79	0.217 to 0.287
20 January 2016, 10 May 2016, 24 August 2016, 25 January 2017	0.54	0.287
23 June 2016	0.54	0.273 to 0.287
19 July 2017, 18 August 2017, 12 September 2017, 25 January 2018	0.54	0.260 to 0.268
For non-executive directors		
14 October 2015	0.54	0.203

The terms of the options granted to employees and non-executive directors are 10 years and 5 years from the date of grant respectively.

The fair values for the share options granted were estimated using the Black-Scholes pricing model.

From 1 April 2017 to 31 March 2018, options in respect of an aggregate of 43.8 million of ordinary shares in Amobee have been granted to the employees and non-executive directors of Amobee and/or its subsidiaries. As at 31 March 2018, options in respect of an aggregate of 63.1 million of ordinary shares in Amobee are outstanding.

Notes to the Financial Statements

For the financial year ended 31 March 2018

5.3.3 Trustwave's share options - equity-settled arrangement

In December 2015, Trustwave Holdings, Inc. ("**Trustwave**"), a 98%-owned subsidiary of the Company, implemented the Stock Option Incentive Plan ("**Trustwave ESOP**"). Selected employees (including executive directors) and non-executive directors of Trustwave and/or its subsidiaries are granted options to purchase common stock of Trustwave.

Options are exercisable at a price no less than 100% of the fair value of the common stock of Trustwave on the date of grant, and are scheduled to be fully vested 4 years from the vesting commencement date.

The grant dates, exercise prices and fair values of the share options were as follows –

Equity-settled Date of grant	Exercise price US\$	Fair value at grant date US\$
1 December 2015	16.79	6.57
22 January 2016	16.79	6.28
19 May 2016	16.79	6.16 to 6.27
12 September 2016	16.79	6.03 to 6.10
20 January 2017	16.24	5.93 to 6.57
15 March 2018	15.37	6.71 to 6.92

The term of each option granted is 10 years from the date of grant.

The fair values for the share options granted were estimated using the Black-Scholes pricing model.

From 1 April 2017 to 31 March 2018, options in respect of an aggregate of 0.4 million of common stock in Trustwave have been granted. As at 31 March 2018, options in respect of an aggregate of 2.4 million of common stock in Trustwave are outstanding.

5.3.4 HOOQ's share options - equity-settled arrangement

In December 2015, HOOQ Digital Pte. Ltd. ("**HOOQ**"), a 65%-owned subsidiary of the Company, implemented the HOOQ Digital Employee Share Option Scheme (the "**Scheme**"). Selected employees (including executive directors) of HOOQ and/or its subsidiaries are granted options to purchase ordinary shares of HOOQ.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of HOOQ on the date of grant, and are scheduled to be fully vested 4 years from the vesting commencement date.

The grant dates, exercise prices and fair values of the share options were as follows –

Equity-settled Date of grant	Exercise price US\$	Fair value at grant date US\$
16 May 2016	0.07	0.0445 to 0.0463
24 April 2017	0.07	0.0301 to 0.0315
2 May 2017	0.07	0.0292 to 0.0313
31 July 2017	0.07	0.0313 to 0.0315
8 September 2017	0.07	0.0296 to 0.0298
23 October 2017	0.07	0.0309 to 0.0320
10 January 2018	0.07	0.0316 to 0.0318

The term of each option granted is 10 years from the date of grant.

Notes to the Financial Statements

For the financial year ended 31 March 2018

5.3.4 HOOQ's share options - equity-settled arrangement (Cont'd)

The fair values for the share options granted were estimated using the Black-Scholes pricing model.

From 1 April 2017 to 31 March 2018, options in respect of an aggregate of 14.0 million of ordinary shares in HOOQ have been granted. As at 31 March 2018, options in respect of an aggregate of 42.8 million of ordinary shares in HOOQ are outstanding.

5.4 Structured Entity

The Trust's purpose is to purchase the Company's shares from the open market for delivery to the recipients upon vesting of the share-based payments awards.

As at the end of the reporting period, the Trust held the following assets -

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Cost of Singtel shares, net of vesting	29.1	29.0	27.2	27.0
Cash at bank	0.6	0.4	0.6	0.4
	29.7	29.4	27.8	27.4

The details of Singtel shares held by the Trust were as follows -

Group	Number of shares		Amount	
	2018 '000	2017 '000	2018 S\$ Mil	2017 S\$ Mil
Balance as at 1 April	7,404	6,924	29.0	26.8
Purchase of Singtel shares	4,255	4,622	15.9	18.2
Vesting of shares	(4,046)	(4,142)	(15.8)	(16.0)
Balance as at 31 March	7,613	7,404	29.1	29.0

Upon consolidation of the Trust in the consolidated financial statements, the weighted average cost of vested Singtel shares is taken to 'Capital Reserve' whereas the weighted average cost of unvested shares is taken to 'Treasury Shares' within equity. See **Note 2.3**.

Notes to the Financial Statements

For the financial year ended 31 March 2018

5.5 Other Operating Expense Items

	Group	
	2018 S\$ Mil	2017 S\$ Mil
Operating expenses included the following -		
Auditors' remuneration		
- Deloitte & Touche LLP, Singapore	1.5	1.5
- Deloitte Touche Tohmatsu, Australia	1.2	1.2
- Other Deloitte & Touche offices	2.1	1.7
Non-audit fees paid to		
- Deloitte & Touche LLP, Singapore ⁽¹⁾	0.3	0.4
- Deloitte Touche Tohmatsu, Australia ⁽¹⁾	0.3	0.3
- Other Deloitte & Touche offices	0.2	0.1
Impairment of trade receivables	128.0	139.1
Allowance for inventory obsolescence	7.1	1.6
Operating lease payments for properties and mobile base stations	470.7	447.8

Note:

⁽¹⁾ The non-audit fees for the current financial year ended 31 March 2018 included S\$0.2 million (2017: S\$0.2 million) and S\$0.3 million (2017: S\$0.3 million) paid to Deloitte & Touche LLP, Singapore, and Deloitte Touche Tohmatsu, Australia, respectively in respect of tax services, certification and review for regulatory purposes.

The Audit Committee had undertaken a review of the non-audit services provided by the auditors, Deloitte & Touche LLP, and in the opinion of the Audit Committee, these services did not affect the independence of the auditors.

6. OTHER INCOME

Other income included the following items -

	Group	
	2018 S\$ Mil	2017 S\$ Mil
Rental income	3.3	3.3
Net gains on disposal of property, plant and equipment	4.3	3.4
Net foreign exchange losses	(9.1)	(6.2)

Notes to the Financial Statements

For the financial year ended 31 March 2018

7. DEPRECIATION AND AMORTISATION

	Group	
	2018 S\$ Mil	2017 S\$ Mil
Depreciation of property, plant and equipment ⁽¹⁾	2,041.1	1,959.9
Amortisation of intangible assets	300.5	282.1
Amortisation of deferred gain on sale of a joint venture	(1.5)	(3.1)
	2,340.1	2,238.9

Note:

⁽¹⁾ Optus has revised the useful lives of certain network assets from 1 April 2017 as part of its periodic review. The revision has resulted in lower depreciation of S\$49 million (A\$48 million) in the current financial year ended 31 March 2018.

8. EXCEPTIONAL ITEMS

	Group	
	2018 S\$ Mil	2017 S\$ Mil
Exceptional gains		
Gain on disposal of an associate	2,030.9	-
Disputes settlement	54.8	-
Gain on sale of AFS investments	45.7	11.5
Gain on disposal of a joint venture	6.5	-
Reversal of impairment on AFS investments	0.2	4.8
Gain on dilution of interests in associates and joint ventures	-	33.3
	2,138.1	49.6
Exceptional losses		
Impairment of other non-current assets	(77.3)	(11.7)
Staff restructuring costs	(57.7)	(38.3)
Provision for contingent claims and other charges	(57.1)	-
Impairment of an associate	(5.0)	-
Loss on sale of AFS investments	(0.6)	(0.2)
Impairment of AFS investments	-	(0.6)
	(197.7)	(50.8)
	1,940.4	(1.2)

Notes to the Financial Statements

For the financial year ended 31 March 2018

9. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	Group	
	2018 S\$ Mil	2017 S\$ Mil
Share of ordinary results		
- joint ventures ⁽¹⁾	2,213.3	2,638.0
- associates	240.3	247.8
	2,453.6	2,885.8
Share of net exceptional losses of associates and joint ventures (post-tax) ⁽¹⁾	(26.8)	(30.7)
Share of tax of ordinary results		
- joint ventures ⁽¹⁾	(602.0)	(793.7)
- associates	(38.1)	(44.1)
	(640.1)	(837.8)
	1,786.7	2,017.3

Note:

⁽¹⁾ AIS' 3G/4G handset subsidy costs in the previous financial year has been reclassified from share of exceptional items to share of ordinary results of joint ventures to be consistent with current year.

10. INTEREST AND INVESTMENT INCOME (NET)

	Group	
	2018 S\$ Mil	2017 S\$ Mil
Interest income from		
- bank deposits	7.6	5.8
- others	9.0	31.6
	16.6	37.4
Dividends from joint ventures	30.3	60.9
Gross dividends from AFS investments	2.3	1.4
	49.2	99.7
Other foreign exchange (losses)/ gains	(11.1)	8.1
Other fair value gains	7.4	0.5
Fair value gains/ (losses) on fair value hedges		
- hedged items	114.3	57.8
- hedging instruments	(114.2)	(51.3)
	0.1	6.5
Fair value gains/ (losses) on cash flow hedges		
- hedged items	2.1	(1.5)
- hedging instruments	(2.1)	1.5
	-	-
	45.6	114.8

Notes to the Financial Statements

For the financial year ended 31 March 2018

11. FINANCE COSTS

	Group	
	2018 S\$ Mil	2017 S\$ Mil
Interest expense on		
- bonds	302.8	305.5
- bank loans	49.7	36.1
	352.5	341.6
Financing related costs	27.0	28.7
Effects of hedging using interest rate swaps	6.8	(0.2)
Unwinding of discounts (including adjustments)	3.9	4.2
	390.2	374.3

12. TAXATION

12.1 Tax Expense

	Group	
	2018 S\$ Mil	2017 S\$ Mil
Current income tax		
- Singapore	237.6	235.7
- Overseas	318.4	299.4
	556.0	535.1
Deferred tax credit	(51.5)	(3.9)
Tax expense attributable to current year's profit	504.5	531.2
Adjustments in respect of prior years ⁽¹⁾ -		
Current income tax	(17.9)	(34.8)
Deferred income tax	36.5	26.7
Withholding and dividend distribution taxes on dividend income from associates and joint ventures	178.1	161.3
	701.2	684.4

Note:

⁽¹⁾ This included certain tax credits upon finalisation of earlier years' tax assessments.

Notes to the Financial Statements

For the financial year ended 31 March 2018

12.1 Tax Expense (Cont'd)

The tax expense on profits was different from the amount that would arise using the Singapore standard rate of income tax due to the following –

	Group	
	2018 S\$ Mil	2017 S\$ Mil
Profit before tax	6,131.5	4,515.4
Less: Share of results of associates and joint ventures	(1,786.7)	(2,017.3)
	4,344.8	2,498.1
Tax calculated at tax rate of 17 per cent (2017: 17 per cent)	738.6	424.7
<i>Effects of -</i>		
Different tax rates of other countries	78.7	49.6
Income not subject to tax	(342.7)	(7.4)
Expenses not deductible for tax purposes	33.7	30.6
Deferred tax asset not recognised	39.6	47.5
Change in tax rate of other country	(27.5)	-
Others	(15.9)	(13.8)
Tax expense attributable to current year's profit	504.5	531.2

12.2 Deferred Taxes

The movements of the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year were as follows -

Group - 2018 Deferred tax assets	Provisions S\$ Mil	TWDV ⁽¹⁾ in excess of NBV ⁽²⁾ of depreciable assets S\$ Mil	Tax losses and unutilised capital allowances S\$ Mil	Others S\$ Mil	Total S\$ Mil
Balance as at 1 April 2017	40.3	137.8	21.7	469.6	669.4
Credited/ (Charged) to income statement	5.2	(53.1)	-	(213.7)	(261.6)
Charged to other comprehensive income	-	-	-	(8.4)	(8.4)
Transfer from current tax	1.0	-	-	-	1.0
Translation differences	(3.4)	(5.5)	1.1	(10.3)	(18.1)
Balance as at 31 March 2018	43.1	79.2	22.8	237.2	382.3

Notes to the Financial Statements

For the financial year ended 31 March 2018

12.2 Deferred Taxes (Cont'd)

Group - 2018 Deferred tax liabilities	Accelerated tax depreciation S\$ Mil	Offshore interest and dividend not remitted S\$ Mil	Others S\$ Mil	Total S\$ Mil
Balance as at 1 April 2017	(457.8)	(5.1)	(123.3)	(586.2)
Acquisition of a subsidiary	-	-	(21.4)	(21.4)
(Charged)/ Credited to income statement	(13.9)	(0.1)	73.4	59.4
Transfer to current tax	0.5	-	1.3	1.8
Translation differences	0.3	-	3.5	3.8
Balance as at 31 March 2018	(470.9)	(5.2)	(66.5)	(542.6)

Group - 2017 Deferred tax assets	Provisions S\$ Mil	TWDV ⁽¹⁾ in excess of NBV ⁽²⁾ of depreciable assets S\$ Mil	Tax losses and unutilised capital allowances S\$ Mil	Others S\$ Mil	Total S\$ Mil
Balance as at 1 April 2016	47.0	124.9	23.4	507.1	702.4
(Charged)/ Credited to income statement	(8.2)	8.5	(2.8)	(45.6)	(48.1)
Credited to other comprehensive income	-	-	-	1.3	1.3
Transfer (to)/ from current tax	(0.6)	-	0.1	0.2	(0.3)
Translation differences	2.1	4.4	1.0	6.6	14.1
Balance as at 31 March 2017	40.3	137.8	21.7	469.6	669.4

Group - 2017 Deferred tax liabilities	Accelerated tax depreciation S\$ Mil	Offshore interest and dividend not remitted S\$ Mil	Others S\$ Mil	Total S\$ Mil
Balance as at 1 April 2016	(444.7)	(5.3)	(145.4)	(595.4)
(Charged)/ Credited to income statement	(13.0)	0.2	26.0	13.2
Transfer from current tax	(0.1)	-	(1.5)	(1.6)
Translation differences	-	-	(2.4)	(2.4)
Balance as at 31 March 2017	(457.8)	(5.1)	(123.3)	(586.2)

Notes to the Financial Statements

For the financial year ended 31 March 2018

12.2 Deferred Taxes (Cont'd)

Company - 2018 Deferred tax assets	Provisions S\$ Mil	Others S\$ Mil	Total S\$ Mil
Balance as at 1 April 2017	0.3	2.8	3.1
Credited to income statement	0.2	8.2	8.4
Balance as at 31 March 2018	0.5	11.0	11.5

Company - 2018 Deferred tax liabilities	Accelerated tax depreciation S\$ Mil	Total S\$ Mil
Balance as at 1 April 2017	(285.3)	(285.3)
Charged to income statement	(1.8)	(1.8)
Balance as at 31 March 2018	(287.1)	(287.1)

Company - 2017 Deferred tax assets	Provisions S\$ Mil	Others S\$ Mil	Total S\$ Mil
Balance as at 1 April 2016	0.4	3.3	3.7
Charged to income statement	(0.1)	(0.5)	(0.6)
Balance as at 31 March 2017	0.3	2.8	3.1

Company - 2017 Deferred tax liabilities	Accelerated tax depreciation S\$ Mil	Total S\$ Mil
Balance as at 1 April 2016	(274.2)	(274.2)
Charged to income statement	(11.1)	(11.1)
Balance as at 31 March 2017	(285.3)	(285.3)

Notes:

⁽¹⁾ TWDV – Tax written down value

⁽²⁾ NBV – Net book value

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities, and when deferred income taxes relate to the same fiscal authority.

Notes to the Financial Statements

For the financial year ended 31 March 2018

12.2 Deferred Taxes (Cont'd)

The amounts, determined after appropriate offsetting, are shown in the statements of financial position as follows -

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Deferred tax assets	360.1	657.8	-	-
Deferred tax liabilities	(520.4)	(574.6)	(275.6)	(282.2)
	(160.3)	83.2	(275.6)	(282.2)

Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.

As at 31 March 2018, the subsidiaries of the Group had estimated unutilised income tax losses of approximately S\$1.35 billion (31 March 2017: \$1.07 billion), unutilised investment allowances of S\$48 million (31 March 2017: S\$50 million), unutilised capital tax losses of S\$91 million (31 March 2017: S\$97 million) and unabsorbed capital allowances of approximately S\$10 million (31 March 2017: S\$8.7 million).

These unutilised income tax losses and investment allowances, and unabsorbed capital allowances are available for set-off against future taxable profits, subject to the agreement of the relevant tax authorities and compliance with certain provisions of the income tax regulations of the respective countries in which the subsidiaries operate. The unutilised capital tax losses are available for set-off against future capital gains of a similar nature subject to compliance with certain statutory tests in Australia.

As at the end of the reporting period, the potential tax benefits arising from the following items were not recognised in the financial statements due to uncertainty on their recoverability -

	Group	
	2018 S\$ Mil	2017 S\$ Mil
Unutilised income tax losses and investment allowances, and unabsorbed capital allowances	1,405.1	1,132.4
Unutilised capital tax losses	90.9	96.5

Notes to the Financial Statements

For the financial year ended 31 March 2018

13. EARNINGS PER SHARE

	Group	
	2018 '000	2017 '000
Weighted average number of ordinary shares in issue for calculation of basic earnings per share ⁽¹⁾	16,322,581	16,082,136
Adjustment for dilutive effects of performance share plans	21,748	27,115
Weighted average number of ordinary shares for calculation of diluted earnings per share	16,344,329	16,109,251

Note:

⁽¹⁾ Adjusted to exclude the number of performance shares held by the Trust and the Company.

'Basic earnings per share' is calculated by dividing the Group's profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the financial year.

For 'Diluted earnings per share', the weighted average number of ordinary shares in issue included the number of additional shares outstanding if the potential dilutive ordinary shares arising from the performance shares granted by the Group were issued. Adjustment is made to earnings for the dilutive effect arising from the associates and joint ventures' dilutive shares.

14. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Group had the following significant transactions and balances with related parties –

	Group	
	2018 S\$ Mil	2017 S\$ Mil
Income		
Subsidiaries of ultimate holding company		
Telecommunications	93.7	91.8
Rental and maintenance	29.0	29.3
Associates		
Telecommunications	19.8	17.2
Interest on loan	8.2	27.6
Joint ventures		
Telecommunications	45.8	35.3

Notes to the Financial Statements

For the financial year ended 31 March 2018

14. RELATED PARTY TRANSACTIONS (Cont'd)

	Group	
	2018 S\$ Mil	2017 S\$ Mil
Expenses		
Subsidiaries of ultimate holding company		
Telecommunications	34.6	43.9
Utilities	68.7	72.0
Associates		
Telecommunications	144.0	146.2
Postal	7.9	8.8
Rental	6.3	3.5
Joint ventures		
Telecommunications	32.0	37.0
Transmission capacity	4.6	27.0
Acquisition of shares in associate and joint ventures	539.4	2,471.3
Proceeds from sale of property, plant and equipment	137.8	32.0
Proceeds from disposal of a joint venture	15.0	-
Proceeds from disposal of AFS investments	27.0	-
Issue of new shares	-	1,605.1
Due from subsidiaries of ultimate holding company	28.0	23.8
Due to subsidiaries of ultimate holding company	1.6	5.2

All the above transactions were on normal commercial terms and conditions and market rates.

Please refer to **Note 5.2** for information on key management personnel compensation.

Notes to the Financial Statements

For the financial year ended 31 March 2018

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Fixed deposits	122.7	164.1	28.0	27.6
Cash and bank balances	402.2	369.7	64.0	61.6
	524.9	533.8	92.0	89.2

The carrying amounts of the cash and cash equivalents approximate their fair values.

Cash and cash equivalents denominated in the non-functional currencies of the Group were as follows –

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
USD	87.5	140.7	30.3	34.6
AUD	14.8	16.9	0.3	8.1
HKD	15.6	8.0	0.3	0.3

The maturities of the fixed deposits were as follows -

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Less than three months	105.7	147.8	28.0	27.6
Over three months	17.0	16.3	-	-
	122.7	164.1	28.0	27.6

As at 31 March 2018, the weighted average effective interest rate of the fixed deposits of the Group and the Company were 1.6 per cent (31 March 2017: 1.3 per cent) per annum and 1.7 per cent (31 March 2017: 1.1 per cent) per annum respectively.

The exposure of cash and cash equivalents to interest rate risks is disclosed in **Note 34.3**.

Notes to the Financial Statements

For the financial year ended 31 March 2018

16. TRADE AND OTHER RECEIVABLES

Current	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Trade receivables ⁽¹⁾	4,044.1	3,826.6	487.6	492.3
Less: Allowance for impairment of trade receivables	(241.5)	(225.2)	(96.4)	(90.7)
	3,802.6	3,601.4	391.2	401.6
Other receivables	434.2	525.0	20.6	18.9
Loans to subsidiaries	-	-	120.6	127.6
Less: Allowance for impairment of loans due	-	-	(9.3)	(12.7)
	-	-	111.3	114.9
Amount due from subsidiaries				
- trade	-	-	722.3	717.0
- non-trade	-	-	1,029.0	363.3
Less: Allowance for impairment of amount due	-	-	(45.4)	(45.4)
	-	-	1,705.9	1,034.9
Amount due from associates and joint ventures				
- trade	16.6	13.6	1.9	4.4
- non-trade	140.9	155.2	4.0	4.0
	157.5	168.8	5.9	8.4
Prepayments	552.3	540.2	57.6	60.2
Interest receivable	73.4	74.9	31.4	34.4
Others	15.4	13.9	-	-
	5,035.4	4,924.2	2,323.9	1,673.3

Notes to the Financial Statements

For the financial year ended 31 March 2018

16. TRADE AND OTHER RECEIVABLES (Cont'd)

Non-current	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Trade receivables ⁽¹⁾	394.4	417.0	-	-
Prepayments	198.3	194.5	143.7	155.1
Tax recoverable from Australian Taxation Office ⁽²⁾	134.9	143.2	-	-
Other receivables	19.6	14.8	-	-
	747.2	769.5	143.7	155.1

Notes:

- ⁽¹⁾ This included accrued receivables under device repayment plans and other handset repayment plans where billings are made monthly over 24 months.
- ⁽²⁾ The Group paid A\$134 million to the Australian Taxation Office (“ATO”) for amended tax assessments received in respect of the acquisition financing of Optus in the previous financial year. This payment has been recorded as a tax recoverable from the ATO pending outcome of its objections to the ATO (see **Note 38(b)**).

Trade receivables are non-interest bearing and are generally on 14-day to 30-day terms, while balances due from carriers are on 60-day terms.

As at 31 March 2018, the effective interest rate of an amount due from a subsidiary of S\$824.5 million (31 March 2017: S\$153.3 million) was 0.12 per cent (31 March 2017: 0.01 per cent) per annum. The loans to subsidiaries and amounts due from other subsidiaries, associates and joint ventures were unsecured, interest-free and repayable on demand.

An amount of S\$18.8 million (31 March 2017: S\$41.0 million) under current other receivables of the Group is guaranteed by a third party and repayable by 31 March 2019. The weighted average effective interest rate was nil (31 March 2017: 5.6%).

The maximum exposure to credit risk for trade receivables by customer type was as follows -

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Individuals	2,043.8	2,049.5	141.8	145.9
Corporations and others	2,153.2	1,968.9	249.4	255.7
	4,197.0	4,018.4	391.2	401.6

Notes to the Financial Statements

For the financial year ended 31 March 2018

16. TRADE AND OTHER RECEIVABLES (Cont'd)

The age analysis of trade receivables (before allowance for impairment) was as follows -

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Less than 60 days	3,913.8	3,818.8	327.4	332.9
61 to 120 days	198.7	114.4	45.1	32.4
More than 120 days	326.0	310.4	115.1	127.0
	4,438.5	4,243.6	487.6	492.3

The movement in the allowance for impairment of trade receivables was as follows -

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Balance as at 1 April	225.2	245.9	90.7	84.0
Acquisition of a subsidiary	2.2	-	-	-
Allowance for impairment	133.4	142.0	35.3	40.0
Utilisation of allowance for impairment	(103.9)	(166.7)	(29.3)	(33.3)
Write-back of allowance for impairment	(5.4)	(2.9)	(0.3)	-
Translation differences	(10.0)	6.9	-	-
Balance as at 31 March	241.5	225.2	96.4	90.7

17. INVENTORIES

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Equipment held for resale	374.1	320.1	0.1	0.2
Maintenance and capital works' inventories	23.3	32.1	21.7	23.6
	397.4	352.2	21.8	23.8

Notes to the Financial Statements

For the financial year ended 31 March 2018

18. PROPERTY, PLANT AND EQUIPMENT

	Group - 2018							Total \$S Mil
	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	
Cost								
Balance as at 1 April 2017	22.5	265.7	819.5	20,533.2	2,927.8	6,679.6	1,616.2	32,864.5
Additions (net of rebates)	-	-	1.0	102.4	34.5	229.2	2,101.1	2,468.2
Disposals/ Write-offs	-	-	-	(82.5)	(215.8)	(140.7)	-	(439.0)
Acquisition of a subsidiary	-	-	-	-	-	10.6	-	10.6
Reclassifications/ Adjustments	-	-	109.1	1,139.2	100.1	739.5	(2,092.2)	(4.3)
Translation differences	(1.3)	(1.0)	(18.5)	(952.1)	(65.5)	(265.7)	(56.0)	(1,360.1)
Balance as at 31 March 2018	21.2	264.7	911.1	20,740.2	2,781.1	7,252.5	1,569.1	33,539.9
Accumulated depreciation								
Balance as at 1 April 2017	-	78.7	335.9	13,505.7	2,223.4	4,793.2	-	20,936.9
Depreciation charge for the year	-	4.1	22.8	1,194.1	159.7	660.4	-	2,041.1
Disposals/ Write-offs	-	-	-	(61.4)	(215.9)	(120.6)	-	(397.9)
Reclassifications/ Adjustments	-	-	2.5	2.7	(6.1)	(3.8)	-	(4.7)
Translation differences	-	(1.0)	(0.5)	(634.1)	(40.7)	(195.4)	-	(871.7)
Balance as at 31 March 2018	-	81.8	360.7	14,007.0	2,120.4	5,133.8	-	21,703.7
Accumulated impairment								
Balance as at 1 April 2017	-	2.0	7.3	5.4	0.3	19.7	-	34.7
Impairment charge for the year	-	-	-	-	-	1.5	-	1.5
Translation differences	-	-	-	-	-	(0.8)	-	(0.8)
Balance as at 31 March 2018	-	2.0	7.3	5.4	0.3	20.4	-	35.4
Net Book Value as at 31 March 2018	21.2	180.9	543.1	6,727.8	660.4	2,098.3	1,569.1	11,800.8

Notes to the Financial Statements

For the financial year ended 31 March 2018

18. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group - 2017	Freehold	Leasehold	Buildings	Transmission	Switching	Other	Capital	Total
	land	land		plant and	equipment	plant and	work-in-	Total
	\$ \$ Mil	\$ \$ Mil	\$ \$ Mil	equipment	equipment	equipment	progress	\$ \$ Mil
				\$ \$ Mil	\$ \$ Mil	\$ \$ Mil	\$ \$ Mil	\$ \$ 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 2018

18. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company - 2018	Freehold land S\$ Mil	Leasehold land S\$ Mil	Buildings S\$ Mil	Transmission plant and equipment S\$ Mil	Switching equipment S\$ Mil	Other plant and equipment S\$ Mil	Capital work-in-progress S\$ Mil	Total S\$ Mil
Cost								
Balance as at 1 April 2017	0.4	228.2	433.0	3,299.1	931.0	1,812.7	502.6	7,207.0
Additions (net of rebates)	-	-	-	43.2	19.7	84.6	209.5	357.0
Disposals/ Write-offs	-	-	-	(77.6)	(194.6)	(104.6)	-	(376.8)
Reclassifications	-	-	90.1	36.7	36.2	144.5	(307.5)	-
Balance as at 31 March 2018	0.4	228.2	523.1	3,301.4	792.3	1,937.2	404.6	7,187.2
Accumulated depreciation								
Balance as at 1 April 2017	-	56.5	281.8	2,468.4	852.8	1,207.7	-	4,867.2
Depreciation charge for the year	-	2.7	13.8	119.4	42.0	161.0	-	338.9
Disposals/ Write-offs	-	-	(2.6)	(56.6)	(194.7)	(82.2)	-	(336.1)
Balance as at 31 March 2018	-	59.2	293.0	2,531.2	700.1	1,286.5	-	4,870.0
Accumulated impairment								
Balance as at 1 April 2017 and 31 March 2018	-	2.0	7.2	4.1	-	-	-	13.3
Net Book Value as at 31 March 2018	0.4	167.0	222.9	766.1	92.2	650.7	404.6	2,303.9

Notes to the Financial Statements

For the financial year ended 31 March 2018

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

18. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Property, plant and equipment included the following -

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Net book value of property, plant and equipment				
Assets acquired under finance leases	37.0	78.6	10.8	29.2
Staff costs capitalised	204.6	235.4	31.2	35.6

19. INTANGIBLE ASSETS

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Goodwill on acquisition of subsidiaries	11,372.2	11,164.6	-	-
Telecommunications and spectrum licences	2,355.5	1,565.5	-	-
Technology and brand	204.6	302.5	-	-
Customer relationships and others	36.8	40.2	-	-
	13,969.1	13,072.8	-	-

19.1 Goodwill on Acquisition of Subsidiaries

	Group	
	2018 S\$ Mil	2017 S\$ Mil
Balance as at 1 April	11,164.6	11,090.3
Acquisition of a subsidiary	347.5	-
Translation differences	(139.9)	74.3
Balance as at 31 March	11,372.2	11,164.6

Notes to the Financial Statements

For the financial year ended 31 March 2018

19.2 Telecommunications and Spectrum Licences

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Balance as at 1 April	1,565.5	1,439.8	-	0.3
Additions	1,118.3	271.8	-	-
Amortisation for the year	(221.6)	(192.2)	-	(0.3)
Translation differences	(106.7)	46.1	-	-
Balance as at 31 March	2,355.5	1,565.5	-	-
Cost	3,817.1	2,876.4	8.4	8.4
Accumulated amortisation	(1,455.4)	(1,304.7)	(8.4)	(8.4)
Accumulated impairment	(6.2)	(6.2)	-	-
Net book value as at 31 March	2,355.5	1,565.5	-	-

19.3 Technology and Brand

	Group	
	2018 S\$ Mil	2017 S\$ Mil
Balance as at 1 April	302.5	374.1
Acquisition of a subsidiary	53.3	-
Amortisation for the year	(58.5)	(71.5)
Impairment charge for the year	(75.8)	(9.3)
Adjustments	-	(4.7)
Translation differences	(16.9)	13.9
Balance as at 31 March	204.6	302.5
Cost	586.3	550.4
Accumulated amortisation	(288.6)	(230.4)
Accumulated impairment	(93.1)	(17.5)
Net book value as at 31 March	204.6	302.5

Notes to the Financial Statements

For the financial year ended 31 March 2018

19.4 Customer Relationships and Others

	Group	
	2018 S\$ Mil	2017 S\$ Mil
Balance as at 1 April	40.2	64.2
Additions	17.9	2.9
Amortisation for the year	(20.4)	(18.4)
Reclassifications/ Adjustments	-	(9.6)
Translation differences	(0.9)	1.1
Balance as at 31 March	36.8	40.2
Cost	135.8	134.6
Accumulated amortisation	(99.0)	(94.4)
Net book value as at 31 March	36.8	40.2

20. SUBSIDIARIES

	Company	
	2018 S\$ Mil	2017 S\$ Mil
Unquoted equity shares, at cost	13,676.4	11,001.2
Shareholders' advances	5,733.0	6,423.3
Deemed investment in a subsidiary	32.5	32.5
	19,441.9	17,457.0
Less: Allowance for impairment losses	(16.0)	(16.0)
	19,425.9	17,441.0

The advances given to subsidiaries were interest-free and unsecured with settlement neither planned nor likely to occur in the foreseeable future. An advance of S\$678.3 million with an effective interest rate of 1.0 per cent per annum was repaid during the year.

The deemed investment in a subsidiary, Singtel Group Treasury Pte. Ltd. ("SGT"), arose from financial guarantees provided by the Company for loans drawn down by SGT prior to 1 April 2010.

The significant subsidiaries of the Group are set out in **Note 42.1** to **Note 42.3**.

Notes to the Financial Statements

For the financial year ended 31 March 2018

21. ASSOCIATES

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Quoted equity shares, at cost	1,733.4	1,589.9	24.7	24.7
Unquoted equity shares, at cost	77.2	742.6	-	578.8
Shareholder's loan (unsecured)	-	1.7	-	-
	1,810.6	2,334.2	24.7	603.5
Goodwill on consolidation adjusted against shareholders' equity	29.4	(28.3)	-	-
Share of post-acquisition reserves (net of dividends, and accumulated amortisation of goodwill)	141.0	(153.7)	-	-
Translation differences	104.4	65.0	-	-
	274.8	(117.0)	-	-
Less: Allowance for impairment losses	(5.0)	-	-	-
Reclassification to 'Net deferred gain' (see Note 26)	(74.9)	(265.0)	-	-
	2,005.5	1,952.2	24.7	603.5

As at 31 March 2018,

- (i) The market values of the quoted equity shares in associates held by the Group and the Company were S\$3.13 billion (31 March 2017: S\$2.24 billion) and S\$676.8 million (31 March 2017: S\$671.8 million) respectively.
- (ii) The Group's proportionate interest in the capital commitments of the associates was S\$166.6 million (31 March 2017: S\$227.3 million).

The details of associates are set out in **Note 42.4**.

Notes to the Financial Statements

For the financial year ended 31 March 2018

21. ASSOCIATES (Cont'd)

The summarised financial information of the Group's significant associate namely Intouch Holdings Public Company Limited ("**Intouch**"), based on its financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements was as follows –

Intouch	2018 S\$ Mil	2017 S\$ Mil
<u>Statement of comprehensive income</u>		
Revenue	353.9	144.1
Profit after tax	488.2	166.1
Other comprehensive income/ (loss)	10.9	(1.6)
Total comprehensive income	499.1	164.5
<u>Statement of financial position</u>		
Current assets	696.7	701.9
Non-current assets	1,485.4	1,607.4
Current liabilities	(430.0)	(483.6)
Non-current liabilities	(303.2)	(395.3)
Net assets	1,448.9	1,430.4
Less: Non-controlling interests	(331.1)	(411.6)
Net assets attributable to equity holders	1,117.8	1,018.8
Proportion of the Group's ownership	21.0%	21.0%
Group's share of net assets	234.7	213.9
Goodwill and other identifiable intangible assets	1,417.6	1,371.7
Others	(15.9)	(8.4)
Carrying amount of the investment	1,636.4	1,577.2
<u>Other items</u>		
Group's share of market value	1,639.6	1,525.0
Dividends received during the year	77.8	-

Notes to the Financial Statements

For the financial year ended 31 March 2018

21. ASSOCIATES (Cont'd)

The aggregate information of the Group's investments in associates which are not individually significant were as follows –

	Group	
	2018 S\$ Mil	2017 S\$ Mil
Share of profit after tax	90.2	76.3
Share of other comprehensive (loss)/income	(2.2)	2.9
Share of total comprehensive income	88.0	79.2

22. JOINT VENTURES

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Quoted equity shares, at cost	2,798.4	2,798.4	-	-
Unquoted equity shares, at cost	5,778.7	5,240.8	22.8	23.0
	8,577.1	8,039.2	22.8	23.0
Goodwill on consolidation adjusted against shareholders' equity	(1,225.9)	(1,225.9)	-	-
Share of post-acquisition reserves (net of dividends, and accumulated amortisation of goodwill)	9,395.1	8,715.2	-	-
Translation differences	(3,933.7)	(3,215.6)	-	-
	4,235.5	4,273.7	-	-
Less: Allowance for impairment losses	(30.0)	(30.0)	-	-
	12,782.6	12,282.9	22.8	23.0

As at 31 March 2018,

- (i) The market value of the quoted equity shares in joint ventures held by the Group was S\$21.29 billion (31 March 2017: S\$19.55 billion).
- (ii) The Group's proportionate interest in the capital commitments of joint ventures was S\$2.14 billion (31 March 2017: S\$1.80 billion).

The details of joint ventures are set out in **Note 42.5**.

Notes to the Financial Statements

For the financial year ended 31 March 2018

22. JOINT VENTURES (Cont'd)

Optus has an interest in an unincorporated joint operation to share certain 4G network sites and radio infrastructure across Australia whereby it holds an interest of 50% (31 March 2017: 50%) in the assets, with access to the shared network and shares 50% (31 March 2017: 50%) of the cost of building and operating the network.

The Group's property, plant and equipment included the Group's interest in the property, plant and equipment employed in the unincorporated joint operation was S\$1.08 billion (31 March 2017: S\$1.03 billion).

The summarised financial information of the Group's significant joint ventures namely Bharti Airtel Limited ("Airtel"), PT Telekomunikasi Selular ("Telkomsel"), Globe Telecom, Inc. ("Globe") and Advanced Info Service Public Company Limited ("AIS"), based on their financial statements and a reconciliation with the carrying amounts of the investments in the consolidated financial statements were as follows –

Group - 2018	Airtel S\$ Mil	Telkomsel S\$ Mil	Globe S\$ Mil	AIS S\$ Mil
Statement of comprehensive income				
Revenue	17,574.5	9,384.0	3,724.4	6,564.2
Depreciation and amortisation	(4,041.1)	(1,399.4)	(757.2)	(1,286.7)
Interest income	283.5	81.5	4.4	7.4
Interest expense	(1,958.4)	(55.8)	(172.4)	(137.7)
Income tax expense	(227.5)	(974.5)	(184.9)	(239.7)
Profit after tax	191.4	2,946.4	420.6	1,249.8
Other comprehensive (loss)/ income	(234.8)	(39.6)	29.5	33.6
Total comprehensive (loss)/ income	(43.4)	2,906.8	450.1	1,283.4
Statement of financial position				
Current assets	6,746.1	2,993.9	1,453.9	1,428.1
Non-current assets	43,560.9	5,759.2	5,540.3	10,612.1
Current liabilities	(15,756.0)	(2,289.7)	(2,103.9)	(3,107.5)
Non-current liabilities	(19,002.1)	(702.6)	(3,166.1)	(6,916.1)
Net assets	15,548.9	5,760.8	1,724.2	2,016.6
Less: Non-controlling interests	(1,684.8)	-	0.9	(13.6)
Net assets attributable to equity holders	13,864.1	5,760.8	1,725.1	2,003.0
Proportion of the Group's ownership	39.5%	35.0%	47.1%	23.3% ⁽¹⁾
Group's share of net assets	5,477.7	2,016.2	813.0	467.1
Goodwill capitalised	1,548.8	1,403.6	373.4	303.0
Others ⁽²⁾	426.6	-	(126.4)	(7.6)
Carrying amount of the investment	7,453.1	3,419.8	1,060.0	762.5

Notes to the Financial Statements

For the financial year ended 31 March 2018

22. JOINT VENTURES (Cont'd)

Group - 2018	Airtel S\$ Mil	Telkomsel S\$ Mil	Globe S\$ Mil	AIS S\$ Mil
Other items				
Cash and cash equivalents	964.3	1,634.3	158.3	457.7
Non-current financial liabilities excluding trade and other payables	(18,146.6)	(354.5)	(2,619.5)	(4,199.0)
Current financial liabilities excluding trade and other payables	(5,320.4)	(168.5)	(281.5)	(14.0)
Group's share of market value	12,680.9	NA	2,551.3	6,054.8
Dividends received during the year	47.9	1,017.8	152.8	217.1

"NA" denotes Not Applicable.

Notes:

(1) Based on the Group's direct equity interest in AIS.

(2) Others include adjustments to align the respective local accounting standards to FRS.

Group - 2017	Airtel S\$ Mil	Telkomsel S\$ Mil	Globe S\$ Mil	AIS S\$ Mil
Statement of comprehensive income				
Revenue	19,666.4	9,265.4	3,657.1	6,058.2
Depreciation and amortisation	(4,073.3)	(1,352.8)	(690.8)	(967.5)
Interest income	380.9	105.8	3.8	7.9
Interest expense	(1,945.0)	(77.0)	(128.6)	(188.5)
Income tax expense	(718.9)	(1,003.5)	(169.5)	(238.4)
Profit after tax	834.5	3,059.4	439.5	1,191.2
Other comprehensive (loss)/ income	(1,048.7)	(40.6)	4.0	(0.1)
Total comprehensive (loss)/ income	(214.2)	3,018.8	443.5	1,191.1
Statement of financial position				
Current assets	4,378.4	3,562.2	1,490.0	1,299.5
Non-current assets	45,611.2	6,169.6	5,545.0	10,041.0
Current liabilities	(13,568.3)	(2,541.8)	(2,335.1)	(2,994.1)
Non-current liabilities	(20,676.7)	(896.8)	(2,910.8)	(6,816.6)
Net assets	15,744.6	6,293.2	1,789.1	1,529.8
Less: Non-controlling interests	(1,399.0)	-	0.4	(5.7)
Net assets attributable to equity holders	14,345.6	6,293.2	1,789.5	1,524.1

Notes to the Financial Statements

For the financial year ended 31 March 2018

22. JOINT VENTURES (Cont'd)

Group - 2017	Airtel S\$ Mil	Telkomsel S\$ Mil	Globe S\$ Mil	AIS S\$ Mil
Proportion of the Group's ownership	36.5%	35.0%	47.1%	23.3% ⁽¹⁾
Group's share of net assets	5,230.4	2,202.6	843.6	355.4
Goodwill capitalised	1,229.0	1,403.6	381.7	293.3
Others ⁽²⁾	387.6	-	(139.9)	(2.3)
Carrying amount of the investment	6,847.0	3,606.2	1,085.4	646.4
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.

Notes:

⁽¹⁾ Based on the Group's direct equity interest in AIS.

⁽²⁾ Others include adjustments to align the respective local accounting standards to FRS.

The aggregate information of the Group's investments in joint ventures which are not individually significant were as follows –

	Group	
	2018 S\$ Mil	2017 S\$ Mil
Share of profit after tax	12.2	18.1
Share of other comprehensive loss	*	(0.1)
Share of total comprehensive income	12.2	18.0
Aggregate carrying value	87.2	97.9

"*" denotes amount of less than S\$50,000

Notes to the Financial Statements

For the financial year ended 31 March 2018

23. IMPAIRMENT REVIEWS

Goodwill arising on acquisition of subsidiaries

The carrying values of the Group's goodwill on acquisition of subsidiaries as at 31 March 2018 were assessed for impairment during the financial year.

Goodwill is allocated for impairment testing purposes to the individual entity which is also the cash generating unit ("CGU").

The Group is structured into three business segments, Group Consumer, Group Enterprise and Group Digital Life. Based on the relative fair value approach, the goodwill of Optus was fully allocated to Consumer Australia included in the Group Consumer segment for the purpose of goodwill impairment test.

The recoverable values of cash generating units including goodwill are determined based on value-in-use calculations.

The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management. The Group has used cash flow projections of five years except for Amobee and the global cyber security business which were based on cash flow projections of ten years to better reflect their stages of growth. Cash flows beyond the terminal year are extrapolated using the estimated growth rates stated in the table below. Key assumptions used in the calculation of value-in-use are growth rates, operating margins, capital expenditure and discount rates.

The terminal growth rates used do not exceed the long term average growth rates of the respective industry and country in which the entity operates and are consistent with forecasts included in industry reports.

The discount rates applied to the cash flow projections are based on Weighted Average Cost of Capital (WACC) where the cost of a company's debt and equity capital are weighted to reflect its capital structure.

In April 2018, a global cyber security unit was established to integrate the cyber security businesses across the Group including Trustwave. Hence, the Group's global cyber security business (including Trustwave) is considered a single CGU for the purpose of goodwill impairment test. As at 31 March 2018, the carrying value of goodwill in the global cyber security business was S\$999 million, with the value-in-use determined based on terminal growth rate of 4.0% and pre-tax discount rate of 11.9%.

The details of other subsidiaries are shown in the table below:

Group	2018 S\$ Mil	2017 S\$ Mil	Terminal growth rate ⁽¹⁾		Pre-tax discount rate	
			2018	2017	2018	2017
Carrying value of goodwill in -						
Optus Group	9,279.1	9,288.4	3.0%	3.0%	9.0%	9.3%
Amobee, Inc.	1,011.8	729.8	3.5%	4.0%	14.1%	14.4%
SCS Computer Systems Pte. Ltd.	82.2	82.2	2.0%	2.0%	7.4%	7.6%

Note:

⁽¹⁾ Weighted average growth rate used to extrapolate cash flows beyond the terminal year.

Notes to the Financial Statements

For the financial year ended 31 March 2018

23. IMPAIRMENT REVIEWS (Cont'd)

As at 31 March 2018, no impairment charge was required for goodwill arising from acquisition of subsidiaries, with any reasonably possible change to the key assumptions applied not likely to cause the recoverable values to be below their carrying values.

24. AVAILABLE-FOR-SALE ("AFS") INVESTMENTS

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Balance as at 1 April	192.9	147.5	37.4	35.1
Additions	59.6	39.6	-	-
Disposals/ Write-offs	(27.2)	(11.0)	(6.4)	-
Write-back of impairment	-	0.9	-	-
Net fair value (losses)/ gains included in 'Other Comprehensive Income'	(26.8)	16.5	(25.5)	2.3
Translation differences	(0.6)	(0.6)	-	-
Balance as at 31 March	197.9	192.9	5.5	37.4
Cost	252.4	221.1	3.3	9.7
Accumulated impairment	(79.1)	(80.8)	-	-
Fair value changes	24.6	52.6	2.2	27.7
	197.9	192.9	5.5	37.4

AFS investments included the following –

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Quoted equity securities				
- Singapore	5.5	7.7	5.5	7.7
- United States of America	4.5	4.2	-	-
- Thailand	-	21.4	-	21.4
	10.0	33.3	5.5	29.1
Unquoted				
Equity securities	168.2	149.4	-	8.3
Others	19.7	10.2	-	-
	187.9	159.6	-	8.3
	197.9	192.9	5.5	37.4

Notes to the Financial Statements

For the financial year ended 31 March 2018

25. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Balance as at 1 April	243.6	299.3	(88.0)	(99.9)
Fair value (losses)/ gains				
- included in income statement	(113.3)	(58.0)	(73.2)	(0.8)
- included in 'Hedging Reserve'	4.3	13.9	1.5	12.7
Settlement of swaps for bonds repaid	(61.4)	(16.3)	-	-
Translation differences	(12.6)	4.7	-	-
Balance as at 31 March	60.6	243.6	(159.7)	(88.0)
Disclosed as -				
Current asset	23.2	107.3	70.1	107.1
Non-current asset	409.6	455.2	134.1	284.9
Current liability	(70.0)	(15.8)	(84.9)	(110.0)
Non-current liability	(302.2)	(303.1)	(279.0)	(370.0)
	60.6	243.6	(159.7)	(88.0)

25.1 Fair Values

The fair values of the currency and interest rate swap contracts exclude accrued interest of S\$16.8 million (31 March 2017: S\$19.6 million). The accrued interest is separately disclosed in **Note 16** and **Note 27**.

The fair values of the derivative financial instruments were as follows -

2018	Group Fair values		Company Fair values	
	Assets S\$ Mil	Liabilities S\$ Mil	Assets S\$ Mil	Liabilities S\$ Mil
Fair value and cash flow hedges				
Cross currency swaps	417.2	253.9	-	135.9
Interest rate swaps	15.6	86.7	-	7.0
Forward foreign exchange contracts	-	25.1	-	16.8
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	-	-	183.2	183.2
Interest rate swaps	-	6.5	21.0	21.0
	432.8	372.2	204.2	363.9
Disclosed as -				
Current	23.2	70.0	70.1	84.9
Non-current	409.6	302.2	134.1	279.0
	432.8	372.2	204.2	363.9

Notes to the Financial Statements

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25.1 Fair Values (Cont'd)

2017	Group Fair values		Company Fair values	
	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	-	-	-
	<u>562.5</u>	<u>318.9</u>	<u>392.0</u>	<u>480.0</u>
Disclosed as -				
Current	107.3	15.8	107.1	110.0
Non-current	455.2	303.1	284.9	370.0
	<u>562.5</u>	<u>318.9</u>	<u>392.0</u>	<u>480.0</u>

The cash flow hedges are designated for foreign currency commitments and repayments of principal and interest of foreign currency denominated bonds.

The forecast transactions for the foreign currency commitments are expected to occur in the financial year ending 31 March 2019, while the forecast transactions for the repayment of principal and interest of the foreign currency denominated bonds will occur according to the timing disclosed in **Note 28**.

Notes to the Financial Statements

For the financial year ended 31 March 2018

25.1 Fair Values (Cont'd)

As at 31 March 2018, the details of the outstanding derivative financial instruments were as follows -

	Group		Company	
	2018	2017	2018	2017
Interest rate swaps				
Notional principal (S\$ million equivalent)	2,702.5	3,680.9	2,838.4	4,639.6
Fixed interest rates	2.0% to 6.2%	1.2% to 6.2%	2.0% to 4.5%	1.2% to 4.5%
Floating interest rates	2.0% to 3.2%	1.8% to 2.3%	1.1% to 3.2%	1.1% to 2.3%
Cross currency swaps				
Notional principal (S\$ million equivalent)	4,794.9	6,073.3	5,256.8	7,543.6
Fixed interest rates	1.9% to 7.5%	1.9% to 7.5%	0.9% to 5.2%	0.9% to 5.2%
Floating interest rates	1.5% to 3.5%	1.5% to 3.3%	1.5% to 3.3%	1.5% to 3.2%
Forward foreign exchange				
Notional principal (S\$ million equivalent)	846.5	1,358.2	304.1	713.3

The interest rate swaps entered into by the Group are re-priced at intervals ranging from monthly to six-monthly periods. The interest rate swaps entered by the Company are re-priced every six months.

26. LOAN TO AN ASSOCIATE/ NET DEFERRED GAIN

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Loan to an associate	-	1,100.5	-	1,100.5
Unamortised deferred gain	452.7	1,616.5	-	-
Reclassification from 'Associates' (see Note 21)	(74.9)	(265.0)	-	-
Net deferred gain	377.8	1,351.5	-	-
Classified as -				
Current	20.1	68.8	-	-
Non-current	357.7	1,282.7	-	-
	377.8	1,351.5	-	-

Notes to the Financial Statements

For the financial year ended 31 March 2018

26. LOAN TO AN ASSOCIATE/ NET DEFERRED GAIN (Cont'd)

NetLink Trust (“NLT”) is a business trust established as part of the Info-communications Media Development Authority of Singapore’s (“IMDA”) effective open access requirements under Singapore’s Next Generation Nationwide Broadband Network. In prior years, Singtel had sold certain infrastructure assets, namely ducts and manholes used by OpenNet Pte. Ltd., and exchange buildings (“Assets”), and Singtel’s business of providing duct and manhole services in relation to the Assets (“Business”) to NLT.

As Singtel did not have effective control over NLT, it was equity accounted as an associate at the Group.

At the consolidated level, the gain on disposal of Assets recorded by Singtel is deferred in the Group’s statement of financial position and amortised over the useful lives of the Assets. The unamortised deferred gain is released to the Group’s income statement when NLT is partially or fully sold, based on the proportionate equity interest disposed. In addition, lease expenses paid to NLT and interest income earned from NLT are not eliminated on a line-by-line basis in the Group.

On 19 July 2017, Singtel sold its 100% interest in NLT to NetLink NBN Trust (the “Trust”) for an aggregate consideration of S\$1.89 billion comprising a cash consideration of S\$1.11 billion and 24.8% interest in the Trust. The Group recorded a net gain on disposal of NLT of S\$2.03 billion which included the release of deferred gains (after tax) of S\$1.10 billion on past sales of Assets to NLT. In addition, the loan to NLT of S\$1.10 billion, which carried a fixed interest rate and was secured by a fixed and floating charge over NLT’s assets and business undertakings, was fully repaid.

Following the divestment, Singtel ceased to own units in NLT but continues to have an interest of 24.8% in the Trust which owns all the units in NLT. As Singtel does not have effective control over the Trust, the Trust is equity accounted as an associate at the Group.

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Trade payables	3,994.0	3,590.7	585.5	592.9
Accruals	876.3	983.4	245.9	160.4
Interest payable on borrowings	137.9	142.7	41.7	43.6
Deferred income	38.3	31.3	12.6	11.5
Customers’ deposits	26.6	26.2	15.3	15.8
Due to associates and joint ventures				
- trade	31.0	27.9	23.9	22.3
- non-trade	*	*	-	-
	31.0	27.9	23.9	22.3
Due to subsidiaries				
- trade	-	-	294.3	263.8
- non-trade	-	-	214.4	458.2
	-	-	508.7	722.0
Other payables	129.8	120.2	34.8	33.5
	5,233.9	4,922.4	1,468.4	1,602.0

“*” denotes amount of less than S\$50,000.

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For the financial year ended 31 March 2018

27. TRADE AND OTHER PAYABLES (Cont'd)

The trade payables are non-interest bearing and are generally settled on 30 to 60 days terms, with some payables relating to handset and network investments having payment terms of up to a year.

The interest payable on borrowings are generally settled on a half-year or annual basis except for interest payable on certain bonds and syndicated loan facilities which are settled on quarterly and monthly basis respectively.

The amounts due to subsidiaries are repayable on demand and interest-free.

28. BORROWINGS (UNSECURED)

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Current				
Bonds	1,129.0	978.7	-	-
Bank loans	671.5	2,068.2	-	-
	1,800.5	3,046.9	-	-
Non-current				
Bonds	6,694.9	7,702.7	673.2	746.2
Bank loans	1,830.2	150.0	-	-
	8,525.1	7,852.7	673.2	746.2
Total unsecured borrowings	10,325.6	10,899.6	673.2	746.2

Notes to the Financial Statements

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28.1 Bonds

Principal amount	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
US\$1,600 million ⁽¹⁾ (31 March 2017: US\$2,300 million)	2,094.1	3,212.7	-	-
US\$500 million ⁽¹⁾	673.2	746.2	673.2	746.2
US\$500 million ⁽¹⁾⁽²⁾	659.5	711.2	-	-
US\$400 million	525.1	559.2	-	-
€700 million ⁽¹⁾⁽²⁾	1,150.2	1,071.0	-	-
A\$1,025 million ⁽²⁾ (31 March 2017: A\$625 million)	1,028.2	665.0	-	-
S\$600 million ⁽¹⁾	600.0	600.0	-	-
S\$550 million	550.0	550.0	-	-
S\$150 million ⁽²⁾	149.9	149.9	-	-
¥10,000 million	123.0	124.9	-	-
HK\$1,000 million ⁽²⁾	167.1	179.8	-	-
HK\$620 million	103.6	111.5	-	-
	7,823.9	8,681.4	673.2	746.2
Classified as -				
Current	1,129.0	978.7	-	-
Non-current	6,694.9	7,702.7	673.2	746.2
	7,823.9	8,681.4	673.2	746.2

Notes:

⁽¹⁾ The bonds are listed on the Singapore Exchange.

⁽²⁾ The bonds, issued by Optus Group, are subject to a negative pledge that limits the amount of secured indebtedness of certain subsidiaries of Optus.

28.2 Bank Loans

	Group	
	2018 S\$ Mil	2017 S\$ Mil
Current	671.5	2,068.2
Non-current	1,830.2	150.0
	2,501.7	2,218.2

Notes to the Financial Statements

For the financial year ended 31 March 2018

28.3 Maturity

The maturity periods of the non-current unsecured borrowings at the end of the reporting period were as follows -

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Between one and two years	1,009.5	1,346.0	-	-
Between two and five years	5,539.1	3,709.2	-	-
Over five years	1,976.5	2,797.5	673.2	746.2
	8,525.1	7,852.7	673.2	746.2

28.4 Interest Rates

The weighted average effective interest rates at the end of the reporting period were as follows -

	Group		Company	
	2018 %	2017 %	2018 %	2017 %
Bonds (fixed rate)	3.9	3.8	7.4	7.4
Bonds (floating rate)	3.0	2.1	-	-
Bank loans (floating rate)	1.9	1.6	-	-

28.5 The tables below set out the maturity profile of borrowings and related swaps based on expected contractual undiscounted cash flows.

Group	Less than 1 year S\$ Mil	Between 1 and 2 years S\$ Mil	Between 2 and 5 years S\$ Mil	Over 5 years S\$ Mil
As at 31 March 2018				
Net-settled interest rate swaps	45.3	37.2	20.3	17.3
Cross currency interest rate swaps (gross-settled)				
- Inflow	(301.3)	(252.5)	(458.5)	(624.9)
- Outflow	259.4	210.8	363.4	464.4
	3.4	(4.5)	(74.8)	(143.2)
Borrowings	2,143.8	1,928.7	5,103.1	2,768.7
	2,147.2	1,924.2	5,028.3	2,625.5

Notes to the Financial Statements

For the financial year ended 31 March 2018

28.5

Group	Less than 1 year S\$ Mil	Between 1 and 2 years S\$ Mil	Between 2 and 5 years S\$ Mil	Over 5 years S\$ Mil
As at 31 March 2017				
Net-settled interest rate swaps	47.4	44.3	48.3	20.4
Cross currency interest rate swaps (gross-settled)				
- Inflow	(208.1)	(191.8)	(410.4)	(600.9)
- Outflow	162.4	154.7	290.7	382.0
	1.7	7.2	(71.4)	(198.5)
Borrowings	3,258.8	1,618.2	4,059.6	3,629.4
	3,260.5	1,625.4	3,988.2	3,430.9
Company	Less than 1 year S\$ Mil	Between 1 and 2 years S\$ Mil	Between 2 and 5 years S\$ Mil	Over 5 years S\$ Mil
As at 31 March 2018				
Net-settled interest rate swaps	1.3	1.3	4.0	12.0
Cross currency interest rate swaps (gross-settled)				
- Inflow	(157.1)	(125.4)	(308.2)	(562.6)
- Outflow	139.2	107.2	253.9	399.7
	(16.6)	(16.9)	(50.3)	(150.9)
Borrowings	48.4	48.4	145.2	1,316.9
	31.8	31.5	94.9	1,166.0
As at 31 March 2017				
Net-settled interest rate swaps	1.4	1.4	4.1	13.7
Cross currency interest rate swaps (gross-settled)				
- Inflow	(182.9)	(155.4)	(358.9)	(679.0)
- Outflow	161.1	133.8	293.6	461.7
	(20.4)	(20.2)	(61.2)	(203.6)
Borrowings	51.5	51.6	154.7	1,396.7
	31.1	31.4	93.5	1,193.1

Notes to the Financial Statements

For the financial year ended 31 March 2018

28.6 Reconciliation of liabilities (including secured borrowings) arising from financing activities

Group - 2018	As at 1 April 2017 S\$ Mil	Financing cash flows ⁽¹⁾ S\$ Mil	Acquisition of a subsidiary S\$ Mil	Non-cash changes					As at 31 March 2018 S\$ Mil
				Fair value adjustments S\$ Mil	Amortisation of bond discount S\$ Mil	Foreign exchange movement S\$ Mil	Additions of finance lease S\$ Mil	Adjustment S\$ Mil	
Bonds	8,681.4	(506.2)	-	(49.7)	3.2	(304.8)	-	-	7,823.9
Bank loans	2,306.3	222.6	31.3	-	-	(58.5)	-	-	2,501.7
Finance lease liabilities	198.2	(28.3)	8.7	-	-	(0.5)	4.8	(78.3)	104.6
Derivative financial instrument on hedging liabilities	(268.4)	61.4	-	109.9	-	11.4	-	-	(85.7)
Total	10,917.5	(250.5)	40.0	60.2	3.2	(352.4)	4.8	(78.3)	10,344.5

Company - 2018	As at 1 April 2017 S\$ Mil	Financing cash flows ⁽¹⁾ S\$ Mil	Fair value adjustments S\$ Mil	Non-cash changes			As at 31 March 2018 S\$ Mil
				Amortisation of bond discount S\$ Mil	Foreign exchange movement S\$ Mil	Adjustment S\$ Mil	
Bonds	746.2	-	(30.5)	0.2	(42.7)	-	673.2
Finance lease liabilities	158.7	(4.5)	-	-	-	(78.3)	75.9
Derivative financial instrument on hedging liabilities	79.9	-	63.1	-	-	-	143.0
Total	984.8	(4.5)	32.6	0.2	(42.7)	(78.3)	892.1

Note:

⁽¹⁾ The cash flows comprise the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

Notes to the Financial Statements

For the financial year ended 31 March 2018

29. BORROWINGS (SECURED)

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Current				
Finance lease	23.1	29.4	7.4	1.5
Bank loans	-	57.3	-	-
	23.1	86.7	7.4	1.5
Non-current				
Finance lease	81.5	168.8	68.5	157.2
Bank loans	-	30.8	-	-
	81.5	199.6	68.5	157.2
Total secured borrowings	104.6	286.3	75.9	158.7

Secured bank loans of the Group were repaid during the year. Finance lease liabilities included lease liabilities in respect of certain assets leased from NetLink Trust.

29.1 Finance Lease Liabilities

The minimum lease payments under the finance lease liabilities were payable as follows -

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Not later than one year	28.8	42.6	11.9	13.0
Later than one but not later than five years	58.4	59.3	44.9	47.2
Later than five years	268.0	601.4	268.0	601.4
	355.2	703.3	324.8	661.6
Less: Future finance charges	(250.6)	(505.1)	(248.9)	(502.9)
	104.6	198.2	75.9	158.7

Notes to the Financial Statements

For the financial year ended 31 March 2018

29.2 Maturity

The maturity periods of the non-current secured borrowings at the end of the reporting period were as follows –

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Between one and two years	18.3	11.0	7.9	0.9
Between two and five years	29.0	33.2	26.4	0.9
Over five years	34.2	155.4	34.2	155.4
	81.5	199.6	68.5	157.2

29.3 Interest Rates

The weighted average effective interest rates per annum at the end of the reporting period were as follows -

	Group		Company	
	2018 %	2017 %	2018 %	2017 %
Finance lease liabilities	7.2	7.2	7.3	7.3
Bank loans	-	5.8	-	-

30. OTHER NON-CURRENT LIABILITIES

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Performance share liability	7.0	7.0	7.0	7.0
Other payables	288.1	342.9	24.4	16.7
	295.1	349.9	31.4	23.7

Other payables mainly relate to accruals of rental for certain network sites, long-term employee entitlements and asset retirement obligations.

Notes to the Financial Statements

For the financial year ended 31 March 2018

31. SHARE CAPITAL

Group and Company	2018		2017	
	Number of shares Mil	Share capital S\$ Mil	Number of shares Mil	Share capital S\$ Mil
Balance as at 1 April	16,329.1	4,127.3	15,943.5	2,634.0
Issue of shares during the year (net of costs)	-	-	385.6	1,493.3
Balance as at 31 March	16,329.1	4,127.3	16,329.1	4,127.3

Singtel issued 385,581,351 new ordinary shares to Temasek Holdings (Private) Limited to partially finance the acquisitions of shares in Intouch and BTL in November 2016.

All issued shares are fully paid and have no par value. The issued shares carry one vote per share and a right to dividends as and when declared by the Company.

Capital Management

The Group is committed to an optimal capital structure while maintaining financial flexibility and investment grade credit ratings. In order to achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or reduce its borrowings.

The Group monitors capital based on gross and net gearing ratios, and the dividend payout ratio ranges from 60% to 75% of underlying net profit. Underlying net profit is defined as net profit before exceptional and other one-off items.

From time to time, the Group purchases its own shares from the market. The shares purchased are primarily for delivery to employees upon vesting of performance shares awarded under Singtel performance share plans. The Group can also cancel the shares which are repurchased from the market.

There were no changes in the Group's approach to capital management during the financial year.

32. DIVIDENDS

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Final dividend of 10.7 cents (2017: 10.7 cents) per share, paid	1,746.6	1,705.5	1,747.2	1,706.0
Interim dividend of 6.8 cents (2017: 6.8 cents) per share, paid	1,110.0	1,110.0	1,110.4	1,110.4
Special dividend of 3.0 cents (2017: nil) per share, paid	489.7	-	489.9	-
	3,346.3	2,815.5	3,347.5	2,816.4

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For the financial year ended 31 March 2018

32. DIVIDENDS (Cont'd)

During the financial year, a final one-tier tax exempt ordinary dividend of 10.7 cents per share, totalling S\$1.75 billion was paid in respect of the previous financial year ended 31 March 2017. In addition, an interim one-tier exempt ordinary dividend of 6.8 cents per share totalling S\$1.11 billion and a special one-tier exempt dividend of 3.0 cents per share totalling S\$490 million were paid in respect of the current financial year ended 31 March 2018.

The amount paid by the Group differed from that paid by the Company due to dividends on performance shares held by the Trust that were eliminated on consolidation of the Trust.

The Directors have proposed a final one-tier tax exempt ordinary dividend of 10.7 cents per share, totalling approximately S\$1.75 billion in respect of the current financial year ended 31 March 2018 for approval at the forthcoming Annual General Meeting.

These financial statements do not reflect the above final dividend payable of approximately S\$1.75 billion, which will be accounted for in the Shareholders' Equity as an appropriation of 'Retained Earnings' in the next financial year ending 31 March 2019.

33. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The Group classifies fair value measurements using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels -

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities **(Level 1)**;
- (b) inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) **(Level 2)**; and
- (c) inputs for the asset or liability which are not based on observable market data (unobservable inputs) **(Level 3)**.

33.1 Financial assets and liabilities measured at fair value

Group 2018	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
AFS investments ⁽¹⁾ (Note 24)				
- Quoted equity securities	10.0	-	-	10.0
- Unquoted investments	-	-	86.1	86.1
	10.0	-	86.1	96.1
Derivative financial instruments (Note 25.1)	-	432.8	-	432.8
	10.0	432.8	86.1	528.9
Financial liabilities				
Derivative financial instruments (Note 25.1)	-	372.2	-	372.2
	-	372.2	-	372.2

Notes to the Financial Statements

For the financial year ended 31 March 2018

33.1 Financial assets and liabilities measured at fair value (Cont'd)

Group 2017	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
AFS investments ⁽¹⁾ (Note 24)				
- Quoted equity securities	33.3	-	-	33.3
- Unquoted investments	-	-	90.3	90.3
	33.3	-	90.3	123.6
Derivative financial instruments (Note 25.1)	-	562.5	-	562.5
	33.3	562.5	90.3	686.1
Financial liabilities				
Derivative financial instruments (Note 25.1)	-	318.9	-	318.9
	-	318.9	-	318.9

Note:

⁽¹⁾ Excluded AFS investments stated at cost of S\$101.8 million (31 March 2017: S\$69.3 million).

Company 2018	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
AFS investments (Note 24)				
- Quoted equity securities	5.5	-	-	5.5
Derivative financial instruments (Note 25.1)	-	204.2	-	204.2
	5.5	204.2	-	209.7
Financial liabilities				
Derivative financial instruments (Note 25.1)	-	363.9	-	363.9
	-	363.9	-	363.9

Notes to the Financial Statements

For the financial year ended 31 March 2018

33.1 Financial assets and liabilities measured at fair value (Cont'd)

Company 2017	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
AFS investments (Note 24)				
- Quoted equity securities	29.1	-	-	29.1
- Unquoted equity securities	-	-	8.3	8.3
	29.1	-	8.3	37.4
Derivative financial instruments (Note 25.1)	-	392.0	-	392.0
	29.1	392.0	8.3	429.4
Financial liabilities				
Derivative financial instruments (Note 25.1)	-	480.0	-	480.0
	-	480.0	-	480.0

See **Note 2.7** for the policies on fair value estimation of the financial assets and liabilities.

The fair values of the unquoted AFS investments included within Level 3 were estimated using the net asset values as reported in the statements of financial position in the management accounts of the AFS investments or the use of recent arm's length transactions.

The following table presents the reconciliation for the unquoted AFS investments measured at fair value based on unobservable inputs (**Level 3**) -

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
AFS investments - unquoted				
Balance as at 1 April	90.3	42.9	8.3	7.7
Total (losses)/ gains included in 'Fair Value Reserve'	(6.1)	15.5	0.3	0.6
Additions	6.2	20.7	-	-
Write-back of impairment	-	1.5	-	-
Disposals	(16.5)	(2.4)	(8.6)	-
Transfer from Level 3	-	(0.9)	-	-
Transfer to Level 3	12.2	13.0	-	-
Balance as at 31 March	86.1	90.3	-	8.3

Notes to the Financial Statements

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33.2 Financial assets and liabilities not measured at fair value (but with fair value disclosed)

	Carrying Value	Fair value			Total S\$ Mil
	S\$ Mil	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	
As at 31 March 2018					
Financial liabilities					
Group					
Bonds (Note 28.1)	<u>7,823.9</u>	<u>5,459.8</u>	<u>2,680.4</u>	-	<u>8,140.2</u>
Company					
Bonds (Note 28.1)	<u>673.2</u>	<u>879.1</u>	-	-	<u>879.1</u>
As at 31 March 2017					
Financial liabilities					
Group					
Bonds (Note 28.1)	<u>8,681.4</u>	<u>6,722.9</u>	<u>2,402.9</u>	-	<u>9,125.8</u>
Company					
Bonds (Note 28.1)	<u>746.2</u>	<u>957.0</u>	-	-	<u>957.0</u>

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.

Notes to the Financial Statements

For the financial year ended 31 March 2018

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

34.1 Financial Risk Factors

The Group's activities are exposed to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk, liquidity risk and market risk. The Group's overall risk management seeks to minimise the potential adverse effects of these risks on the financial performance of the Group.

The Group uses financial instruments such as currency forwards, cross currency and interest rate swaps, and foreign currency borrowings to hedge certain financial risk exposures. No financial derivatives are held or sold for speculative purposes.

The Directors assume responsibility for the overall financial risk management of the Group. For the financial year ended 31 March 2018, the Risk Committee and Finance and Investment Committee ("**FIC**"), which are committees of the Board, assisted the Directors in reviewing and establishing policies relating to financial risk management in accordance with the policies and directives of the Directors.

34.2 Foreign Exchange Risk

The foreign exchange risk of the Group arises from subsidiaries, associates and joint ventures operating in foreign countries, mainly Australia, India, Indonesia, the Philippines, Thailand and United States of America. Additionally, the Group's joint venture in India, Bharti Airtel Limited, is primarily exposed to foreign exchange risks from its operations in Sri Lanka and 14 countries across Africa. Translation risks of overseas net investments are not hedged unless approved by the FIC.

The Group has borrowings denominated in foreign currencies that have primarily been hedged into the functional currency of the respective borrowing entities using cross currency swaps in order to reduce the foreign currency exposure on these borrowings. As the hedges are perfect, any change in the fair value of the cross currency swaps has minimal impact on profit and equity.

The Group Treasury Policy, as approved by the FIC, is to substantially hedge all known transactional currency exposures. The Group generates revenue, receives foreign dividends and incurs costs in currencies which are other than the functional currencies of the operating units, thus giving rise to foreign exchange risk. The currency exposures are primarily for the Australian Dollar, Euro, Hong Kong Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Pound Sterling, Thai Baht, United States Dollar and Japanese Yen.

Foreign currency purchases and forward currency contracts are used to reduce the Group's transactional exposure to foreign currency exchange rate fluctuations. The foreign exchange difference on trade balances is disclosed under **Note 6** and the foreign exchange difference on non-trade balances is disclosed under **Note 10**.

34.3 Interest Rate Risk

The Group has cash balances placed with reputable banks and financial institutions which generate interest income for the Group. The Group manages its interest rate risks on its interest income by placing the cash balances on varying maturities and interest rate terms.

The Group's borrowings include bank borrowings and bonds. The borrowings expose the Group to interest rate risk. The Group seeks to minimise its exposure to these risks by entering into interest rate swaps over the duration of its borrowings. Interest rate swaps entail the Group agreeing to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. As at 31 March 2018, after taking into account the effect of interest rate swaps, approximately 67% (31 March 2017: 70%) of the Group's borrowings were at fixed rates of interest.

As at 31 March 2018, assuming that the market interest rate is 50 basis points higher or lower and with no change to the other variables, the annualised interest expense on borrowings would be higher or lower by S\$15.5 million (2017: S\$13.5 million).

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34.4 Credit Risk

Financial assets that potentially subject the Group to concentrations of credit risk consist primarily of trade receivables, cash and cash equivalents and financial instruments used in hedging activities.

The Group has no significant concentration of credit risk from trade receivables due to its diverse customer base. Credit risk is managed through the application of credit assessment and approvals, credit limits and monitoring procedures. Where appropriate, the Group obtains deposits or bank guarantees from customers or enters into credit insurance arrangements.

The Group places its cash and cash equivalents with a number of major and high credit rating commercial banks and other financial institutions. Derivative counter-parties are limited to high credit rating commercial banks and other financial institutions. The Group has policies that limit the financial exposure to any one financial institution.

34.5 Liquidity Risk

To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available to ensure that the Group is able to meet the short-term obligations of the Group as they fall due.

34.6 Market Risk

The Group has investments in quoted equity shares. The market value of these investments will fluctuate with market conditions.

35. SEGMENT INFORMATION

Segment information is presented based on the information reviewed by senior management for performance measurement and resource allocation.

Singtel Group is organised by three business segments, Group Consumer, Group Enterprise and Group Digital Life.

Group Consumer comprises the consumer businesses across Singapore and Australia, as well as the Group's investments, mainly AIS and Intouch (which has an equity interest of 40.5% in AIS) in Thailand, Airtel in India, Africa and Sri Lanka, Globe in the Philippines, and Telkomsel in Indonesia. It focuses on driving greater value and performance from the core carriage business including mobile, pay TV, fixed broadband and voice, as well as equipment sales.

Group Enterprise comprises the business groups across Singapore, Australia, United States of America, Europe and the region, and focuses on growing the Group's position in the enterprise markets. Key services include mobile, equipment sales, fixed voice and data, managed services, cloud computing, cyber security, IT and professional consulting.

Group Digital Life ("GDL") focuses on using the latest internet technologies and assets of the Group's operating companies to develop new revenue and growth engines by entering adjacent businesses where it has a competitive advantage. It focuses on three key businesses in digital life – digital marketing (Amobee), regional premium over-the-top video (HOOQ) and advanced analytics and intelligence capabilities (DataSpark), in addition to strengthening its role as Singtel's digital innovation engine through Innov8.

Corporate comprises the costs of Group functions not allocated to the business segments.

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35. SEGMENT INFORMATION (Cont'd)

The measurement of segment results which is before exceptional items, is in line with the basis of information presented to management for internal management reporting purposes.

The costs of shared and common infrastructure are allocated to the business segments using established methodologies.

The Group's reportable segments by the three business segments for the financial years ended 31 March 2018 and 31 March 2017 were as follows –

Group - 2018	Group Consumer S\$ Mil	Group Enterprise S\$ Mil	Group Digital Life S\$ Mil	Corporate S\$ Mil	Group Total S\$ Mil
Operating revenue	9,826.1	6,625.4	1,080.3	-	17,531.8
Operating expenses	(6,663.8)	(4,814.3)	(1,133.4)	(90.0)	(12,701.5)
Other income	206.9	44.8	1.8	5.3	258.8
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	3,369.2	1,855.9	(51.3)	(84.7)	5,089.1
Share of pre-tax results of associates and joint ventures					
- Airtel	199.3	-	-	-	199.3
- Telkomsel	1,372.4	-	-	-	1,372.4
- Globe	289.1	-	-	-	289.1
- AIS	347.4	-	-	-	347.4
- Intouch	103.0	-	-	-	103.0
- Others	0.9	-	-	148.7	149.6
	2,312.1	-	-	148.7	2,460.8
EBITDA and share of pre-tax results of associates and joint ventures	5,681.3	1,855.9	(51.3)	64.0	7,549.9
Depreciation and amortisation	(1,633.3)	(636.5)	(69.1)	(1.2)	(2,340.1)
Earnings before interest and tax ("EBIT")	4,048.0	1,219.4	(120.4)	62.8	5,209.8
Segment assets					
Investment in associates and joint ventures					
- Airtel	7,453.1	-	-	-	7,453.1
- Telkomsel	3,419.8	-	-	-	3,419.8
- Globe	1,060.0	-	-	-	1,060.0
- AIS	762.5	-	-	-	762.5
- Intouch	1,636.4	-	-	-	1,636.4
- Others	23.6	-	-	432.7	456.3
	14,355.4	-	-	432.7	14,788.1
Goodwill on acquisition of subsidiaries	9,192.9	1,167.5	1,011.8	-	11,372.2
Other assets	13,200.9	5,713.9	729.8	2,448.8	22,093.4
	36,749.2	6,881.4	1,741.6	2,881.5	48,253.7

Notes to the Financial Statements

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35. SEGMENT INFORMATION (Cont'd)

Group - 2017	Group Consumer S\$ Mil	Group Enterprise S\$ Mil	Group Digital Life S\$ Mil	Corporate S\$ Mil	Group Total S\$ Mil
Operating revenue	9,572.0	6,600.3	539.1	-	16,711.4
Operating expenses	(6,453.3)	(4,732.0)	(652.6)	(91.1)	(11,929.0)
Other income/ (expense)	176.2	45.0	(8.7)	2.8	215.3
EBITDA	3,294.9	1,913.3	(122.2)	(88.3)	4,997.7
Share of pre-tax results of associates and joint ventures					
- Airtel	579.9	-	-	-	579.9
- Telkomsel	1,422.0	-	-	-	1,422.0
- Globe	288.0	-	-	-	288.0
- AIS ⁽¹⁾	333.4	-	-	-	333.4
- Intouch	31.3	-	-	-	31.3
- Others	1.2	-	-	230.0	231.2
	2,655.8	-	-	230.0	2,885.8
EBITDA and share of pre-tax results of associates and joint ventures ⁽¹⁾	5,950.7	1,913.3	(122.2)	141.7	7,883.5
Depreciation and amortisation	(1,524.4)	(644.9)	(68.1)	(1.5)	(2,238.9)
EBIT ⁽¹⁾	4,426.3	1,268.4	(190.3)	140.2	5,644.6
Segment assets					
Investment in associates and joint ventures					
- Airtel	6,847.0	-	-	-	6,847.0
- Telkomsel	3,606.2	-	-	-	3,606.2
- Globe	1,085.4	-	-	-	1,085.4
- AIS	646.4	-	-	-	646.4
- Intouch	1,577.2	-	-	-	1,577.2
- Others	25.2	-	-	447.7	472.9
	13,787.4	-	-	447.7	14,235.1
Goodwill on acquisition of subsidiaries	9,193.4	1,241.4	729.8	-	11,164.6
Other assets	12,590.8	5,637.4	602.5	4,063.8	22,894.5
	35,571.6	6,878.8	1,332.3	4,511.5	48,294.2

Notes to the Financial Statements

For the financial year ended 31 March 2018

35. SEGMENT INFORMATION (Cont'd)

A reconciliation of the total reportable segments' EBIT to the Group's profit before tax was as follows -

	Group	
	2018 S\$ Mil	2017 S\$ Mil
EBIT ⁽¹⁾	5,209.8	5,644.6
Share of exceptional items of associates and joint ventures (post-tax) ⁽¹⁾	(34.0)	(30.7)
Share of tax expense of associates and joint ventures ⁽¹⁾	(640.1)	(837.8)
Exceptional items	1,940.4	(1.2)
Profit before interest, investment income (net) and tax	6,476.1	4,774.9
Interest and investment income (net)	45.6	114.8
Finance costs	(390.2)	(374.3)
Profit before tax	6,131.5	4,515.4

Note:

⁽¹⁾ AIS' 3G/4G handset subsidy costs in the previous financial year has been reclassified from share of exceptional items of joint ventures to share of pre-tax results of joint ventures to be consistent with current year.

The Group's revenue from its major products and services are disclosed in **Note 4**.

The Group's revenue is mainly derived from Singapore and Australia which respectively accounted for approximately 38% (2017: 40%) and 52% (2017: 53%) of the total revenue for the financial year ended 31 March 2018, with the remaining 10% (2017: 7%) from the United States of America and other countries where the Group operates in. The geographical information on the Group's non-current assets is not presented as it is not used for segmental reporting purposes.

The Group has a large and diversified customer base which consists of individuals and corporations. There was no single customer that contributed 10% or more of the Group's revenue for the financial years ended 31 March 2018 and 31 March 2017.

36. OPERATING LEASE COMMITMENTS

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, were as follows -

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Not later than one year	420.3	468.8	103.6	103.3
Later than one but not later than five years	1,545.1	1,573.2	332.7	306.2
Later than five years	1,385.1	1,623.5	281.4	358.5
	3,350.5	3,665.5	717.7	768.0

Notes to the Financial Statements

For the financial year ended 31 March 2018

36. OPERATING LEASE COMMITMENTS (Cont'd)

Sale and operating leaseback contracts were entered into for certain property, plant and equipment for a period of 20 years commencing on 2 March 2005 and 1 November 2010. The above commitments included the minimum amounts payable of S\$43.4 million (31 March 2017: S\$42.6 million) per annum under those contracts. The operating lease payments under such contracts are subject to review every year with a general increase not exceeding the higher of 2% or Consumer Price Index percentage of the preceding year.

37. COMMITMENTS

37.1 The commitments for capital and operating expenditures, and investments which had not been recognised in the financial statements, excluding the commitments shown under **Note 37.2**, were as follows -

	Group		Company	
	2018 S\$ Mil	2017 S\$ Mil	2018 S\$ Mil	2017 S\$ Mil
Authorised and contracted for	865.3	1,767.7	87.5	152.9

37.2 As at 31 March 2018, the Group's commitments for the purchase of broadcasting programme rights were S\$693 million (31 March 2017: S\$936 million). The commitments included only the minimum guaranteed amounts payable under the respective contracts and do not include amounts that may be payable based on revenue share arrangement which cannot be reliably determined as at the end of the reporting period.

38. CONTINGENT LIABILITIES OF SINGTEL AND ITS SUBSIDIARIES

(a) Guarantees

As at 31 March 2018,

- (i) The Group and Company provided bankers' and other guarantees, and insurance bonds of S\$570.4 million and S\$146.4 million (31 March 2017: S\$437.5 million and S\$268.1 million) respectively.
 - (ii) The Company provided guarantees for loans of S\$1.18 billion (31 March 2017: S\$1.16 billion) drawn down under various loan facilities entered into by Singtel Group Treasury Pte. Ltd. ("**SGT**"), a wholly owned subsidiary, with maturities between December 2018 and May 2020.
 - (iii) The Company provided guarantees for SGT's notes issue of an aggregate equivalent amount of S\$4.04 billion (31 March 2017: S\$4.92 billion) due between April 2018 and October 2026.
- (b) In 2016 and 2017, Singapore Telecom Australia Investments Pty Limited ("**STAI**") received amended assessments from the Australian Taxation Office ("**ATO**") in connection with the acquisition financing of Optus. The assessments comprised of primary tax of A\$268 million, interest of A\$58 million and penalties of A\$67 million. STAI's holding company, Singtel Australia Investment Ltd, would be entitled to refund of withholding tax estimated at A\$89 million.

STAI has objected to the amended assessments.

Notes to the Financial Statements

For the financial year ended 31 March 2018

38. CONTINGENT LIABILITIES OF SINGTEL AND ITS SUBSIDIARIES (Cont'd)

In accordance with the ATO administrative practice, STAI paid a minimum amount of 50% of the assessed primary tax on 21 November 2016. This payment continued to be recognised as a receivable as at 31 March 2018.

STAI has received advice from external experts in relation to this matter and will vigorously defend its position. Accordingly, no provision has been made as at 31 March 2018.

On 2 November 2017, STAI received a tax position paper from the ATO in relation to the subsequent re-financing of the above loan. This matter is now settled at an agreed amount.

- (c) The Group is contingently liable for claims arising in the ordinary course of business and from certain tax assessments which are being contested, the outcome of which are not presently determinable. The Group is vigorously defending all these claims.

39. SIGNIFICANT CONTINGENT LIABILITIES OF ASSOCIATE AND JOINT VENTURES

- (a) Airtel, a joint venture of the Group, has disputes with various government authorities in the respective jurisdictions where its operations are based, as well as with third parties regarding certain transactions entered into in the ordinary course of business.

On 8 January 2013, the local regulator, Department of Telecommunications (“DOT”) issued a demand on Airtel Group for Rs. 52.01 billion (S\$1.05 billion) towards levy of one time spectrum charge.

In the opinion of Airtel, inter-alia, the above demand amounts to alteration of the terms of the licences issued in the past. Airtel believes, based on independent legal opinion and its evaluation, that it is not probable that any material part of the claim will be awarded against Airtel and therefore, pending outcome of this matter, no provision has been recognised

As at 31 March 2018, other taxes, custom duties and demands under adjudication, appeal or disputes amounted to approximately Rs.126 billion (S\$2.54 billion). In respect of some of the tax issues, pending final decisions, Airtel had deposited amounts with statutory authorities.

- (b) AIS, a joint venture of the Group, has various commercial disputes and significant litigations.

In 2008, CAT Telecom Public Company Limited (“CAT”) demanded that AIS’ subsidiary, Digital Phone Company Limited (“DPC”) pay additional revenue share of THB 3.4 billion (S\$143 million) arising from the abolishment of excise tax. CAT’s claim is still pending appeal before the Supreme Administrative Court.

In 2015, TOT Public Company Limited (“TOT”) demanded that AIS pays additional revenue share of THB 62.8 billion (S\$2.64 billion) arising from what TOT claims to be an illegality of two amendments made to the Concession Agreement, namely, Amendment 6 (regarding reduction in prepaid revenue share rate) made in 2001 and Amendment 7 (regarding deduction of roaming expense from revenue share) made in 2002, which have resulted in lower revenue share. This case is pending arbitration.

Notes to the Financial Statements

For the financial year ended 31 March 2018

39. SIGNIFICANT CONTINGENT LIABILITIES OF ASSOCIATE AND JOINT VENTURES (Cont'd)

Between 2011 and 2016, TOT demanded that AIS pays additional revenue share based on gross interconnection income from 2007 to 2015 amounting to THB 36.2 billion (S\$1.52 billion) plus interest. The claims are pending arbitration.

Between 2014 and 2016, TOT demanded that AIS pays THB 41.1 billion (S\$1.73 billion) plus interest for the porting of subscribers from 900 MHz to 2100 MHz network. This case is pending arbitration.

In March 2018, CAT demanded DPC to transfer the telecommunications systems which would have been supplied under the Concession Agreement between CAT and DPC of THB 13.4 billion (S\$564 million) or to pay the same amount plus interest. This case is pending arbitration.

As at 31 March 2018, there are a number of other claims against AIS and its subsidiaries amounting to THB 28.3 billion (S\$1.19 billion) which are pending adjudication.

AIS believes that the above claims will be settled in favour of AIS and will have no material impact to its financial statements.

- (c) In October 2017, Intouch and its subsidiary, Thaicom Public Company Limited (“**Thaicom**”) received letters from the Ministry of Digital Economy and Society (the “**Ministry**”) stating that Thaicom 7 and Thaicom 8 satellites (the “**Satellites**”) are governed under the terms of a 1991 satellite operating agreement between Intouch and the Ministry which entails the transfer of asset ownership, procurement of backup satellites, payment of revenue share, and procurement of property insurance. Intouch and Thaicom have obtained legal advice and are of the opinion that the Satellites are not covered under the Agreement but instead under the licence from the National Broadcasting and Telecommunications Commission. This case is pending arbitration.
- (d) Globe, a joint venture of the Group, is contingently liable for various claims arising in the ordinary conduct of business and certain tax assessments which are either pending decision by the Courts or are being contested, the outcome of which are not presently determinable. In the opinion of Globe’s management and legal counsel, the eventual liability under these claims, if any, will not have a material or adverse effect on Globe’s financial position and results of operations.

In June 2016, the Philippine Competition Commission (“**PCC**”) claimed that the Joint Notice of Acquisition filed by Globe, PLDT Inc. (“**PLDT**”) and San Miguel Corporation (“**SMC**”) on the acquisition of SMC’s telecommunications business was deficient and cannot be claimed to be deemed approved. In July 2016, Globe filed a petition with the Court of Appeals of the Philippines (“**CA**”) to stop the PCC from reviewing the acquisition. In October 2017, the CA ruled in favour of Globe and PLDT, and declared the acquisition as valid and deemed approved. PCC subsequently elevated the case to the Supreme Court to review the CA’s rulings.

- (e) As at 31 March 2018, Telkomsel, a joint venture of the Group, has filed appeals and cross-appeals amounting to approximately IDR 180 billion (S\$17 million) for various tax claims arising in certain tax assessments which are pending final decisions, the outcome of which is not presently determinable.

40. SUBSEQUENT EVENT

In April 2018, the Group completed the sale of a property for S\$118 million.

Notes to the Financial Statements

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41. EFFECTS OF ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

With effect from financial year beginning on 1 April 2018, the Group has adopted Singapore Financial Reporting Standards (International) (“**SFRS(I)**”), SFRS(I) 9, *Financial Instruments*, and SFRS(I) 15, *Revenue from Contracts with Customers*. The new accounting framework and standards will be retrospectively applied to the financial statements for the financial year ended 31 March 2018 and the opening statement of financial position as at 1 April 2017.

SFRS(I) are identical to the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). An assessment of the transition options and requirements on application of SFRS(I) 1, *First-time adoption of International Financial Reporting Standards*, has been performed. The Group expects the adoption of the new accounting framework to have the following effects arising from the transition options:

- (a) The currency translation loss of the Group as at 1 April 2017 of S\$4.51 billion will be transferred to retained earnings. Consequently, retained earnings as at 1 April 2017 will correspondingly be lower by S\$4.51 billion.
- (b) The assets and retained earnings of the Group may be lower with the adoption of fair value as the ‘deemed cost’ as at 1 April 2017 for certain property, plant and equipment.

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets and financial liabilities, general hedge accounting and impairment requirements for financial assets. Equity investments currently accounted as Available-For-Sale (“**AFS**”) investments will be accounted as ‘Fair Value through Other Comprehensive Income (“**FVOCI**”)’ investments. Companies can choose to recognise either 12-month or lifetime expected credit losses for its trade receivables and contract assets. The Group plans to recognise lifetime expected credit losses given the short duration of its debts.

SFRS(I) 15 establishes a single comprehensive model of accounting for revenue arising from contracts with customers. The standard requires companies to apportion revenue earned from contracts to performance obligations based on a five-step model on a relative standalone selling price basis. It also introduces new contract cost guidance and requires certain additional disclosures. The adoption of SFRS(I) 15 will have the following key effects at the consolidated level:

- (a) An increase in revenue allocated to sales of equipment, which are fair valued at standalone selling price, and a reduction in mobile service revenue over the customer contract period.
- (b) Cost of sales will be higher and mobile customer acquisition cost will be lower.
- (c) Customer acquisition cost such as dealers’ commission will be capitalised and amortised in the income statement as the Group recognises the related revenue.
- (d) Contract assets will be higher from allocation of revenue to sales of equipment. Contract asset represents the difference between the revenue recognised and the upfront cash consideration received from customers.

Notes to the Financial Statements

For the financial year ended 31 March 2018

41. EFFECTS OF ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED *(Cont'd)*

The adoption of SFRS(I) 9 and SFRS(I) 15 are not expected to have a material impact on the net results of the Group.

SFRS(I) 16, *Leases*, will take effect from financial year beginning on 1 April 2019. This standard requires lessees to adopt a single lease accounting model with most leases recognised in balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments. Recognition exemptions for low value assets and short term leases can be applied. The standard continues to adopt dual accounting lease model for lessor accounting. The Group plans to apply SFRS(I) 16 prospectively with the cumulative effect of initial application as an adjustment to the opening retained earnings as at 1 April 2019. The Group is currently in the process of assessing the impact of adoption of this standard, which is expected to be significant.

The other new or revised standards issued but not yet effective are not expected to have a significant impact on the financial statements of the Group.

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For the financial year ended 31 March 2018

42. COMPANIES IN THE GROUP

The Company's immediate and ultimate holding company is Temasek Holdings (Private) Limited, a company incorporated in Singapore. The following were the significant subsidiaries as well as associates and joint ventures as at 31 March 2018 and 31 March 2017.

42.1 Significant subsidiaries incorporated in Singapore

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2018 %	2017 %
1.	Amobee Asia Pte. Ltd.	Provision of digital marketing services	100	100
2.	DataSpark Pte. Ltd.	Develop and market data analytics and insights products and services	100	100
3.	Group Enterprise Pte. Ltd.	Telecommunications resellers and third party telecommunications providers	100	100
4.	HOOQ Digital Pte. Ltd.	Provision of regional premium over-the-top video services	65	65
5.	NCS Communications Engineering Pte. Ltd.	Provision of facilities management and consultancy services, and distributor of specialised telecommunications and data communication products	100	100
6.	NCS Pte. Ltd.	Provision of information technology and consultancy services	100	100
7.	NCSI Solutions Pte. Ltd.	Provision of information technology services	100	100
8.	SCS Computer Systems Pte. Ltd.	Provision of information technology services	100	100
9.	Singapore Telecom International Pte Ltd	Holding of strategic investments and provision of technical and management consultancy services	100	100
10.	SingNet Pte Ltd	Provision of internet access and pay television services	100	100
11.	Singtel Innov8 Ventures Pte. Ltd.	Provision of fund management services	100	100

Notes to the Financial Statements

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42.1 Significant subsidiaries incorporated in Singapore (Cont'd)

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2018 %	2017 %
12.	Singtel Mobile Singapore Pte. Ltd.	Operation and provision of cellular mobile telecommunications systems and services, and sale of telecommunications equipment	100	100
13.	ST-2 Satellite Ventures Private Limited	Provision of satellite capacity for telecommunications and video broadcasting services	61.9	61.9
14.	Sembawang Cable Depot Pte Ltd	Provision of storage facilities for submarine telecommunication cables and related equipment	60	60
15.	Singtel Digital Media Pte Ltd	Development and management of on-line internet portal	100	100
16.	SingtelSat Pte Ltd	Provision of satellite capacity for telecommunications and video broadcasting services	100	100
17.	Telecom Equipment Pte Ltd	Engaged in the sale and maintenance of telecommunications equipment, and mobile finance services	100	100
18.	Trustwave Pte. Ltd.	Provision of information security services and products	98	98

All companies are audited by Deloitte & Touche LLP.

Notes to the Financial Statements

For the financial year ended 31 March 2018

42.2 Significant subsidiaries incorporated in Australia

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2018 %	2017 %
1.	Amobee ANZ Pty Ltd	Provision of digital marketing services	100	100
2.	Alphawest Services Pty Ltd ⁽¹⁾	Provision of information technology services	100	100
3.	En Syst Pty Limited	Provision of cloud services	100	100
4.	NCSI (Australia) Pty Limited	Provision of information technology services	100	100
5.	Optus Administration Pty Limited ⁽¹⁾	Provision of management services to the Optus Group	100	100
6.	Optus ADSL Pty Limited ⁽¹⁾	Provision of carriage services	100	100
7.	Optus Billing Services Pty Limited ^{(1) (1)}	Provision of billing services to the Optus Group	100	100
8.	Optus C1 Satellite Pty Limited ⁽¹⁾	C1 Satellite contracting party	100	100
9.	Optus Content Pty Limited ⁽¹⁾	Provision of digital content acquisition	100	100
10.	Optus Data Centres Pty Limited ⁽¹⁾	Provision of data communication services	100	100
11.	Optus Fixed Infrastructure Pty Limited ⁽¹⁾	Provision of telecommunications services	100	100
12.	Optus Insurance Services Pty Limited	Provision of handset insurance and related services	100	100
13.	Optus Internet Pty Limited ⁽¹⁾	Provision of services over Hybrid Fibre Co-Axial network and National Broadband Network	100	100
14.	Optus Mobile Pty Limited ⁽¹⁾	Provision of mobile phone services	100	100
15.	Optus Networks Pty Limited ⁽¹⁾	Provision of telecommunications services	100	100

Notes to the Financial Statements

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42.2 Significant subsidiaries incorporated in Australia (Cont'd)

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group	
			2018 %	2017 %
16.	Optus Satellite Pty Limited ⁽¹⁾	Provision of satellite services to customers	100	100
17.	Optus Systems Pty Limited ⁽¹⁾	Provision of information technology services to the Optus Group	100	100
18.	Optus Vision Media Pty Limited ⁽¹⁾⁽²⁾	Provision of broadcasting related services	20	20
19.	Optus Vision Pty Limited ⁽¹⁾	Provision of telecommunications services	100	100
20.	Optus Wholesale Pty Limited ⁽¹⁾	Provision of services to wholesale customers	100	100
21.	Prepaid Services Pty Limited ⁽¹⁾	Distribution of prepaid mobile products	100	100
22.	Reef Networks Pty Ltd ⁽¹⁾	Operation and maintenance of fibre optic network between Brisbane and Cairns	100	100
23.	TWH Australia Pty. Ltd.	Provision of information security services and products	98	98
24.	Uecomm Operations Pty Limited ⁽¹⁾	Provision of data communication services	100	100
25.	Virgin Mobile (Australia) Pty Limited ⁽¹⁾	Provision of mobile phone services	100	100
26.	Vividwireless Group Limited ⁽¹⁾	Provision of wireless broadband services	100	100

All companies are audited by Deloitte Touche Tohmatsu, Australia, except for those companies denoted (*) where no statutory audit is required.

Notes:

⁽¹⁾ These entities are relieved from the Australian Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports pursuant to ASIC Class Order 2016/785 (as amended) dated 30 March 2007.

⁽²⁾ Optus Vision Media Pty Limited is deemed to be a subsidiary by virtue of control.

Notes to the Financial Statements

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42.3 Significant subsidiaries incorporated outside Singapore and Australia

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group	
				2018 %	2017 %
1.	Amobee EMEA Limited	Provision of digital marketing services	United Kingdom	100	100
2.	Amobee, Inc.	Provision of digital marketing services	USA	100	100
3.	Amobee Ltd	Research and development centre	Israel	100	100
4.	Breach Security, Ltd.	Provision of information security services and products	Israel	98	98
5.	GB21 (Hong Kong) Limited	Provision of telecommunications services and products	Hong Kong	100	100
6.	Global Enterprise International Malaysia Sdn. Bhd.	Provision of data communication and value added network services	Malaysia	100	100
7.	HOOQ Digital (India) Private Limited	Provision of over-the-top video services and related activities and services	India	65	65
8.	HOOQ Digital Mauritius Private Limited	Content operations and procurement	Mauritius	65	65
9.	HOOQ Digital (Philippines) Inc.	Provision of market research, sales and marketing support services	Philippines	65	65
10.	HOOQ Digital (Thailand) Company Limited	Provision of market research, sales and marketing support services	Thailand	65	65
11.	Lanka Communication Services (Pvt) Limited	Provision of telecommunications services	Sri Lanka	82.9	82.9
12.	M86 Security International, Ltd.	Provision of information security services and products	United Kingdom	98	98

Notes to the Financial Statements

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42.3 Significant subsidiaries incorporated outside Singapore and Australia (Cont'd)

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group	
				2018 %	2017 %
13.	M86 Security Israel, Ltd.	Provision of information security services and products	Israel	98	98
14.	NCS Information Technology (Suzhou) Co., Ltd. ⁽²⁾	Software development and provision of information technology services	People's Republic of China	100	100
15.	NCSI (Chengdu) Co., Ltd ⁽²⁾	Provision of information technology research and development, and other information technology related services	People's Republic of China	100	100
16.	NCSI (HK) Limited	Provision of information technology services	Hong Kong	100	100
17.	NCSI (Malaysia) Sdn Bhd	Provision of information technology services	Malaysia	100	100
18.	NCSI (Philippines) Inc.	Provision of information technology and communication engineering services	Philippines	100	100
19.	NCSI (Shanghai), Co. Ltd ⁽²⁾	Provision of system integration, software research and development and other information technology related services	People's Republic of China	100	100
20.	SCS Information Technology Sdn Bhd	Consultancy, sale of computer equipment and software including provision of marketing, maintenance and other related services	Brunei	100	100
21.	Singtel Global Private Limited	Provision of infotainment products and services, and investment holding	Mauritius	100	100

Notes to the Financial Statements

For the financial year ended 31 March 2018

42.3 Significant subsidiaries incorporated outside Singapore and Australia (Cont'd)

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group	
				2018 %	2017 %
22.	Singtel Global India Private Limited	Provision of telecommunications services and all related activities	India	100	100
23.	Singtel Innov8 Ventures LLC	Provision of investment consulting services	USA	100	100
24.	Singapore Telecom Hong Kong Limited	Provision of telecommunications services and all related activities	Hong Kong	100	100
25.	Singapore Telecom Japan Co Ltd	Provision of telecommunications services and all related activities	Japan	100	100
26.	Singapore Telecom Korea Limited	Provision of telecommunications services and all related activities	South Korea	100	100
27.	Singapore Telecom USA, Inc.	Provision of telecommunications, engineering and marketing services	USA	100	100
28.	Singtel (Europe) Limited	Provision of telecommunications services and all related activities	United Kingdom	100	100
29.	Singtel Taiwan Limited	Provision of telecommunications services and all related activities	Taiwan	100	100
30.	STI Solutions (Shanghai) Co., Ltd	Provision of telecommunications services and all related activities	People's Republic of China	100	100
31.	Sudong Sdn. Bhd.	Management, provision and operations of a call centre for telecommunications services	Malaysia	100	100
32.	Trustwave Canada, Inc.	Provision of information security services and products	Canada	98	98
33.	Trustwave Government Solutions, LLC	Provision of information security services and products	USA	98	98

Notes to the Financial Statements

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42.3 Significant subsidiaries incorporated outside Singapore and Australia (Cont'd)

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group	
				2018 %	2017 %
34.	Trustwave Holdings, Inc.	Provision of information security services and products	USA	98	98
35.	Trustwave Limited	Provision of information security services and products	United Kingdom	98	98
36.	Trustwave SecureConnect Inc.	Provision of information security services and products	USA	98	98
37.	Turn Europe (UK) Limited	Provision of digital marketing services	United Kingdom	100	-
38.	Turn Inc.	Provision of digital marketing services	USA	100	-

All companies are audited by a member firm of Deloitte Touche Tohmatsu Limited.

Notes:

- (1) The place of the business of the subsidiaries are the same as their country of incorporation, unless otherwise specified.
 (2) Subsidiary's financial year-end is 31 December.

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42.4 Associates of the Group

	Name of associate	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group	
				2018 %	2017 %
1.	2359 Media Pte. Ltd.	Development and design of mobile-based advertising	Singapore	28.6	28.6
2.	APT Satellite Holdings Limited ⁽²⁾	Investment holding	Bermuda	20.3	20.3
3.	APT Satellite International Company Limited ⁽²⁾	Investment holding	British Virgin Islands	28.6	28.6
4.	HOPE Technik Pte Ltd	Provision of high performance engineering solutions	Singapore	21.3	21.3
5.	IGA Limited	Provision of online digital advertising platform	Cayman Islands	22.1	22.1
6.	Intouch Holdings Public Company Limited ⁽³⁾	Investment holding	Thailand	21.0	21.0
7.	Kai Square	Provision of next generation cloud-based video surveillance services, monitoring and analytics	Singapore	39.2	39.2
8.	MassiveImpact International Ltd	Provision of performance based mobile advertising platform	British Virgin Islands	48.9	48.9
9.	NetLink Trust ⁽⁴⁾	To own, install, operate and maintain the passive infrastructure for Singapore's Next Generation Nationwide Broadband Network	Singapore	24.8	100.0
10.	NetLink NBN Trust ⁽⁴⁾	Investment holding	Singapore	24.8	-
11.	Sentilla Corporation	Provision of energy management services for data centres	USA	31.0	31.0

Notes to the Financial Statements

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42.4 Associates of the Group (Cont'd)

Name of associate	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group	
			2018 %	2017 %
12. Singapore Post Limited ⁽⁵⁾	Operation and provision of postal, eCommerce logistics and retail services	Singapore	21.7	21.7
13. Viewers Choice Pte Ltd	Provision of services relating to motor vehicle rental and retail of general merchandise	Singapore	49.2	49.2

Notes:

- ⁽¹⁾ The place of business of the associates are the same as their country of incorporation.
- ⁽²⁾ The company has been equity accounted for in the consolidated financial statements based on results ended, or as at, 31 December 2017, the financial year-end of the company.
- ⁽³⁾ Audited by Deloitte Touche Tohmatsu Jaiyos Audit Co. Ltd, Bangkok.
- ⁽⁴⁾ Audited by Deloitte & Touche LLP, Singapore. Singtel ceased to own units in NetLink Trust following the sale to NetLink NBN Trust in July 2017 but continues to have an interest of 24.8% in NetLink NBN Trust, the holding company of NetLink Trust. NetLink NBN Trust is regarded as an associate as Singtel does not have effective control in the trust.
- ⁽⁵⁾ Audited by Deloitte & Touche LLP, Singapore.

Notes to the Financial Statements

For the financial year ended 31 March 2018

42.5 Joint ventures of the Group

	Name of joint venture	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group	
				2018 %	2017 %
1.	Acasia Communications Sdn Bhd ⁽³⁾	Provision of networking services to business customers operating within and outside Malaysia	Malaysia	14.3	14.3
2.	ACPL Marine Pte Ltd	To own, operate and manage maintenance-cum-laying cables	Singapore	16.7	41.7
3.	Advanced Info Service Public Company Limited ^{(4) (5)}	Provision of mobile, broadband, international telecommunications services, call centre and data transmission	Thailand	23.3	23.3
4.	ASEAN Cables Pte Ltd	Operation of cables for laying, repair and maintenance of submarine telecommunication cables	Singapore	16.7	16.7
5.	ASEAN Telecom Holdings Sdn Bhd ⁽³⁾	Investment holding	Malaysia	14.3	14.3
6.	Asiacom Philippines, Inc. ⁽³⁾	Investment holding	Philippines	40.0	40.0
7.	Bharti Airtel Limited ⁽⁶⁾	Provision of mobile, long distance, broadband and telephony telecommunications services, enterprise solutions, pay television and passive infrastructure	India	39.5	36.5
8.	Bharti Telecom Limited ⁽⁶⁾	Investment holding	India	48.9	47.2
9.	Bridge Mobile Pte. Ltd.	Provision of regional mobile services	Singapore	34.5	34.2

Notes to the Financial Statements

For the financial year ended 31 March 2018

42.5 Joint ventures of the Group (Cont'd)

	Name of joint venture	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group	
				2018 %	2017 %
10.	Globe Telecom, Inc. ^{(7) (8)}	Provision of mobile, broadband, international and fixed line telecommunications services	Philippines	21.5	21.5
11.	Grid Communications Pte. Ltd. ⁽³⁾	Provision of public trunk radio services	Singapore	50.0	50.0
12.	Indian Ocean Cables Pte. Ltd.	Leasing, operating and managing of maintenance-cum-laying cables	Singapore	50.0	50.0
13.	International Cables Pte Ltd	Ownership and chartering of cables	Singapore	45.0	45.0
14.	Main Event Television Pty Limited	Provision of cable television programmes	Australia	33.3	33.3
15.	Pacific Bangladesh Telecom Limited	Provision of mobile telecommunications, broadband and data transmission services	Bangladesh	45.0	45.0
16.	Pacific Carriage Holdings Limited ⁽⁹⁾	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	39.99	39.99
17.	PT Telekomunikasi Selular ⁽¹⁰⁾	Provision of mobile telecommunications and related services	Indonesia	35.0	35.0
18.	Radiance Communications Pte Ltd ⁽³⁾	Sale, distribution, installation and maintenance of telecommunications equipment	Singapore	50.0	50.0
19.	Southern Cross Cables Holdings Limited ^{(9) (11)}	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	39.99	39.99

Notes to the Financial Statements

For the financial year ended 31 March 2018

42.5 Joint ventures of the Group (Cont'd)

	Name of joint venture	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group	
				2018 %	2017 %
20.	Telescience Singapore Pte Ltd	Sale, distribution and installation of telecommunications and information technology equipment and services	Singapore	50.0	50.0
21.	VA Dynamics Sdn. Bhd. ⁽³⁾	Distribution of networking cables and related products	Malaysia	49.0	49.0

Notes:

- ⁽¹⁾ The place of business of the joint ventures are the same as their country of incorporation, unless otherwise specified.
- ⁽²⁾ The Group holds substantive participating rights over the significant financial and operating decisions of the above joint ventures, which enables the Group to exercise joint control with the other shareholders.
- ⁽³⁾ The company has been equity accounted for in the consolidated financial statements based on the results ended, or as at, 31 December 2017, the financial year-end of the company.
- ⁽⁴⁾ Audited by Deloitte Touche Tohmatsu Jaiyos Audit Co. Ltd, Bangkok.
- ⁽⁵⁾ This represents the Group's direct interest in AIS.
- ⁽⁶⁾ Audited by Deloitte Haskins & Sells LLP, New Delhi. The company has operations in India, Sri Lanka, and 14 countries across Africa.
- ⁽⁷⁾ Audited by Navarro Amper & Co. (a member firm of Deloitte Touche Tohmatsu Limited).
- ⁽⁸⁾ The Group has a 47.1% effective economic interest in Globe.
- ⁽⁹⁾ The Southern Cross Cable Consortium operates through two separate companies. Southern Cross Cables Holdings Limited owns a cable network between Australia and the USA, with operations outside the USA. Pacific Carriage Holdings Limited has operations within the USA.
- ⁽¹⁰⁾ Audited by Purwantono, Sungkoro & Surja (a member firm of Ernst & Young).
- ⁽¹¹⁾ Audited by KPMG, Bermuda.

Interested Person Transactions

The aggregate value of all interested person transactions during the financial year ended 31 March 2018 (excluding transactions less than S\$100,000) were as follows -

Name of interested person	S\$ mil
Aetos Security Management Pte Ltd	2.4
Ascendas - Singbridge Pte Ltd	0.1
Certis CISCO Auxiliary Police Force Pte Ltd	3.3
Fullerton Fund Management Company Ltd	0.7
Mapletree Investments Pte Ltd	0.2
MCN International Pte Ltd	1.7
Mediacorp Pte Ltd	0.9
Mediacorp VizPro International Pte Ltd	2.9
Nexwave Technologies Pte Ltd	0.1
Nucleus Connect Pte. Ltd.	6.6
PSA Corporation Ltd	0.2
Radiance Communications Pte Ltd	3.9
SDDA Pte Ltd	0.1
Singapore Technologies Electronics Limited	4.2
SMM Pte Ltd	1.2
SMRT Services Pte. Ltd.	0.3
StarHub Cable Vision Ltd	28.9
StarHub Ltd	11.2
StarHub Mobile Pte Ltd	3.5
ST Electronics (Info-Security) Pte Ltd	1.8
Surbana Jurong Consultants Pte Ltd	0.2
	74.4

Shareholder Information

As at 23 May 2018

ORDINARY SHARES

Number of ordinary shareholders	323,397
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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	415,011,767 ⁽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	1,966,961,431	12.05
3	DBS Nominees (Private) Limited	1,705,277,420 ⁽²⁾	10.44
4	DBSN Services Pte Ltd	987,327,995	6.05
5	Central Provident Fund Board	842,949,906	5.16
6	HSBC (Singapore) Nominees Pte Ltd	612,565,383	3.75
7	Atrium Investments Pte Ltd	385,581,351	2.36
8	United Overseas Bank Nominees (Private) Limited	236,173,687	1.45
9	Raffles Nominees (Pte) Ltd	196,333,123	1.20
10	BPSS Nominees Singapore (Pte.) Ltd.	130,362,240	0.80
11	Societe Generale Singapore Branch	36,296,624	0.22
12	DB Nominees (Singapore) Pte Ltd	34,230,868	0.21
13	OCBC Nominees Singapore Private Limited	30,118,421	0.18
14	Maybank Kim Eng Securities Pte Ltd	24,750,597	0.15
15	OCBC Securities Private Ltd	16,705,675	0.10
16	Phillip Securities Pte Ltd	15,047,593	0.09
17	UOB Kay Hian Pte Ltd	10,879,016	0.07
18	Morgan Stanley Asia (Singapore) Securities Pte Ltd	10,728,985	0.07
19	Merrill Lynch (Singapore) Pte Ltd	10,187,942	0.06
20	BNP Paribas Nominees Singapore Pte Ltd	8,229,085	0.05
		<u>15,393,525,944</u>	<u>94.27</u>

Notes:

⁽¹⁾ The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the Company as at 23 May 2018, excluding 579,176 ordinary shares held as treasury shares as at that date.

⁽²⁾ Excludes 579,176 ordinary shares held by DBS Nominees (Private) Limited as treasury shares for the account of the Company.

Shareholder Information

As at 23 May 2018

ANALYSIS OF SHAREHOLDERS

Range of holdings	No. of holders	% of holders	No. of shares	% of issued share capital
1 - 99	2,857	0.88	116,070	0.00
100 - 1,000	239,047	73.92	59,794,679	0.37
1,001 - 10,000	66,772	20.65	243,347,135	1.49
10,001 - 1,000,000	14,665	4.53	543,637,553	3.33
1,000,001 and above	56	0.02	15,482,262,863	94.81
	323,397	100.00	16,329,158,300	100.00

Note:

As at 23 May 2018, the Company had 579,176 treasury shares and no subsidiary holdings. Based on information available to the Company as at 23 May 2018, 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 23 May 2018, excluding 579,176 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 25th Annual General Meeting of the Company held on 28 July 2017 (2017 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 2017 AGM. As at 23 May 2018, there is no current on-market buy-back of shares pursuant to the mandate.

Corporate Information ⁽¹⁾

BOARD OF DIRECTORS

Simon Israel (Chairman)
Gautam Banerjee
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)
Gautam Banerjee
Christina Ong
Peter Ong

CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE

Low Check Kian (Chairman)
Simon Israel
Christina Ong
Teo Swee Lian

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)
Gautam Banerjee
Bobby Chin
Peter Ong

OPTUS ADVISORY COMMITTEE

Peter Mason AM ⁽²⁾ (Chairman)
Chua Sock Koong
David Gonski AC ⁽³⁾
Simon Israel
Gail Kelly
John Morschel
Paul O'Sullivan

TECHNOLOGY ADVISORY PANEL

Venky Ganesan (Chairman)
Koh Boon Hwee
Zorawar Biri Singh

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⁽¹⁾ The information in this section is as at 16 May 2018.

⁽²⁾ Member of the Order of Australia.

⁽³⁾ Companion of the Order of Australia.

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