



**SINGAPORE TELECOMMUNICATIONS LIMITED
AND SUBSIDIARY COMPANIES**

**SGX APPENDIX 7.2 ANNOUNCEMENT
FOR THE THIRD QUARTER AND NINE MONTHS ENDED
31 DECEMBER 2019**

<u>Contents</u>	<u>Page</u>
Consolidated income statement	1
Consolidated statement of comprehensive income	2
Statements of financial position (Group and Company)	3
Statements of changes in equity (Group and Company)	5
Consolidated statement of cash flows	13
Selected notes to the interim financial statements	16
Dividends	26
Subsequent event.....	34
Confirmation by the Board	35
Independent auditors' review report	36

CONSOLIDATED INCOME STATEMENT*For the third quarter and nine months ended 31 December 2019*

Group (Unaudited)	Notes	Quarter 31 Dec		Nine Months 31 Dec	
		2019 S\$ Mil	2018 S\$ Mil	2019 S\$ Mil	2018 S\$ Mil
Operating revenue		4,378.3	4,626.1	12,643.1	13,029.7
Operating expenses	2	(3,255.3)	(3,483.2)	(9,273.4)	(9,666.4)
Other income	3	40.6	47.1	139.3	162.2
		1,163.6	1,190.0	3,509.0	3,525.5
Depreciation and amortisation	4	(633.0)	(553.4)	(1,918.7)	(1,661.0)
		530.6	636.6	1,590.3	1,864.5
Exceptional items	5	74.3	56.9	134.0	69.8
Profit on operating activities		604.9	693.5	1,724.3	1,934.3
Share of results of associates and joint ventures	6	161.6	377.3	(625.3)	1,154.5
Net profit before interest, investment income (net) and tax		766.5	1,070.8	1,099.0	3,088.8
Interest and investment income (net)	7	91.2	4.0	163.4	29.6
Finance costs	8	(115.8)	(102.2)	(352.7)	(291.6)
Net profit before tax		741.9	972.6	909.7	2,826.8
Tax expense	9	(122.0)	(155.7)	(429.0)	(522.6)
Net profit after tax		619.9	816.9	480.7	2,304.2
Attributable to:					
Shareholders of the Company		627.2	822.8	500.2	2,321.5
Non-controlling interests		(7.3)	(5.9)	(19.5)	(17.3)
		619.9	816.9	480.7	2,304.2
Earnings per share attributable to shareholders of the Company					
- basic	10	3.84¢	5.04¢	3.06¢	14.22¢
- diluted	10	3.84¢	5.03¢	3.06¢	14.20¢

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the third quarter and nine months ended 31 December 2019*

Group (Unaudited)	Quarter 31 Dec		Nine Months 31 Dec	
	2019 S\$ Mil	2018 S\$ Mil	2019 S\$ Mil	2018 S\$ Mil
Net profit after tax	619.9	816.9	480.7	2,304.2
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	(221.6)	148.7	(111.4)	(535.9)
Cash flow hedges				
- Fair value changes	(187.7)	42.4	(43.3)	188.3
- Tax effects	10.3	(17.4)	(7.7)	(36.3)
	(177.4)	25.0	(51.0)	152.0
- Fair value changes transferred to income statement	115.0	(30.6)	6.8	(174.6)
- Tax effects	(8.1)	10.3	10.6	27.8
	106.9	(20.3)	17.4	(146.8)
	(70.5)	4.7	(33.6)	5.2
Share of other comprehensive (loss)/ gain of associates and joint ventures	(7.5)	175.3	(151.3)	268.6
Items that will not be reclassified subsequently to income statement:				
Fair value changes on Fair Value through Other Comprehensive Income ("FVOCI") investments	111.2	(12.1)	(65.4)	15.1
Other comprehensive (loss)/ income, net of tax	(188.4)	316.6	(361.7)	(247.0)
Total comprehensive income	431.5	1,133.5	119.0	2,057.2
Attributable to:				
Shareholders of the Company	437.8	1,139.4	137.9	2,075.6
Non-controlling interests	(6.3)	(5.9)	(18.9)	(18.4)
	431.5	1,133.5	119.0	2,057.2

STATEMENTS OF FINANCIAL POSITION*As at 31 December 2019*

	Notes	Group		Company	
		As at	As at	As at	As at
		31 Dec 19	31 Mar 19	31 Dec 19	31 Mar 19
		S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
Current assets					
Cash and cash equivalents		576.1	512.7	57.1	81.6
Trade and other receivables		5,975.2	5,992.7	503.2	478.8
Due from subsidiaries		-	-	2,149.5	1,482.1
Inventories		317.9	417.6	34.3	37.2
Derivative financial instruments		198.4	155.1	6.1	0.7
		7,067.6	7,078.1	2,750.2	2,080.4
Non-current assets					
Property, plant and equipment		10,644.6	11,050.4	2,220.7	2,250.0
Right-Of-Use assets		2,095.8	-	534.3	-
Intangible assets		13,853.6	14,016.7	-	-
Subsidiaries		-	-	20,767.8	20,009.2
Joint ventures		11,443.5	12,857.9	22.8	22.8
Associates		2,128.9	2,060.2	24.7	24.7
Fair value through other comprehensive income ("FVOCI") investments		644.0	646.9	4.7	5.3
Derivative financial instruments		102.9	283.6	14.5	125.9
Deferred tax assets		247.1	276.6	-	-
Other assets		704.5	644.4	122.1	130.7
		41,864.9	41,836.7	23,711.6	22,568.6
Total assets		48,932.5	48,914.8	26,461.8	24,649.0
Current liabilities					
Trade and other payables		5,374.9	5,817.1	872.7	1,025.1
Due to subsidiaries		-	-	1,795.1	712.4
Advance billings		771.5	812.1	81.2	89.8
Current tax liabilities		161.4	255.0	93.9	83.6
Borrowings (unsecured)	12	2,889.6	1,846.2	-	-
Borrowings (secured)	12	446.5	34.0	65.9	4.8
Derivative financial instruments		24.0	9.2	0.9	0.5
Net deferred gain		20.8	20.8	-	-
Dividend payable		1,110.4	-	1,110.4	-
		10,799.1	8,794.4	4,020.1	1,916.2

STATEMENTS OF FINANCIAL POSITION*As at 31 December 2019*

	Notes	Group		Company	
		As at	As at	As at	As at
		31 Dec 19	31 Mar 19	31 Dec 19	31 Mar 19
		S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
Non-current liabilities					
Advance billings		208.2	197.4	128.0	129.2
Borrowings (unsecured)	12	7,853.9	8,734.4	811.8	786.5
Borrowings (secured)	12	1,888.8	49.5	592.0	7.7
Derivative financial instruments		212.9	149.5	65.9	191.8
Net deferred gain		384.3	375.0	-	-
Deferred tax liabilities		551.8	515.1	282.7	274.5
Other non-current liabilities		162.9	289.8	23.1	26.5
		11,262.8	10,310.7	1,903.5	1,416.2
Total liabilities		22,061.9	19,105.1	5,923.6	3,332.4
Net assets		26,870.6	29,809.7	20,538.2	21,316.6
Share capital and reserves					
Share capital	13	4,127.3	4,127.3	4,127.3	4,127.3
Reserves		22,795.4	25,710.5	16,410.9	17,189.3
Equity attributable to shareholders of the Company		26,922.7	29,837.8	20,538.2	21,316.6
Non-controlling interests		(52.1)	(28.1)	-	-
Total equity		26,870.6	29,809.7	20,538.2	21,316.6

STATEMENTS OF CHANGES IN EQUITY*For the third quarter ended 31 December 2019*

Group - 2019 (Unaudited)	Attributable to shareholders of the Company								Non- controlling Interests S\$ Mil	Total Equity S\$ Mil	
	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Currency		Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Other Reserves ⁽³⁾ S\$ Mil			
				Translation Reserve ⁽²⁾ S\$ Mil	Hedging Reserve S\$ Mil						
Balance as at 1 October 2019	4,127.3	(19.0)	(76.5)	(1,656.9)	37.2	(196.8)	25,373.1	1.1	27,589.5	(40.6)	27,548.9
Changes in equity for the quarter											
Performance shares purchased by Trust ⁽⁴⁾	-	(5.0)	-	-	-	-	-	-	(5.0)	-	(5.0)
Performance shares vested	-	0.1	(0.1)	-	-	-	-	-	-	-	-
Equity-settled share based payment	-	-	10.8	-	-	-	-	-	10.8	-	10.8
Transfer of liability to equity	-	-	0.1	-	-	-	-	-	0.1	-	0.1
Cash paid to employees under performance share plans	-	-	(0.1)	-	-	-	-	-	(0.1)	-	(0.1)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(5.2)	(5.2)
Interim dividend payable	-	-	-	-	-	-	(1,110.4)	-	(1,110.4)	-	(1,110.4)
Reclassification due to disposal of FVOCI Investments	-	-	-	-	-	(0.3)	0.3	-	-	-	-
	-	(4.9)	10.7	-	-	(0.3)	(1,110.1)	-	(1,104.6)	(5.2)	(1,109.8)
Total comprehensive (loss)/ income for the quarter	-	-	-	(222.6)	(70.5)	111.2	627.2	(7.5)	437.8	(6.3)	431.5
Balance as at 31 December 2019	4,127.3	(23.9)	(65.8)	(1,879.5)	(33.3)	(85.9)	24,890.2	(6.4)	26,922.7	(52.1)	26,870.6

STATEMENTS OF CHANGES IN EQUITY*For the third quarter ended 31 December 2019*

Group - 2018 (Unaudited)	Attributable to shareholders of the Company								Total	Non- controlling Interests	Total Equity
	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Currency Translation Reserve ⁽²⁾ S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Other Reserves ⁽³⁾ S\$ Mil			
Balance as at 1 October 2018	4,127.3	(20.7)	(89.8)	(1,967.2)	(53.8)	4.0	27,026.2	(107.5)	28,918.5	(11.2)	28,907.3
Changes in equity for the quarter											
Performance shares purchased by Trust ⁽⁴⁾	-	(5.6)	-	-	-	-	-	-	(5.6)	-	(5.6)
Equity-settled share based payment	-	-	9.4	-	-	-	-	-	9.4	0.1	9.5
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(5.4)	(5.4)
Interim dividend payable	-	-	-	-	-	-	(1,110.4)	-	(1,110.4)	-	(1,110.4)
Reclassification due to disposal of FVOCI Investments	-	-	-	-	-	(0.8)	0.8	-	-	-	-
Others	-	-	-	-	-	-	0.6	-	0.6	-	0.6
	-	(5.6)	9.4	-	-	(0.8)	(1,109.0)	-	(1,106.0)	(5.3)	(1,111.3)
Total comprehensive income/ (loss) for the quarter	-	-	-	148.7	4.7	(12.1)	822.8	175.3	1,139.4	(5.9)	1,133.5
Balance as at 31 December 2018	4,127.3	(26.3)	(80.4)	(1,818.5)	(49.1)	(8.9)	26,740.0	67.8	28,951.9	(22.4)	28,929.5

STATEMENTS OF CHANGES IN EQUITY*For the third quarter ended 31 December 2019*

Company - 2019 (Unaudited)	Share Capital 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 October 2019	4,127.3	53.5	34.1	1.3	17,125.1	21,341.3
Changes in equity for the quarter						
Equity-settled share based payment	-	2.2	-	-	-	2.2
Cash paid to employees under performance share plans	-	(0.1)	-	-	-	(0.1)
Contribution to Trust ⁽⁴⁾	-	(4.1)	-	-	-	(4.1)
Interim dividend payable	-	-	-	-	(1,110.4)	(1,110.4)
	-	(2.0)	-	-	(1,110.4)	(1,112.4)
Total comprehensive (loss)/ income for the quarter	-	-	(15.4)	0.2	324.5	309.3
Balance as at 31 December 2019	4,127.3	51.5	18.7	1.5	16,339.2	20,538.2

STATEMENTS OF CHANGES IN EQUITY*For the third quarter ended 31 December 2019*

Company - 2018 (Unaudited)	Share Capital 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 October 2018	4,127.3	48.6	21.2	3.0	16,713.0	20,913.1
Changes in equity for the quarter						
Equity-settled share based payment	-	2.5	-	-	-	2.5
Contribution to Trust ⁽⁴⁾	-	(4.5)	-	-	-	(4.5)
Interim dividend payable	-	-	-	-	(1,110.4)	(1,110.4)
	-	(2.0)	-	-	(1,110.4)	(1,112.4)
Total comprehensive income/ (loss) for the quarter	-	-	1.7	(1.2)	1,143.4	1,143.9
Balance as at 31 December 2018	4,127.3	46.6	22.9	1.8	16,746.0	20,944.6

Notes:

- (1) 'Treasury Shares' are accounted for in accordance with SFRS(I) 1-32, *Financial Instruments: Presentation*.
- (2) 'Currency Translation Reserve' relates mainly to the translation of the net assets of foreign subsidiaries, associates and joint ventures of the Group denominated mainly in Australian Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Thai Baht and United States Dollar.
- (3) 'Other Reserves' relate mainly to goodwill on acquisitions completed prior to 1 April 2001 and the share of other comprehensive income or loss of the associates and joint ventures.
- (4) DBS Trustee Limited (the "Trust") is the trustee of a trust established to administer the performance share plans.

STATEMENTS OF CHANGES IN EQUITY*For the nine months ended 31 December 2019*

Group - 2019 (Unaudited)	Attributable to shareholders of the Company									Non- controlling Interests S\$ Mil	Total Equity S\$ Mil
	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Currency Translation Reserve ⁽²⁾ S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Other Reserves ⁽³⁾ S\$ Mil	Total S\$ Mil		
Balance as at 1 April 2019, previously reported	4,127.3	(31.7)	(76.3)	(1,767.5)	0.3	(10.3)	27,513.0	83.0	29,837.8	(28.1)	29,809.7
Effects of adoption of SFRS(I) 16	-	-	-	-	-	-	(215.5)	-	(215.5)	-	(215.5)
Balance as at 1 April 2019, restated	4,127.3	(31.7)	(76.3)	(1,767.5)	0.3	(10.3)	27,297.5	83.0	29,622.3	(28.1)	29,594.2
Changes in equity for the period											
Performance shares purchased by the Company	-	(1.4)	-	-	-	-	-	-	(1.4)	-	(1.4)
Performance shares purchased by Trust ⁽⁵⁾	-	(9.2)	-	-	-	-	-	-	(9.2)	-	(9.2)
Performance shares vested	-	18.4	(18.4)	-	-	-	-	-	-	-	-
Equity-settled share based payment	-	-	29.7	-	-	-	-	-	29.7	0.1	29.8
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	-	-	(5.2)	-	-	-	-	-	(5.2)	-	(5.2)
Goodwill transferred from 'Other Reserves' to Retained Earnings' on dilution	-	-	-	-	-	-	(61.9)	61.9	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(5.2)	(5.2)
Interim dividend payable	-	-	-	-	-	-	(1,110.4)	-	(1,110.4)	-	(1,110.4)
Final dividend paid	-	-	-	-	-	-	(1,746.7)	-	(1,746.7)	-	(1,746.7)
Reclassification due to disposal of FVOCI investments	-	-	-	-	-	(10.2)	10.2	-	-	-	-
Others	-	-	-	-	-	-	1.3	-	1.3	-	1.3
	-	7.8	10.5	-	-	(10.2)	(2,907.5)	61.9	(2,837.5)	(5.1)	(2,842.6)
Total comprehensive (loss)/ income for the period	-	-	-	(112.0)	(33.6)	(65.4)	500.2	(151.3)	137.9	(18.9)	119.0
Balance as at 31 December 2019	4,127.3	(23.9)	(65.8)	(1,879.5)	(33.3)	(85.9)	24,890.2	(6.4)	26,922.7	(52.1)	26,870.6

STATEMENTS OF CHANGES IN EQUITY*For the nine months ended 31 December 2019*

Group - 2018 (Unaudited)	Attributable to shareholders of the Company									Non- controlling Interests S\$ Mil	Other Reserve ⁽⁴⁾ S\$ Mil	Total Equity S\$ Mil
	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Currency					Total S\$ Mil			
				Translation Reserve ⁽²⁾ S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Other Reserves ⁽³⁾ S\$ Mil				
Balance as at 1 April 2018	4,127.3	(32.7)	(96.2)	(1,283.7)	(54.3)	(18.9)	27,269.4	(173.8)	29,737.1	(3.2)	(22.4)	29,711.5
Changes in equity for the period												
Performance shares purchased by the Company	-	(0.7)	-	-	-	-	-	-	(0.7)	-	-	(0.7)
Performance shares purchased by Trust ⁽⁵⁾	-	(13.1)	-	-	-	-	-	-	(13.1)	-	-	(13.1)
Performance shares vested	-	20.2	(20.2)	-	-	-	-	-	-	-	-	-
Equity-settled share based payment	-	-	33.8	-	-	-	-	-	33.8	-	-	33.8
Transfer of liability to equity	-	-	7.8	-	-	-	-	-	7.8	-	-	7.8
Cash paid to employees under performance share plans	-	-	(0.1)	-	-	-	-	-	(0.1)	-	-	(0.1)
Performance shares purchased by Optus and vested	-	-	(5.5)	-	-	-	-	-	(5.5)	-	-	(5.5)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(5.4)	-	(5.4)
Interim dividend payable	-	-	-	-	-	-	(1,110.4)	-	(1,110.4)	-	-	(1,110.4)
Final dividend paid	-	-	-	-	-	-	(1,746.7)	-	(1,746.7)	-	-	(1,746.7)
Acquisition of non-controlling interests ⁽⁴⁾	-	-	-	-	-	-	-	(27.0)	(27.0)	4.6	22.4	-
Reclassification due to disposal of FVOCI investments	-	-	-	-	-	(5.1)	5.1	-	-	-	-	-
Others	-	-	-	-	-	-	1.1	-	1.1	-	-	1.1
	-	6.4	15.8	-	-	(5.1)	(2,850.9)	(27.0)	(2,860.8)	(0.8)	22.4	(2,839.2)
Total comprehensive (loss)/ income for the period	-	-	-	(534.8)	5.2	15.1	2,321.5	268.6	2,075.6	(18.4)	-	2,057.2
Balance as at 31 December 2018	4,127.3	(26.3)	(80.4)	(1,818.5)	(49.1)	(8.9)	26,740.0	67.8	28,951.9	(22.4)	-	28,929.5

STATEMENTS OF CHANGES IN EQUITY*For the nine months ended 31 December 2019*

Company - 2019 (Unaudited)	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 2019, previously reported	4,127.3	(1.1)	45.2	24.2	2.0	17,119.0	21,316.6
Effects of adoption of SFRS(I) 16	-	-	-	-	-	(73.2)	(73.2)
Balance as at 1 April 2019, restated	4,127.3	(1.1)	45.2	24.2	2.0	17,045.8	21,243.4
Changes in equity for the period							
Performance shares purchased by the Company	-	(0.2)	-	-	-	-	(0.2)
Performance shares vested	-	1.3	(1.3)	-	-	-	-
Equity-settled share based payment	-	-	9.5	-	-	-	9.5
Transfer of liability to equity	-	-	4.6	-	-	-	4.6
Cash paid to employees under performance share plans	-	-	(0.3)	-	-	-	(0.3)
Contribution to Trust ⁽⁵⁾	-	-	(6.2)	-	-	-	(6.2)
Interim dividend payable	-	-	-	-	-	(1,110.4)	(1,110.4)
Final dividend paid	-	-	-	-	-	(1,747.2)	(1,747.2)
Others	-	-	-	-	-	1.3	1.3
	-	1.1	6.3	-	-	(2,856.3)	(2,848.9)
Total comprehensive (loss)/ income for the period	-	-	-	(5.5)	(0.5)	2,149.7	2,143.7
Balance as at 31 December 2019	4,127.3	-	51.5	18.7	1.5	16,339.2	20,538.2

STATEMENTS OF CHANGES IN EQUITY*For the nine months ended 31 December 2019*

Company - 2018 (Unaudited)	Share Capital S\$ Mil	Treasury Shares ⁽¹⁾ S\$ Mil	Capital Reserve S\$ Mil	Hedging Reserve S\$ Mil	Fair Value Reserve S\$ Mil	Retained Earnings S\$ Mil	Total Equity S\$ Mil
Balance as at 1 April 2018	4,127.3	(1.0)	39.4	4.0	2.2	17,112.2	21,284.1
Changes in equity for the period							
Performance shares purchased by the Company	-	(0.7)	-	-	-	-	(0.7)
Performance shares vested	-	1.7	(1.7)	-	-	-	-
Equity-settled share based payment	-	-	11.0	-	-	-	11.0
Transfer of liability to equity	-	-	7.8	-	-	-	7.8
Cash paid to employees under performance share plans	-	-	(0.1)	-	-	-	(0.1)
Contribution to Trust ⁽⁵⁾	-	-	(9.8)	-	-	-	(9.8)
Interim dividend payable	-	-	-	-	-	(1,110.4)	(1,110.4)
Final dividend paid	-	-	-	-	-	(1,747.2)	(1,747.2)
	-	1.0	7.2	-	-	(2,857.6)	(2,849.4)
Total comprehensive income/ (loss) for the period	-	-	-	18.9	(0.4)	2,491.4	2,509.9
Balance as at 31 December 2018	4,127.3	-	46.6	22.9	1.8	16,746.0	20,944.6

Notes:

- (1) 'Treasury Shares' are accounted for in accordance with SFRS(I) 1-32, *Financial Instruments: Presentation*.
- (2) 'Currency Translation Reserve' relates mainly to the translation of the net assets of foreign subsidiaries, associates and joint ventures of the Group denominated mainly in Australian Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Thai Baht and United States Dollar.
- (3) 'Other Reserves' relate mainly to goodwill on acquisitions completed prior to 1 April 2001 and the share of other comprehensive income or loss of the associates and joint ventures.
- (4) This amount was a reserve for an obligation which arose from a put option written with the non-controlling shareholder of Trustwave Holdings, Inc. ("**Trustwave**"). In May 2018, the put option was exercised for the acquisition of the remaining 2% equity interest in Trustwave.
- (5) DBS Trustee Limited (the "**Trust**") is the trustee of a trust established to administer the performance share plans.

CONSOLIDATED STATEMENT OF CASH FLOWS*For the third quarter and nine months ended 31 December 2019*

Group (Unaudited)	Quarter 31 Dec		Nine Months 31 Dec	
	2019 S\$ Mil	2018 S\$ Mil	2019 S\$ Mil	2018 S\$ Mil
Cash Flows from Operating Activities				
Net profit before tax	741.9	972.6	909.7	2,826.8
Adjustments for				
Depreciation and amortisation	633.0	553.4	1,918.7	1,661.0
Exceptional items	(90.9)	(59.2)	(186.5)	(164.3)
Interest and investment income (net)	(91.2)	(4.0)	(163.4)	(29.6)
Finance costs	115.8	102.2	352.7	291.6
Share of results of associates and joint ventures (post-tax)	(161.6)	(377.3)	625.3	(1,154.5)
Other non-cash items	14.4	10.7	41.0	28.2
	419.5	225.8	2,587.8	632.4
Operating cash flow before working capital changes	1,161.4	1,198.4	3,497.5	3,459.2
Changes in operating assets and liabilities				
Trade and other receivables	(339.8)	(495.9)	(205.6)	(614.4)
Trade and other payables	411.8	300.8	(102.9)	79.5
Inventories	33.2	(144.8)	100.4	(95.2)
Cash generated from operations	1,266.6	858.5	3,289.4	2,829.1
Payment to employees in cash under performance share plans	(0.1)	-	(0.5)	(0.1)
Dividends received from associates and joint ventures	174.3	98.5	1,392.8	1,507.6
Income tax and withholding tax paid	(85.8)	(155.5)	(431.1)	(573.9)
Net cash from operating activities	1,355.0	801.5	4,250.6	3,762.7
Cash Flows from Investing Activities				
Investment income received from FVOCI investments	92.7	0.2	147.6	0.3
Interest received	2.2	1.8	5.5	5.1
Investment in associate/ joint venture (Note 1)	(4.6)	(1.3)	(751.4)	(1.3)
Payment for acquisition of intangibles and other assets (Note 2)	-	-	-	(123.1)
Payment for acquisition of subsidiary, net of cash acquired (Note 3)	-	(5.8)	-	(5.8)
Payment for acquisition of non-controlling interests	-	-	-	(16.1)
Proceeds/ Deferred proceeds from disposal of an associate	2.8	8.8	6.9	12.8
Investment in FVOCI investments (Note 4)	(6.9)	(356.0)	(79.7)	(380.2)
Proceeds from sale of FVOCI investments	0.5	7.3	17.6	13.8
Balance carried forward	86.7	(345.0)	(653.5)	(494.5)

CONSOLIDATED STATEMENT OF CASH FLOWS*For the third quarter and nine months ended 31 December 2019*

Group (Unaudited)	Quarter 31 Dec		Nine Months 31 Dec	
	2019 S\$ Mil	2018 S\$ Mil	2019 S\$ Mil	2018 S\$ Mil
Cash Flows from Investing Activities (continued)				
Balance brought forward	86.7	(345.0)	(653.5)	(494.5)
Proceeds from disposal of subsidiary	-	0.2	-	0.2
Payment for purchase of property, plant and equipment	(609.3)	(414.2)	(1,512.3)	(1,233.2)
Proceeds from sale of property, plant and equipment	123.5	0.2	128.1	138.1
Purchase of intangible assets	(37.6)	(38.2)	(141.1)	(134.4)
Withholding tax paid on intra-group interest income	-	-	(10.2)	(11.6)
Net cash used in investing activities	(436.7)	(797.0)	(2,189.0)	(1,735.4)
Cash Flows from Financing Activities				
Proceeds from term loans	609.9	1,199.3	4,020.9	4,805.5
Repayment of term loans	(763.4)	(367.4)	(4,894.8)	(4,836.9)
Proceeds from bond issue	-	-	1,803.7	1,177.6
Repayment of bonds	(516.4)	(762.7)	(516.4)	(1,003.7)
Increase in finance lease liabilities	-	20.6	-	32.3
Lease payments	(96.4)	(9.0)	(295.5)	(24.4)
Net (repayment of)/ proceeds from borrowings	(766.3)	80.8	117.9	150.4
Settlement of swap for bonds repaid	-	(34.1)	-	(13.8)
Net interest paid on borrowings and swaps	(125.3)	(109.9)	(351.5)	(287.4)
Purchase of performance shares	(5.0)	(5.6)	(15.8)	(20.1)
Final dividend paid to shareholders of the Company	-	-	(1,746.7)	(1,746.7)
Dividend paid to non-controlling interests	(5.2)	(5.4)	(5.2)	(5.4)
Others	-	0.6	1.3	1.1
Net cash used in financing activities	(901.8)	(73.6)	(2,000.0)	(1,921.9)
Net change in cash and cash equivalents	16.5	(69.1)	61.6	105.4
Exchange effects on cash and cash equivalents	8.7	(0.6)	1.8	6.9
Cash and cash equivalents at beginning of period	550.9	706.9	512.7	524.9
Cash and cash equivalents at end of period	576.1	637.2	576.1	637.2

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS*For the third quarter and nine months ended 31 December 2019***Note (1): Payment for investment in a joint venture**

During the current period, Singtel paid S\$735 million for subscription to Bharti Airtel Limited's rights issue based on its rights entitlement for its direct stake of 15%.

Note (2): Payments for acquisition of intangibles and other assets

During the last corresponding period, Singtel's wholly-owned subsidiary, Amobee Inc., acquired the technology platform, intellectual property and certain other assets of Videology, Inc. and its subsidiaries for S\$123 million (US\$90 million).

Note (3): Payments for acquisition of subsidiary

During the last corresponding period, Singtel's wholly-owned subsidiary, Optus Cyber Security Pty Limited, completed the acquisition of 100% shares in Hivint Pty Limited, a cyber security consulting company in Australia, for S\$17 million (A\$17 million) of which S\$5.8 million was paid.

Note (4): Investment in FVOCI investments

The last corresponding period included a payment of S\$344 million (US\$250 million) for Singtel's acquisition of 5.7% equity interest in Airtel Africa Limited.

Note (5): For the purposes of the consolidated cash flow statement, cash and cash equivalents comprised:

Group (Unaudited)	As at 31 Dec	
	2019 S\$ Mil	2018 S\$ Mil
Fixed deposits	214.2	179.8
Cash and bank balances	361.9	457.4
	<u>576.1</u>	<u>637.2</u>

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the third quarter and nine months ended 31 December 2019***1. BASIS OF PREPARATION**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current quarter as the most recent audited financial statements for the year ended, and as at, 31 March 2019, except for the mandatory adoption of new standards effective as of 1 April 2019. The adoption of the new standards has no significant impact on the financial statements, except for the changes as described below.

Singapore Financial Reporting Standards (International) ("SFRS(I)") 16, Leases

SFRS(I) 16 superceded SFRS(I) 1-17, *Leases* and the related interpretations. The standard introduces a single lease accounting model for lessees. A lessee recognises a right-of-use asset representing its rights to use the underlying asset and a lease liability representing its obligation to make lease payments in the statement of financial position. Lease liability is part of debt. Depreciation charges on the right-of-use assets and interest expense on the lease liability are recorded in the income statement. Lease payments are classified as financing cash flows in the statement of cash flows. Lessor accounting remains largely similar to the previous accounting standard. Sub-leases, however, are assessed based on the terms in the head lease and not on the characteristics of the underlying asset under SFRS(I) 16.

The Group has applied SFRS(I) 16 using the modified retrospective approach where the cumulative effects of initial application are recognised in the opening statement of financial position as at 1 April 2019, with no restatement of comparative information. The Group has elected to account for short term leases and leases of low-value assets as operating expenses on a straight line basis.

As at 1 April 2019, right-of-use assets and lease liabilities recorded under SFRS(I) 16 were S\$2.23 billion and S\$2.39 billion respectively.

2. OPERATING EXPENSES

The income statement included the following items -

Group (Unaudited)	Quarter 31 Dec		Nine Months 31 Dec	
	2019 S\$ Mil	2018 S\$ Mil	2019 S\$ Mil	2018 S\$ Mil
Impairment of trade receivables	56.2	37.6	139.0	116.8
Allowance for inventory obsolescence (net)	6.0	0.5	7.9	0.8

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the third quarter and nine months ended 31 December 2019***3. OTHER INCOME**

Other income included the following items -

Group (Unaudited)	Quarter 31 Dec		Nine Months 31 Dec	
	2019 S\$ Mil	2018 S\$ Mil	2019 S\$ Mil	2018 S\$ Mil
Rental income	0.8	0.8	2.4	2.4
Net exchange (losses)/ gains	(1.3)	(1.1)	0.7	(2.7)
Net (losses)/ gains on disposal of property, plant and equipment	(0.2)	(0.7)	(0.5)	6.7

4. DEPRECIATION AND AMORTISATION

Group (Unaudited)	Quarter 31 Dec		Nine Months 31 Dec	
	2019 S\$ Mil	2018 S\$ Mil	2019 S\$ Mil	2018 S\$ Mil
Depreciation of property, plant and equipment	459.7	477.1	1,382.2	1,434.6
Depreciation of right-of-use assets	96.9	-	285.1	-
Amortisation of intangibles	76.4	76.3	251.4	226.4
	633.0	553.4	1,918.7	1,661.0

5. EXCEPTIONAL ITEMS

Group (Unaudited)	Quarter 31 Dec		Nine Months 31 Dec	
	2019 S\$ Mil	2018 S\$ Mil	2019 S\$ Mil	2018 S\$ Mil
Exceptional gains				
Gain on disposal of property	90.9	-	97.2	105.5
Gain on dilution of interest in joint ventures	-	-	89.3	-
Gain on sale and leaseback	-	42.4	-	42.4
Gain on disposal of a subsidiary	-	16.7	-	16.7
Gain on disposal of a joint venture	-	0.3	-	0.3
	90.9	59.4	186.5	164.9
Exceptional losses				
Provision for contingent claims and other charges	(0.5)	(0.2)	(6.5)	(10.5)
Staff restructuring costs	(16.1)	(2.3)	(46.0)	(84.6)
	(16.6)	(2.5)	(52.5)	(95.1)
	74.3	56.9	134.0	69.8

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the third quarter and nine months ended 31 December 2019***6. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES**

Group (Unaudited)	Quarter 31 Dec		Nine Months 31 Dec	
	2019 S\$ Mil	2018 S\$ Mil	2019 S\$ Mil	2018 S\$ Mil
Share of ordinary results	420.2	370.6	1,221.5	1,116.5
Share of tax of ordinary results	(126.4)	(79.5)	(342.5)	(186.0)
Share of exceptional items (post-tax) ⁽¹⁾	(132.2)	86.2	(1,504.3)	224.0
	161.6	377.3	(625.3)	1,154.5

Note:

(1) Comprised share of exceptional items from Airtel, Singapore Post and Intouch. The share of Airtel's exceptional items for the current period included a provision made for regulatory demands arising from an adverse ruling on the definition of Adjusted Gross Revenue which forms the basis for payment of license fee and spectrum usage charges, as well as related penalties and interest charges. Airtel, together with other operators, continues to make representations to the Indian government and the Supreme Court for reliefs.

7. INTEREST AND INVESTMENT INCOME (NET)

Group (Unaudited)	Quarter 31 Dec		Nine Months 31 Dec	
	2019 S\$ Mil	2018 S\$ Mil	2019 S\$ Mil	2018 S\$ Mil
Interest income from				
- bank deposits	2.1	1.8	5.6	5.2
- others	0.3	0.2	0.8	0.6
	2.4	2.0	6.4	5.8
Dividends from joint ventures	-	-	10.8	13.0
Gross dividends and income from FVOCI investments	93.0	0.2	148.3	0.4
Fair value gains/ (losses) on fair value hedges				
- hedged items	59.0	(6.8)	(22.3)	(10.0)
- hedging instruments	(57.2)	6.7	20.7	10.0
	1.8	(0.1)	(1.6)	-
Fair value gains/ (losses) on cash flow hedges				
- hedged items	115.4	(30.6)	7.8	(174.6)
- hedging instruments	(115.4)	30.6	(7.8)	174.6
	-	-	-	-
Other fair value (losses)/ gains	(0.3)	0.8	1.9	2.9
Other foreign exchange (losses)/ gains	(5.7)	1.1	(2.4)	7.5
	91.2	4.0	163.4	29.6

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the third quarter and nine months ended 31 December 2019***8. FINANCE COSTS**

Group (Unaudited)	Quarter 31 Dec		Nine Months 31 Dec	
	2019	2018	2019	2018
	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil
Interest expense on				
- bonds	78.1	82.2	232.2	234.7
- bank loans	11.3	12.9	40.5	35.8
- leases	20.9	2.4	62.0	6.3
	110.3	97.5	334.7	276.8
Financing related costs	5.5	4.5	13.6	13.0
Effects of hedging using interest rate swaps	*	0.2	4.4	1.8
	115.8	102.2	352.7	291.6

“*” denotes less than S\$50,000.

9. TAX EXPENSE

Group (Unaudited)	Quarter 31 Dec		Nine Months 31 Dec	
	2019	2018	2019	2018
	S\$ Mil	S\$ Mil	S\$ Mil	S\$ Mil
Current and deferred tax expense attributable to current period's profits	105.8	134.9	301.6	364.4
Current and deferred tax adjustments in respect of prior years	-	0.1	(0.5)	(0.5)
Withholding and dividend distribution taxes on dividend income from associate and joint ventures	16.2	20.7	127.9	158.7
	122.0	155.7	429.0	522.6

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the third quarter and nine months ended 31 December 2019***10. WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES**

Group (Unaudited)	Quarter 31 Dec		Nine Months 31 Dec	
	2019 '000	2018 '000	2019 '000	2018 '000
Weighted average number of ordinary shares in issue for calculation of basic earnings per share	16,323,063	16,322,680	16,322,821	16,322,792
Adjustment for dilutive effect of performance share plans	25,544	20,861	25,544	20,861
Weighted average number of ordinary shares for calculation of diluted earnings per share	16,348,607	16,343,541	16,348,365	16,343,653

The weighted average number of ordinary shares in issue had been adjusted to exclude the number of performance shares held by the Trust and the Company.

11. FAIR VALUE MEASUREMENTS

The Group classifies financial assets and liabilities measured at fair value 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**).

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the third quarter and nine months ended 31 December 2019***11. FAIR VALUE MEASUREMENTS (Continued)**

The following table presents the assets and liabilities measured at fair value as at 31 December 2019:

Group - 31 Dec 19 (Unaudited)	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
FVOCI investments				
- Quoted investments	304.0	-	-	304.0
- Unquoted investments	-	-	340.0	340.0
	304.0	-	340.0	644.0
Derivative financial instruments	-	301.3	-	301.3
	304.0	301.3	340.0	945.3
Financial liabilities				
Derivative financial instruments	-	236.9	-	236.9

Group - 31 Mar 19 (Audited)	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
FVOCI investments				
- Quoted investments	21.9	-	-	21.9
- Unquoted investments	-	-	625.0	625.0
	21.9	-	625.0	646.9
Derivative financial instruments	-	438.7	-	438.7
	21.9	438.7	625.0	1,085.6
Financial liabilities				
Derivative financial instruments	-	158.7	-	158.7

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the third quarter and nine months ended 31 December 2019***11. FAIR VALUE MEASUREMENTS (Continued)**

Company - 31 Dec 19 (Unaudited)	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
FVOCI investments				
- Quoted investments	4.7	-	-	4.7
Derivative financial instruments	-	20.6	-	20.6
	<u>4.7</u>	<u>20.6</u>	<u>-</u>	<u>25.3</u>
Financial liabilities				
Derivative financial instruments	-	66.8	-	66.8

Company - 31 Mar 19 (Audited)	Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	Total S\$ Mil
Financial assets				
FVOCI investments				
- Quoted investments	5.3	-	-	5.3
Derivative financial instruments	-	126.6	-	126.6
	<u>5.3</u>	<u>126.6</u>	<u>-</u>	<u>131.9</u>
Financial liabilities				
Derivative financial instruments	-	192.3	-	192.3

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the third quarter and nine months ended 31 December 2019***11. FAIR VALUE MEASUREMENTS (Continued)**

The following table presents the liabilities not measured at fair value (but with fair value disclosed) as at 31 December 2019:

31 Dec 19 (Unaudited)	Carrying Value S\$ Mil	Fair value			Total S\$ Mil
		Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	
Financial liabilities					
Group					
Bonds	8,998.3	7,344.5	2,015.8	-	9,360.3
Company					
Bonds	811.8	957.8	-	-	957.8

31 Mar 19 (Audited)	Carrying Value S\$ Mil	Fair value			Total S\$ Mil
		Level 1 S\$ Mil	Level 2 S\$ Mil	Level 3 S\$ Mil	
Financial liabilities					
Group					
Bonds	7,946.0	6,235.4	2,013.0	-	8,248.4
Company					
Bonds	786.5	936.4	-	-	936.4

Except as disclosed in the above tables, the carrying values of other financial assets and financial liabilities approximate their fair values.

Quoted and unquoted investments

The fair values of investments traded in active markets included within Level 1 were based on the market quoted price or the price quoted by the market maker at the close of business at the end of the reporting period.

The fair values of the unquoted FVOCI investments included within Level 3 were estimated primarily using recent arm's length transactions.

Derivatives

Derivatives comprise cross currency swaps, interest rate swaps and forward foreign exchange contracts which are included within Level 2.

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.

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.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the third quarter and nine months ended 31 December 2019***11. FAIR VALUE MEASUREMENTS (Continued)**

The following table presents the reconciliation for the unquoted FVOCI investments measured at fair value based on unobservable inputs (**Level 3**) -

(Unaudited)	Group	
	31 Dec 19 S\$ Mil	31 Dec 18 S\$ Mil
FVOCI investments - unquoted		
Balance as at 1 April	625.0	187.9
Total gains included in 'Fair Value Reserve'	28.7	10.4
Additions	25.1	380.2
Disposals	(0.3)	(1.5)
Transfer out from Level 3	(339.1)	(10.1)
Translation differences	0.6	0.9
Balance as at 31 December	340.0	567.8

12. GROUP'S BORROWINGS AND DEBT SECURITIES

	Group		Company	
	31 Dec 19 S\$ Mil (Unaudited)	31 Mar 19 S\$ Mil (Audited)	31 Dec 19 S\$ Mil (Unaudited)	31 Mar 19 S\$ Mil (Audited)
Unsecured borrowings				
Repayable within one year	2,889.6	1,846.2	-	-
Repayable after one year	7,853.9	8,734.4	811.8	786.5
	10,743.5	10,580.6	811.8	786.5
Secured borrowings				
Repayable within one year	446.5	34.0	65.9	4.8
Repayable after one year	1,888.8	49.5	592.0	7.7
	2,335.3	83.5	657.9	12.5
	13,078.8	10,664.1	1,469.7	799.0

Unsecured borrowings of the Group comprise bonds and bank loans. The unsecured borrowings of the Company comprise bonds.

Secured borrowings of the Group and the Company comprise lease liabilities secured over right-of-use assets.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the third quarter and nine months ended 31 December 2019***13. SHARE CAPITAL AND OTHER EQUITY INFORMATION****Share Capital**

Group and Company (Unaudited)	Quarter 31 Dec 19		Nine Months 31 Dec 19	
	Number of shares Mil	Share capital S\$ Mil	Number of shares Mil	Share capital S\$ Mil
Balance as at beginning and end of period	16,329.1	4,127.3	16,329.1	4,127.3

As at 31 December 2019, the issued and paid up capital excluding treasury shares comprised 16,322.8 million (31 December 2018: 16,322.4 million) ordinary shares.

Treasury Shares

Group (Unaudited)	Quarter 31 Dec		Nine Months 31 Dec	
	2019	2018	2019	2018
Balance at beginning of period	4,795,241	5,015,542	8,601,289	7,897,536
Shares transferred to employees under the Singtel Performance Share Plan 2012	(19,339)	(4,634)	(5,520,680)	(5,583,186)
Purchase of treasury shares	1,575,155	1,758,224	3,270,448	4,454,782
Balance at end of period	6,351,057	6,769,132	6,351,057	6,769,132

As at 31 December 2019, the number of treasury shares represented 0.04% (31 December 2018: 0.04%) of the total number of issued shares.

During the current quarter, 19,339 (31 December 2018: 4,634) treasury shares were transferred to employees upon vesting of shares released under the Singtel Performance Share Plan 2012 and 1,575,155 (31 December 2018: 1,758,224) treasury shares were purchased.

During the nine months ended 31 December 2019, 5,520,680 (31 December 2018: 5,583,186) treasury shares were transferred to employees upon vesting of shares released under the Singtel Performance Share Plan 2012 and 3,270,448 (31 December 2018: 4,454,782) treasury shares were purchased.

Except for the transfers, there was no other sale, disposal, cancellation and/or other use of treasury shares for the quarter and nine months ended 31 December 2019.

The Company's subsidiaries do not hold shares in the Company as at 31 December 2019 and 31 December 2018.

Performance Shares

As at 31 December 2019, the number of outstanding performance shares granted under the Singtel Performance Share Plan 2012 was 34,563,379 (31 December 2018: 37,256,316).

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the third quarter and nine months ended 31 December 2019***14. DIVIDENDS**

On 13 November 2019, the Directors approved an interim one-tier exempt ordinary dividend of 6.8 cents (FY2019: 6.8 cents) per share in respect of the current financial year ending 31 March 2020.

The dividends have been accounted for in shareholders' equity as an appropriation of 'Retained Earnings' in the third quarter and nine months ended 31 December 2019. The interim dividend was paid in January 2020.

During the nine months ended 31 December 2019, a final one-tier 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 2019.

The Group declared dividend on half-yearly basis.

15. NET ASSET VALUE

	Group		Company	
	As at	As at	As at	As at
	31 Dec 19	31 Mar 19	31 Dec 19	31 Mar 19
	S\$	S\$	S\$	S\$
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net asset value per ordinary share	1.65	1.83	1.26	1.31

As at the end of the reporting period, the number of ordinary shares of the Group used for the above calculation had been adjusted to exclude treasury shares.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the third quarter and nine months ended 31 December 2019***16. CONTINGENT LIABILITIES OF SINGTEL AND ITS SUBSIDIARIES****(a) Guarantees**

As at 31 December 2019,

- (i) The Group and Company provided bankers' and other guarantees, and insurance bonds of S\$574.5 million and S\$205.4 million (31 March 2019: S\$592.4 million and S\$109.1 million) respectively.
- (ii) The Company provided guarantees for loans of S\$1.20 billion (31 March 2019: S\$1.24 billion) drawn down under various loan facilities entered into by Singtel Group Treasury Pte. Ltd. ("**SGT**"), a wholly owned subsidiary, with maturities between May 2020 and December 2022.
- (iii) The Company provided guarantees for SGT's notes issue of an aggregate equivalent amount of S\$4.99 billion (31 March 2019: S\$3.95 billion) due between April 2020 and August 2029.

- (b) In 2016 and 2017, Singapore Telecom Australia Investments Pty Limited ("**STAI**") received amended assessments from the Australian Taxation Office ("**ATO**") in connection with the acquisition financing of Optus. The assessments comprised primary tax of A\$268 million, interest of A\$58 million and penalties of A\$67 million. STAI's holding company, Singtel Australia Investment Ltd, would be entitled to refund of withholding tax estimated at A\$89 million. STAI's objections to the amended assessments were disallowed by the ATO on 27 September 2019. Based on legal advice, STAI has appealed the ATO's objection decisions in the Federal Court of Australia on 11 November 2019. 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 December 2019.

In December 2018, Singtel Group received additional assessments amounting to S\$120 million from the Inland Revenue Authority of Singapore ("**IRAS**") for reduction in group relief claims in Year of Assessment 2014. Singtel has objected to the additional assessments. In February 2020, IRAS informed Singtel Group that the payment due date for the additional assessments shall be 30 April 2020.

The Group has received advice from external experts in relation to the above matters and will vigorously defend its position. Accordingly, no provision has been made as at 31 December 2019.

- (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.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the third quarter and nine months ended 31 December 2019

17. CONTINGENT LIABILITIES OF ASSOCIATE AND JOINT VENTURES**(a) Bharti Airtel Limited (“Airtel”)**

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\$982 million) towards levy of one time spectrum charge, which was further revised on 27 June 2018 to Rs. 84.14 billion (S\$1.59 billion). On 4 July 2019, the Telecom Disputes Settlement and Appellate Tribunal in the similar matter of another unrelated telecom service provider, has passed an order providing partial relief and confirming the basis for the balance. Airtel, based on independent legal opinions, till date has not given any effect to the above demand.

In the opinion of Airtel, inter-alia, the above demand amounts to alteration of the terms of the licenses 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 December 2019, other taxes, custom duties, demands under adjudication, appeal or disputes, and related interest for some disputes amounted to approximately Rs. 137.7 billion (S\$2.60 billion). In respect of some of the tax issues, pending final decisions, Airtel had deposited amounts with statutory authorities.

(b) Advanced Info Service Public Company Limited (“AIS”)

AIS, a joint venture of the Group, has various commercial disputes and significant litigations which are pending adjudication.

CAT Telecom Public Company Limited (“CAT”) has demanded that AIS’ subsidiary, Digital Phone Company Limited (“DPC”) pay additional revenue share of THB 3.4 billion (S\$154 million) arising from the abolishment of excise tax, as well as to transfer the telecommunications systems which would have been supplied under the Concession Agreement between CAT and DPC of THB 13.4 billion (S\$605 million) or to pay the same amount plus interest.

TOT Public Company Limited (“TOT”) has demanded that AIS pay the following:

- (a) additional revenue share of THB 62.8 billion (S\$2.83 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.
- (b) additional charges for porting of subscribers from 900MHz to 2100MHz network of THB 41.1 billion (S\$1.85 billion) plus interest.
- (c) additional revenue share of THB36.2 billion (S\$1.63 billion) plus interest based on gross interconnection income from 2007 to 2015.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the third quarter and nine months ended 31 December 2019***17. CONTINGENT LIABILITIES OF ASSOCIATE AND JOINT VENTURES (Continued)**

(d) additional revenue share from disputes on roaming rates from 2013 to 2015 of THB16.3 billion (S\$733 million).

As at 31 December 2019, other claims against AIS and its subsidiaries which are pending adjudication amounted to THB 16.1 billion (S\$725 million).

All the above claims do not include potential interest and penalty.

In January 2020, AIS received the award from the Arbitral Tribunal in respect of the alleged illegality of Amendment 6 and Amendment 7 to the Concession Agreement, to pay THB 31.1 billion (S\$1.40 billion) and 1.25% interest per month after 30 November 2015. AIS intends to file a motion to the Central Administrative Court within 90 days to set aside this award.

AIS believes that the above claims will be settled in favour of AIS and will have no material impact to its financial statements.

In February 2020, AIS received a favourable award from the Arbitral Tribunal in respect of the demands for additional revenue share from disputes on roaming rates from 2013 to 2015.

(c) Intouch Holdings Public Company Limited (“Intouch”)

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 Telecom, Inc. (“Globe”)

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 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.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the third quarter and nine months ended 31 December 2019

17. CONTINGENT LIABILITIES OF ASSOCIATE AND JOINT VENTURES (Continued)**(e) PT Telekomunikasi Selular (“Telkomsel”)**

As at 31 December 2019, Telkomsel, a joint venture of the Group, has filed appeals and cross-appeals amounting to approximately IDR 555 billion (S\$54 million) for various tax claims arising in certain tax assessments which are pending final decisions, the outcome of which is not presently determinable.

18. GROUP SEGMENT INFORMATION

Segment information is presented based on the information reviewed by senior management for performance measurement and resource allocation.

The 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 services and professional consulting.

Group Digital Life (“GDL”) focuses on using the latest Internet technologies and assets of the Group's operating companies to develop new revenue and growth engines by entering into adjacent businesses where it has a competitive advantage. It focuses on three key businesses in digital life – digital marketing, regional premium over-the-top video and advanced analytics and intelligence capabilities, in addition to strengthening its role as Singtel's digital innovation engine through Innov8.

Corporate comprises the costs of Group functions not allocated to the business segments.

The measurement of segment results which is before exceptional items, is in line with the basis of information presented to management for internal management reporting purposes.

The costs of shared and common infrastructure are allocated to the business segments using established methodologies.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the third quarter and nine months ended 31 December 2019***18. GROUP SEGMENT INFORMATION (Continued)***For the nine months ended 31 December 2019*

Group - 31 Dec 19 (Unaudited)	Group Consumer S\$ Mil	Group Enterprise S\$ Mil	Group Digital Life S\$ Mil	Corporate S\$ Mil	Group Total S\$ Mil
Operating revenue	7,264.5	4,467.2	911.4	-	12,643.1
Operating expenses	(4,930.7)	(3,314.0)	(955.6)	(73.1)	(9,273.4)
Other income/ (expenses)	102.8	36.5	(0.3)	0.3	139.3
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	2,436.6	1,189.7	(44.5)	(72.8)	3,509.0
Share of pre-tax results of associates and joint ventures					
- Airtel	(361.6)	-	-	-	(361.6)
- Telkomsel	858.6	-	-	-	858.6
- Globe	286.8	-	-	-	286.8
- AIS	281.1	-	-	-	281.1
- Intouch	76.9	-	-	-	76.9
- Others	0.4	-	-	79.3	79.7
	1,142.2	-	-	79.3	1,221.5
EBITDA and share of pre-tax results of associates and joint ventures	3,578.8	1,189.7	(44.5)	6.5	4,730.5
Depreciation and amortisation	(1,322.3)	(529.5)	(63.4)	(3.5)	(1,918.7)
Earnings before interest and tax ("EBIT")	2,256.5	660.2	(107.9)	3.0	2,811.8
Segment assets					
Investment in associates and joint ventures					
- Airtel	5,973.4	-	-	-	5,973.4
- Telkomsel	3,059.7	-	-	-	3,059.7
- Globe	1,279.1	-	-	-	1,279.1
- AIS	1,033.6	-	-	-	1,033.6
- Intouch	1,776.8	-	-	-	1,776.8
- Others	27.7	-	-	422.1	449.8
	13,150.3	-	-	422.1	13,572.4
Goodwill on acquisition of subsidiaries	9,188.8	1,201.6	1,130.1	-	11,520.5
Other assets	14,118.7	6,437.7	1,207.0	2,076.2	23,839.6
	36,457.8	7,639.3	2,337.1	2,498.3	48,932.5

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the third quarter and nine months ended 31 December 2019***18. GROUP SEGMENT INFORMATION (Continued)***For the nine months ended 31 December 2019*

Group - 31 Dec 18 (Unaudited)	Group Consumer S\$ Mil	Group Enterprise S\$ Mil	Group Digital Life S\$ Mil	Corporate S\$ Mil	Group Total S\$ Mil
Operating revenue	7,382.3	4,697.3	950.1	-	13,029.7
Operating expenses	(5,164.3)	(3,425.7)	(1,024.0)	(52.4)	(9,666.4)
Other income/ (expenses)	116.1	45.1	(0.2)	1.2	162.2
EBITDA	2,334.1	1,316.7	(74.1)	(51.2)	3,525.5
Share of pre-tax results of associates and joint ventures					
- Airtel	(368.3)	-	-	-	(368.3)
- Telkomsel	832.6	-	-	-	832.6
- Globe	247.9	-	-	-	247.9
- AIS	252.2	-	-	-	252.2
- Intouch	70.9	-	-	-	70.9
- Others	0.3	-	-	80.9	81.2
	1,035.6	-	-	80.9	1,116.5
EBITDA and share of pre-tax results of associates and joint ventures	3,369.7	1,316.7	(74.1)	29.7	4,642.0
Depreciation and amortisation	(1,163.4)	(452.5)	(43.3)	(1.8)	(1,661.0)
EBIT	2,206.3	864.2	(117.4)	27.9	2,981.0

Group - 31 Mar 19 (Audited)	Group Consumer S\$ Mil	Group Enterprise S\$ Mil	Group Digital Life S\$ Mil	Corporate S\$ Mil	Group Total S\$ Mil
Segment assets					
Investment in associates and joint ventures					
- Airtel	7,420.4	-	-	-	7,420.4
- Telkomsel	3,313.0	-	-	-	3,313.0
- Globe	1,175.7	-	-	-	1,175.7
- AIS	864.0	-	-	-	864.0
- Intouch	1,701.6	-	-	-	1,701.6
- Others	24.3	-	-	419.1	443.4
	14,499.0	-	-	419.1	14,918.1
Goodwill on acquisition of subsidiaries	9,190.0	1,211.0	1,137.3	-	11,538.3
Other assets	13,512.4	5,705.6	949.0	2,291.4	22,458.4
	37,201.4	6,916.6	2,086.3	2,710.5	48,914.8

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS*For the third quarter and nine months ended 31 December 2019***18. GROUP SEGMENT INFORMATION (Continued)***For the nine months ended 31 December 2019*

A reconciliation of the total reportable segments' EBIT to the Group's profit before tax was as follows -

Group (Unaudited)	31 Dec 19 S\$ Mil	31 Dec 18 S\$ Mil
EBIT	2,811.8	2,981.0
Exceptional items	134.0	69.8
Share of exceptional items of associates and joint ventures (post-tax)	(1,504.3)	224.0
Share of tax of associates and joint ventures	(342.5)	(186.0)
Profit before interest, investment income (net) and tax	1,099.0	3,088.8
Interest and investment income (net)	163.4	29.6
Finance costs	(352.7)	(291.6)
Profit before tax	909.7	2,826.8

The Group's revenue from its major products and services are as follows -

Group (Unaudited)	31 Dec 19 S\$ Mil	31 Dec 18 S\$ Mil
Mobile service	3,701.8	4,084.1
Sale of equipment	2,063.7	2,157.2
Handset operating lease income	154.1	95.5
Mobile	5,919.6	6,336.8
Data and internet	2,786.2	2,481.9
Infocomm Technology	2,181.7	2,194.6
Digital businesses	929.9	967.2
Fixed voice	541.5	707.3
Pay television	236.0	292.1
Others	48.2	49.8
Operating revenue	12,643.1	13,029.7

The Group's revenue is mainly derived from Singapore and Australia which respectively accounted for approximately 39% (31 December 2018: 38%) and 51% (31 December 2018: 52%) of the total revenue for the nine months ended 31 December 2019, with the remaining 10% (31 December 2018: 10%) from the United States of America and other countries where the Group operates in. The geographical information on the Group's non-current assets is not presented as it is not used for segmental reporting purposes.

OTHER INFORMATION

- 19.** The statements of financial position as at 31 December 2019 and the income statement, statement of comprehensive income, changes in equity and cash flows for the third quarter and nine months ended 31 December 2019 presented in this announcement have not been audited, but have been reviewed by KPMG LLP in Singapore in accordance with the Singapore Standard on Review Engagements 2410 – *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* (see review report on page 36 of this announcement).

20. REVIEW OF PERFORMANCE OF THE GROUP

Please refer to the Management Discussion and Analysis of the Group for the third quarter and nine months ended 31 December 2019.

- 21. WHERE A FORECAST, OR A PROSPECT STATEMENT, HAS BEEN PREVIOUSLY DISCLOSED TO SHAREHOLDERS, ANY VARIANCE BETWEEN IT AND THE ACTUAL RESULTS.**

Please refer to the Management Discussion and Analysis of the Group for the third quarter and nine months ended 31 December 2019.

- 22. A COMMENTARY AT THE DATE OF THE ANNOUNCEMENT OF THE SIGNIFICANT TRENDS AND COMPETITIVE CONDITIONS OF THE INDUSTRY IN WHICH THE GROUP OPERATES AND ANY KNOWN FACTORS OR EVENTS THAT MAY AFFECT THE GROUP IN THE NEXT OPERATING PERIOD AND THE NEXT 12 MONTHS.**

Please refer to the Management Discussion and Analysis of the Group for the third quarter and nine months ended 31 December 2019.

23. INTERESTED PERSON TRANSACTIONS

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

- 24. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)**

The Company has received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

25. SUBSEQUENT EVENT

In January 2020, Airtel raised US\$3 billion of funds through the placement of 323.6 million shares at an issue price of Rs. 445 per share under a Qualified Institutions Placement and the issuance of US\$1 billion of 1.50% Foreign Currency Convertible Bonds due 2025. With Airtel's enlarged share capital, Singtel's effective shareholding in Airtel decreased from 35.4% to 33.3%.

CONFIRMATION BY THE BOARD

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the third quarter and nine months ended 31 December 2019 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Gautam Banerjee
Chairman of Audit Committee

Chua Sock Koong
Director

Singapore
12 February 2020



KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet kpmg.com.sg

Independent auditors' review report

The Board of Directors
Singapore Telecommunications Limited

Report on review of interim financial information as of and for the third quarter and nine months ended 31 December 2019

Introduction

We have reviewed the accompanying financial statements of Singapore Telecommunications Limited ("the Company") and its Subsidiaries ("the Group"), which comprised the statements of financial position of the Group and Company as at 31 December 2019 and the related consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the third quarter and nine months then ended and the notes, comprising a summary of significant accounting policies and other explanatory notes (the "Condensed Interim Financial Information"). Management is responsible for the preparation and presentation of this Condensed Interim Financial Information in accordance with Singapore Financial Reporting Standard (International) ("SFRS(I)") 1-34 Interim Financial Reporting. Our responsibility is to express a conclusion on this Condensed Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Financial Information is not prepared, in all material respects, in accordance with SFRS(I) 1-34 *Interim Financial Reporting*.



*Singapore Telecommunications Limited
and its subsidiaries
Report on review of interim financial information as of
and for the third quarter and nine months ended
31 December 2019*

Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Condensed Interim Financial Information for the purpose of assisting the Company to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Company's announcement of its interim financial information for the information of its members. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions we have reached in our report.

KPMG LLP

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore
12 February 2020