IMPORTANT NOTICE

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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

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Confirmation of the Representation: In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must not be a U.S. person (within the meaning of Regulation S under the Securities Act). This Offering Circular is being sent at your request and by accepting the electronic mail and accessing this Offering Circular, you shall be deemed to have represented to us that you are not a U.S. person, the electronic mail address that you gave us and to which this electronic mail has been delivered is not located in the U.S. and that you consent to delivery of such Offering Circular by electronic transmission.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular to any other person. The materials relating to any offering of Notes under the Programme to which this Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

This Offering Circular has been sent to you in electronic format. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Dealers (as defined in this Offering Circular) or any person who controls any or any director, officer, employee or agent of either of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from any of the Dealers.

You are responsible for protecting against viruses and other destructive items. Your use of this electronic mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

OPTUS FINANCE PTY LIMITED

ABN 31 086 656 162

(a company incorporated under the laws of the Commonwealth of Australia)
as Issuer on the basis set out below

€3,000,000,000

Euro Medium Term Note Programme

unconditionally and irrevocably guaranteed by

Singtel Optus Pty Limited

ABN 90 052 833 208

(a company incorporated under the laws of the Commonwealth of Australia)

and by certain of its subsidiaries

On 31 July 2009, Optus Finance Pty Limited ("Optus Finance" or the "Issuer") entered into a Euro Medium Term Note Programme (the "Programme") and prepared an Offering Circular dated 31 July 2009 as subsequently updated by the Offering Circulars dated 30 August 2010, 28 July 2011, 26 July 2012, 25 July 2013, 24 July 2014, 27 July 2015, 25 July 2016, 27 July 2017, 25 July 2018, 26 July 2019, 30 July 2020, 5 August 2021, 5 August 2022 and 4 August 2023. This Offering Circular updates the Programme and supersedes any previous Offering Circular describing the Programme. Any Notes (as defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Notes issued before the date of this Offering Circular. Under this Programme the Issuer may from time to time issue notes (the "Notes") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The payment of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by Singtel Optus Pty Limited ("Singtel Optus"), the Issuer's parent company and certain of its subsidiaries (together with Singtel Optus, the "Guarantors"), pursuant to separate guarantees (each a "Guarantee" and together the "Guarantees"). Singtel Optus will remain a Guarantor, but the Subsidiary Guarantors (as defined herein) may change from time to time. Any release of a Subsidiary Guarantor from its Guarantee will be notified to the Noteholders. The Guarantors and the Issuer are collectively referred to in this Offering Circular as the "Obligors".

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "Summary of the Programme" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "Dealer" and together the "Dealers"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in a pricing supplement (the "Pricing Supplement").

Application has been made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in and quotation for any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There is no guarantee that such application to the SGX-ST will be approved. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. The application to, approval in-principle from, admission to the Official List of, and listing and quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Guarantors, their respective subsidiaries and associated companies (if any), the Programme or such Notes.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets (including but not limited to non-regulated markets) as may be agreed between the Issuer, the Guarantors and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered or sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the account or the benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("Regulation S")) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. See "Form of the Notes" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer, see "Subscription and Sale".

MiFID II Product Governance/Target Market – The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance/Target Market" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "MiFID II") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

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

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

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

PROHIBITION OF SALES TO UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The Notes must not be acquired by an Offshore Associate of the Issuer (as defined under "Taxation – Australian Taxation"). For these purposes, an Offshore Associate of the Issuer may include, but is not limited to, any entity that is directly or indirectly owned or controlled by Singapore Telecommunications Limited ARBN 096 701 567 ("Singtel") or Temasek Holdings (Private) Limited ("Temasek"). Any investor who believes that it may be affiliated with or related to any of the above-mentioned entities or who otherwise believes it may be an Offshore Associate of the Issuer, should make appropriate enquiries before investing in any Notes. For more details, please refer to page ii below and "Taxation – Australian Taxation".

The Programme has been rated A3 by Moody's Investors Service ("Moody's") and A- by S&P Global Ratings, a division of S&P Global Inc. ("Standard & Poor's") in respect of Notes with a maturity of more than one year. The Notes of each Tranche (as defined herein) or Series (as defined herein) issued under the Programme may be rated or unrated. Where the Notes of a Tranche or a Series are rated, such rating will not necessarily be the same as the rating(s) assigned to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency. Notes with a maturity of one year or less issued under the Programme are expected to be rated A3 by Moody's and A- by Standard & Poor's.

The Issuer and the Guarantors may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplement to this Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks, see "Risk Factors".

Arrangers and Dealers

Citigroup **HSBC**

The date of this Offering Circular is 5 August 2024

In this Offering Circular references to:

- "Singtel Optus" are to Singtel Optus Pty Limited;
- the "Singtel Optus Group" are to Singtel Optus Pty Limited and the group of companies owned and/or controlled by Singtel Optus Pty Limited;
- "Singtel" are to Singapore Telecommunications Limited (ARBN 096 701 567); and
- the "Singtel Group" are to Singapore Telecommunications Limited and the group of companies owned and/or controlled by Singapore Telecommunications Limited.

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

Subject as provided in the applicable Pricing Supplement, the only persons authorised to use this Offering Circular in connection with an offer of Notes are the persons named in the applicable Pricing Supplement as the relevant Dealer or the Managers and the persons named in the applicable Pricing Supplement, as the case may be.

Copies of the Pricing Supplements will be available from the specified offices set out below of the Paying Agents (as defined below), and copies may be obtained from those offices save that the applicable Pricing Supplement will only be obtainable by a holder holding one or more of such Notes and such holder must produce evidence satisfactory to the relevant Paying Agent as to its holding of such Notes and identity.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

Neither the Arrangers nor the Dealers have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arrangers or the Dealers as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Obligors (or any of them) in connection with the Programme. Neither the Arrangers nor any Dealer accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Obligors (or any of them) in connection with the Programme.

No person is or has been authorised by the Obligors (or any of them) to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Obligors (or any of them) or any of the Dealers.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by any of the Obligors or any of the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes, should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Obligors. In making an investment decision, investors must rely on their own examination of the Obligors and the terms of the Notes being offered, including the merits and risks involved. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of any of the Obligors or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Obligors is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of any of the Obligors during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

Under present Australian law, interest and other amounts paid on Notes issued by the Issuer will not be subject to Australian interest withholding tax if the Notes are issued and held in accordance with certain prescribed conditions set out in section 128F of the Income Tax Assessment Act 1936 (Cth). One of these conditions is that the Issuer must not know or have reasonable grounds to suspect that a Note, or an interest in a Note, was being, or would later be, acquired directly or indirectly by Offshore Associates (as defined under "Taxation – Australian Taxation") of the Issuer, other than in the capacity of a dealer, manager or underwriter in relation to the placement of the relevant Notes, or a clearing house, custodian, funds manager or responsible entity of a registered scheme. **Accordingly, the Notes must not be acquired by any Offshore Associate of the Issuer. For these purposes, an Offshore Associate of the Issuer is defined broadly and includes, but is not limited to, not only the intermediate parent company of the Issuer, being Singtel, but also its ultimate controlling parent company, being Temasek, any controlled entities of Temasek and any trusts under which Singtel and/or Temasek benefit. Any investor who believes that it may be affiliated with or related to any of the above-mentioned entities or who otherwise believes it may be an Offshore Associate of the Issuer, should make appropriate enquiries before investing in any Notes.**

See "Taxation – Australian Taxation" below for more information.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Obligors and the Dealers do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Pricing Supplement, no action has been taken by the Obligors or the Dealers which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the United Kingdom, European Economic Area, Australia, Singapore, Hong Kong and Japan (see "Subscription and Sale").

All references in this document to "euro", "EUR" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended. In addition, all references in this document to "U.S. dollars", "U.S.$", "USD" and "U.S.$" refer to United States dollars and all references to "Australian dollars", "A$", "AUD" and "$" refer to Australian dollars.

See "Glossary" for a description of certain technical terms relating to the business of the Singtel Optus Group.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement may, outside Australia and on a market operated outside Australia, over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the Issuer Date. However, there is no obligation on such Stabilising Manager(s) to do this. Such stabilising, if commenced, may be discontinued at any time, and must be brought to an end after a limited period. Such stabilising shall be in compliance with the applicable laws, regulations and rules.

None of the Dealers or the Obligors makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of investment in the Notes for an indefinite period of time.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and the regulations promulgated thereunder.

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

Forward-Looking Statements

This Offering Circular contains certain forward-looking statements and information relating to the Obligors that are based on beliefs of their respective management, as well as assumptions made by and information currently available to the Obligors. When used in this Offering Circular, the words "anticipate," "believe," "estimate," "expect," "intend," "plan" and "project" and similar expressions, as they relate to the Obligors or their management, are intended to identify forward-looking statements. Such statements reflect the current views of the Obligors with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Obligors to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, strong competition in the core operations of the Obligors that could depress margins, changes in applicable laws and regulations as well as the consolidation of the telecommunications industry, cancellation of planned projects due to government action, unsuccessful acquisitions and investments, environmental liabilities, power outages, shutdowns or failure involving the Obligors' operations and infrastructure, litigation, actions by regulators and competition authorities and actions by credit rating agencies, and various other factors, both referenced in this Offering Circular, including under the section "Risk Factors", and not referenced in this Offering Circular. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Offering Circular as anticipated, believed, estimated, expected, intended, planned or projected. The Obligors do not intend or assume any obligation to update or revise these forward-looking statements after the date of this Offering Circular in light of developments which differ from those anticipated unless required by applicable laws or regulations.

Presentation of Financial Information

Unless otherwise stated, all historical financial information relating to Singtel Optus and the Singtel Optus Group presented in "Capitalisation", "Selected Financial Information of the Singtel Optus Group" and "Description of Singtel Optus and the Singtel Optus Group" were prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") for the purposes of consolidation into Singtel's consolidated financial statements. The financial statements and other financial information of the Singtel Optus Group included in this Offering Circular were prepared in Australian dollars.

The consolidated financial statements of the Singtel Optus Group included in pages F-1 to F-173 of this Offering Circular for the years ended 31 March 2022, 2023 and 2024 have been prepared on a going concern basis in accordance with Australian Accounting Standards, Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("Australian Accounting Standards") and the Corporations Act 2001.

The consolidated financial statements of the Singtel Optus Group for the years ended 31 March 2022, 2023 and 2024 have been audited by its independent auditors, KPMG, whose reports thereon are also included in this offering circular.

Certain monetary amounts and other figures included in this Offering Circular have been subject to rounding adjustments. Accordingly, any discrepancies in any tables between the totals and the sums of amounts listed are due to rounding.

Presentation of Market Information

Market information (including market share, market position and industry data for the operating activities of the Singtel Optus Group) or other statements presented in this Offering Circular regarding the position of the Singtel Optus Group (or of companies acquired by it) relative to its competitors largely reflect the best estimates of the Singtel Optus Group's management. These estimates are based upon information obtained from customers, trade or business organisations and associations, other contacts within the industries in which the Singtel Optus Group operates and, in some cases, upon published statistical data or information from independent third parties. Except as otherwise stated, the Singtel Optus Group's market share data, as well as the Singtel Optus Group management's assessment of Singtel Optus Group's comparative competitive position, have been derived by comparing the Singtel Optus Group's sales figures for the relevant period to the Singtel Optus Group's management sales estimates of competitors of the Singtel Optus Group for such period, as well as upon published statistical data and information from independent third parties. Prospective investors should not rely on the market share and other market information presented herein as precise measures of market share or of other actual conditions.

Notification under Section 309B(1) of the SFA – Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Notification by Citigroup Global Markets Limited – Citigroup Global Markets Limited is incorporated in the United Kingdom and is authorised in the United Kingdom by the Prudential Regulation Authority (the "PRA") and regulated in the United Kingdom by the Financial Conduct Authority and the PRA. Citigroup Global Markets Limited does not hold an Australian Financial Services Licence and, in providing the services in relation to the Programme or the Notes issued or to be issued under the Programme, it relies on various exemptions contained in the Corporations Act 2001 (Commonwealth of Australia) (the "Corporations Act") and the Corporations Regulations 2001 promulgated under the Corporations Act (together the "Corporations Laws"). Citigroup Global Markets Limited hereby notifies all relevant persons that all services contemplated under this document are provided to the Issuer by Citigroup Global Markets Limited from outside of Australia and to the extent necessary, Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832 and Australian Financial Services Licence No. 240992) a related body corporate of Citigroup Global Markets Limited within the meaning of the Corporations Laws, has arranged for Citigroup Global Markets Limited to provide these services to the Issuer.

Important Notice to Prospective Investors

Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to this Programme (each such offering, a "**CMI Offering**"), including certain Dealers, may be "capital market intermediaries" ("**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" ("**OCs**") for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantors, a CMI or its group companies would be considered under the SFC Code as having an association ("Association") with the Issuer, the Guarantors, the CMI or the relevant group company. Prospective investors associated with the Issuer or the Guarantors or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50 per cent. interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantors, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

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SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Offering Circular and any decision to invest in any Notes should be based on a consideration of this Offering Circular as a whole, including the documents incorporated by reference.

Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" shall have the same meanings in this summary.

Please note that the Notes must not be acquired by an Offshore Associate of the Issuer (as defined under "Taxation – Australian Taxation" of the Offering Circular). For these purposes, an Offshore Associate of the Issuer may include, but is not limited to, any entity that is directly or indirectly owned or controlled by Singtel or Temasek. Any person who believes that it may be affiliated with or related to any of the above-mentioned entities or who otherwise believes it may be an Offshore Associate of the Issuer, should make appropriate enquiries before investing in any Notes. For more details, please refer to page ii of the Offering Circular and the section "Taxation – Australian Taxation" of the Offering Circular.

Issuer	Optus Finance Pty Limited (ABN 31 086 656 162).
Guarantors (subject as provided in "Change of Subsidiary Guarantors" below)	Singtel Optus Pty Limited (ABN 90 052 833 208), Optus Networks Pty Limited (ABN 92 008 570 330), Optus Administration Pty Limited (ABN 79 055 136 804), Optus Mobile Pty Limited (ABN 65 054 365 696), Optus Systems Pty Limited (ABN 36 056 541 167), Optus Vision Pty Limited (ABN 50 066 518 821), Optus Billing Services Pty Limited (ABN 95 088 011 536), Optus C1 Satellite Pty Limited (ABN 80 087 587 504) and Optus Fixed Infrastructure Pty Limited (ABN 96 092 450 783).
Description	Euro Medium Term Note Programme.
Arrangers	Citigroup Global Markets Limited and The Hongkong and Shanghai Banking Corporation Limited.
Dealers	Citigroup Global Markets Limited, The Hongkong and Shanghai Banking Corporation Limited and any other Dealers appointed in accordance with the Programme Agreement.
Programme Size	Up to EUR3,000,000,000 (or its equivalent in other currencies) outstanding at any time. The Issuer and the Guarantors may from time to time increase the amount of the Programme.
Fiscal Agent	The Bank of New York Mellon, London Branch.
Distribution	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Denomination of Notes	Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer, subject to any laws or regulations applicable to the relevant currency.
Status of the Notes	Direct, unconditional, unsubordinated and, subject to the provisions of "Negative Pledge" below, unsecured obligations of the Issuer and will rank pari passu among themselves and (save for certain obligations to be preferred by law) equally with all other unsubordinated and unsecured obligations of the Issuer, from time to time outstanding.

Guarantees	The due payments of all sums expressed to be payable by the Issuer under the Deed of Covenant, the Notes, the Receipts and the Coupons will be unconditionally and irrevocably guaranteed on a joint and several basis by Singtel Optus and the Subsidiary Guarantors listed in the applicable Pricing Supplement, subject to the release of such Subsidiary Guarantors and the addition of other Subsidiary Guarantors as set out in "Change of Subsidiary Guarantors" below. The obligations of Singtel Optus and the Subsidiary Guarantors under the Guarantees will be direct, unconditional, unsubordinated and subject to the provisions of "Negative Pledge" below, unsecured obligations of Singtel Optus and the Subsidiary Guarantors, and will rank pari passu and (save for certain obligations required to be preferred by law) equally with all other unsubordinated and unsecured obligations of each of Singtel Optus and the Subsidiary Guarantors, from time to time. In addition, the Issuer and Singtel Optus shall ensure that the Noteholders at all times have the benefit of guarantees from Singtel Optus and Subsidiaries of Singtel Optus the aggregate of whose Total Assets (as defined below) together with the Total Assets of the Issuer is not less than 75 per cent. of the aggregate Total Assets of the Singtel Optus Group. If at each Semi-Annual Reporting Date, it is determined that in respect of the immediately preceding Semi-Annual Reporting Period, the Total Assets of all of the Guarantors together with the Total Assets of the Issuer are less than 75 per cent. of the aggregate Total Assets of the Singtel Optus Group as at the end of such immediately preceding Semi-Annual Reporting Period, the Issuer and Singtel Optus shall ensure that within 30 days following such event a Subsidiary or Subsidiaries of Singtel Optus becomes a Subsidiary Guarantor and provide(s) a guarantee or guarantees so that the requirements set forth herein are satisfied. "Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government or any agency or political subdivision thereof or any other entity; "Semi-Annual Reporting Date" means the date falling three months after the end of each relevant Semi-Annual Reporting Period; "Semi-Annual Reporting Period" means each period ending on the close of each half of each of Singtel Optus' financial years; "Subsidiary" means, in relation to any Person, a corporation more than 50 per cent. of the outstanding voting shares of which is owned, directly or indirectly, by such Person or by one or more; Subsidiaries of such Person, or by such Person and one or more other Subsidiaries of such Person. For the purposes of this definition, voting shares mean shares which have voting power for the election of directors; and

	"Total Assets" means, as of each Semi-Annual Reporting Period (i) in the case of Singtel Optus or a Subsidiary of Singtel Optus that is incorporated in Australia, all consolidated assets of Singtel Optus or such Subsidiary of Singtel Optus, as the case may be, as measured in accordance with Australian Accounting Standards and (ii) in the case of a Subsidiary of Singtel Optus that is incorporated outside of Australia, all consolidated assets of such Subsidiary of Singtel Optus measured in accordance with the generally accepted accounting principles of the place of incorporation of such Subsidiary.
Change of Subsidiary Guarantors	The Guarantors other than Singtel Optus (the "Subsidiary Guarantors") are subsidiaries of Singtel Optus and may change from time to time. Without prejudice to the provisions set out in "Guarantees" above, each Subsidiary Guarantor shall be entitled to terminate the relevant Guarantee on it (or Singtel Optus on its behalf) by giving not less than 14 days' notice, accompanied by a certificate signed by two directors of each of the Issuer and Singtel Optus certifying compliance with the Terms and Conditions of the Notes before and after such release, that no Event of Default has occurred and is subsisting before and after such release and such release will not cause the aggregate Total Assets of the remaining Guarantors together with the Total Assets of the Issuer to be less than 75 per cent. of the aggregate Total Assets of the Singtel Optus Group, to the Fiscal Agent and the Noteholders; provided that no Event of Default, or event which with the giving of notice and/or the expiry of any grace period would constitute an Event of Default, is subsisting, or would, by virtue of the proposed release, cause an Event of Default to subsist. A Subsidiary of Singtel Optus may become a Subsidiary Guarantor in accordance with "Guarantees" above.
Issue Price	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over par.
Fixed Rate Notes	Interest on Fixed Rate Notes will be payable on such dates, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes	Floating Rate Notes will bear interest at a rate determined on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency; or on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or on such other basis as may be agreed between the Issuer and the relevant Dealer.
Benchmark Discontinuation	On the occurrence of a Benchmark Event, the Issuer may (subject to certain conditions and following consultation with an Independent Adviser) determine a Successor Rate, failing which an Alternative Rate and, if applicable, an Adjustment Spread, and any Benchmark Amendments in accordance with Condition 6.2(g)(iv).

Index Linked Notes	Payments of principal or interest in respect of Index Linked Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.
Dual Currency Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.
Zero Coupon Notes	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Maturities	Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Redemption (Tax Call/ Issuer Call/Investor Put)	The applicable Pricing Supplement will indicate either: (a) that the Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default); or (b) that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.
Negative Pledge	So long as any Notes are outstanding, neither the Issuer nor Singtel Optus may, and neither the Issuer nor Singtel Optus shall permit any Restricted Subsidiary to create or permit to exist any Lien on any property or assets of the Issuer, Singtel Optus or any Restricted Subsidiary to secure any Capital Markets Indebtedness, or any guarantee or indemnity in respect of Capital Market Indebtedness, without also at the same time or prior thereto (i) procuring that the Notes then outstanding are secured equally and rateably with such Capital Markets Indebtedness or (ii) providing the Notes with the benefit of other security as approved by the holders of a majority in principal amount of the outstanding Notes, as the case may be, provided however, that the foregoing restrictions shall not apply to: (a) Liens on property or assets of an entity existing at such time the entity becomes a Restricted Subsidiary, provided that such Liens were not created in anticipation of such entity becoming a Restricted Subsidiary; (b) Liens created in connection with a substitution of property or assets (or a substitution of property or assets which itself was previously so substituted) pursuant to the terms of any agreement or arrangements pursuant to which any Lien referred to in Clause (a) was created;

(c) any refunding of indebtedness secured by any Lien referred to in the foregoing Clauses (a) and (b) provided that the principal amount of such indebtedness is not increased, the maturity of such indebtedness is not extended beyond the original maturity of the indebtedness so secured and the Lien is limited to the property or asset originally subject thereto and any improvements thereon; and

(d) any Lien to secure "Non-Recourse Indebtedness" of the Issuer or a Subsidiary of Singtel Optus provided that such Subsidiary (together with all other Subsidiaries with Capital Markets Indebtedness outstanding secured by Liens on the property or assets of the Issuer, Singtel Optus or a Restricted Subsidiary) does not constitute a Restricted Subsidiary.

For this purpose, "Capital Markets Indebtedness" means any indebtedness for money borrowed or interest thereon in the form of bonds, notes, debentures, loan stock or other similar securities that are quoted, listed or ordinarily dealt with in any stock exchange, over-the-counter or other securities market, having an original maturity of more than 365 days from its date of issue, or any guarantee or indemnity in respect of Capital Markets Indebtedness.

"Lien" means any mortgage, charge, pledge, lien or other form of encumbrance or security interest.

"Non-Recourse Indebtedness" means, in respect of a debtor, any indebtedness incurred to finance the ownership, acquisition, construction, creation, development and/or operation of property (the "Relevant Property") in respect of which the person to whom such indebtedness is or may be owed by the debtor has no recourse whatsoever to the Issuer, Singtel Optus or any Restricted Subsidiary for the repayment of or payment of all or any portion of such indebtedness other than:

(a) recourse to such debtor limited to the Relevant Property and/or the income, cash flow or other property derived from the Relevant Property;

(b) recourse to another Person (other than the Issuer, Singtel Optus or any Restricted Subsidiary) who has guaranteed or provided other security in respect of such indebtedness; and

(c) recourse to the shares in, or any property of, a Subsidiary of Singtel Optus (other than the Issuer or any Restricted Subsidiary) that is engaged principally in the ownership, acquisition, construction, creation, development and/or operation of property and in which the net book value of Relevant Property exceeds 90 per cent. of such Subsidiary's total assets (except goodwill, trademarks, patents, trade-names and other intangible assets but including licences) at their net book values (after deducting related depreciation, depletion and amortisation) as determined in accordance with Australian Accounting Standards.

"Restricted Subsidiary" means each Subsidiary Guarantor.

Events of Default (including Cross Default)	(i) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or (ii) if the Issuer or any Guarantor fails to perform or observe any of its other obligations under the Notes or the Guarantees and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 45 days next following the service to the Fiscal Agent at its specified office by any Noteholder; or (iii) if there is default under any Indebtedness for Money Borrowed (other than in respect of any Non-Recourse Indebtedness) by the Issuer or any Guarantor having an aggregate principal amount outstanding exceeding U.S.$50 million whether such Indebtedness for Money Borrowed exists at the date of issue of the first Tranche of the Notes or shall thereafter be created, which default shall have resulted in such Indebtedness for Money Borrowed becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable (after the expiration of any applicable grace period), if the effect is to cause such Indebtedness for Money Borrowed to become due prior to its stated maturity without such Indebtedness for Money Borrowed having been discharged, or such acceleration having been rescinded or annulled, within a period of 10 days. For the purposes of this paragraph (iii), "Indebtedness for Money Borrowed" means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit, (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash and to the extent not already included, any guarantee or indemnity in respect of such indebtedness; and for purposes of this paragraph (iii) only, shall also include Deferred Purchase Amounts and any amounts payable under Finance Leases; "Deferred Purchase Amount" means the purchase price of any asset or service where that purchase price is deferred for a period exceeding 90 days; "Finance Lease" means any lease which under current accounting practice would be required to be capitalised on the balance sheet of the lessee or hirer; or

(iv) if an order shall be made by any court of competent jurisdiction or an effective resolution shall be passed for the winding up of the Issuer or any Guarantor, other than such an order made or a resolution passed for the purposes of a reconstruction, amalgamation or reorganisation where the Issuer or any Guarantor, as the case may be, is solvent and which has been approved by an Extraordinary Resolution of the Noteholders; or

(v) if the Issuer or any Guarantor shall suspend or announce its intention to suspend payment of its debts generally or shall be declared or adjudicated by a court of competent jurisdiction to be unable, or shall admit in writing its inability, to pay its debts generally as they fall due, or shall be adjudicated or found insolvent (within the meaning of Section 95A(2) of the Corporations Act of Australia) by a court of competent jurisdiction; or

(vi) if the Issuer or any Guarantor shall enter into or make any compromise or arrangement with its creditors generally including the entering into of some form of moratorium with its creditors generally, other than such a compromise or arrangement for the purposes of a reconstruction, amalgamation or reorganisation where the Issuer or the relevant Guarantor, as the case may be, is solvent and which has been approved in writing by an Extraordinary Resolution of the Noteholders; or

(vii) if a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Issuer, Singtel Optus or any Restricted Subsidiary in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or there shall be appointed a receiver, administrator, liquidator, custodian, trustee or sequestrator (or similar officer) over the whole or substantially the whole of the assets of the Issuer or any Guarantor, as the case may be, and any such decree, order or appointment is not removed, discharged or withdrawn within 60 days thereafter; or

(viii) if the Issuer or any Guarantor shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, other than a case commenced under an applicable law not pertaining to bankruptcy or insolvency for the purposes of a reconstruction, amalgamation or reorganisation where the Issuer or the relevant Guarantor, as the case may be, is solvent and which has been approved in writing by an Extraordinary Resolution of the Noteholders, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, administrator liquidator, assignee, custodian, trustee or sequestrator (or similar official) of the Issuer or the relevant Guarantor over the whole or substantially the whole of its assets, or shall make any general assignment for the benefit of its creditors other than for a solvent reorganisation which has been approved in writing by an Extraordinary Resolution of the Noteholders; or

	(ix) other than in respect of any Non-Recourse Indebtedness, a distress, attachment, execution or other legal process is issued, levied, enforced or sued upon or against the whole or substantially the whole of the assets of the Issuer or any Guarantor and is not paid out, satisfied, withdrawn or set aside within 60 days of the date of issue, levy or enforcement; or (x) if any Guarantee ceases to be, or is claimed by the Issuer or any Guarantor not to be, in full force and effect.
Rating	The Programme is rated A3 in respect of Notes with a maturity of more than one year by Moody's and A- in respect of Notes with a maturity of more than one year by Standard & Poor's. Notes issued under the Programme may be rated or unrated.
Listing	Application has been made to the SGX-ST for permission to deal in and quotation of any Notes which are agreed at the time of issue therefore to be listed in the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There can be no assurance that the application to the SGX-ST will be approved. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies). Unlisted Notes may also be issued.
Governing Law	English law.
Selling Restrictions	See United States, European Economic Area, United Kingdom, Japan, Singapore, Hong Kong and Australia and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes as set out in "Subscription and Sale".
Taxation	All payments in respect of the Notes will be made free from any restriction or condition and be made without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction (as defined in Condition 9), unless the deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law. In the event that any such deduction is made, the Issuer, or as the case may be, the Guarantors, will save in certain limited circumstances provided in Condition 9 be required to pay additional amounts to cover the amounts so deducted.
Further Issues	The Issuer may from time to time, without the consent of the holders of the Notes, create and issue further securities having the same Terms and Conditions as the Notes in all respects so that such further issue shall be consolidated and form a single series with the Notes.
Legal Entity Identifier	254900UAM2PKZZ3FLH23

RISK FACTORS

Each of the Issuer and the Guarantors believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and none of the Issuer or the Guarantors is in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which each of the Issuer and the Guarantors believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Each of the Issuer and the Guarantors believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer or the Guarantors may be unable to pay interest, principal or other amounts on or in connection with any Note for other reasons which may not be considered significant risks by the Issuer or the Guarantors based on information currently available to them or which they may not currently be able to anticipate. None of the Issuer or the Guarantors represents that the statements below regarding the risks of holding any Note are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under the Notes and each Guarantor's ability to fulfil its obligations under its Guarantee.

The Singtel Optus Group's business activities are concentrated in Australia.

Substantially all of the Singtel Optus Group's business activities are concentrated in Australia. As a result, the Singtel Optus Group's revenue and results of operations and future growth depend, to a large extent, on the growth of the Australian economy.

Any downturn or slowdown in the Australian economy could adversely affect the demand for telecommunications, media and entertainment services which in turn could have a material adverse effect on the Singtel Optus Group's results of operations and future growth.

International security issues and geopolitical tensions could adversely impact the Singtel Optus Group's business, financial condition, results of operations and prospects.

International security issues, geopolitical developments, trade tensions and the adoption of new protectionist measures in certain parts of the world, could disrupt global supply chains and adversely impact global trade and economic activity. In particular, tensions between the U.S. and China remain elevated in the areas of data and technology security and the supply of advanced chips and technology.

Protracted geopolitical tensions such as the intensifying Russia-Ukraine conflict and the ensuing sanctions against Russia, the Israel-Hamas conflict, tensions in the Indo-Pacific region and between North and South Korea could result in global economic slowdown, higher inflation, supply chain disruptions and diminished access to commodities, and any material escalations in such geopolitical risks could also increase financial market volatility and cause severe negative effects on regional and global economic markets, industries, and companies.

The consequences of any of these conflicts or other security events, including terrorist attacks, are unpredictable, and the Singtel Optus Group may not be able to foresee events that could have a material adverse impact on its business, financial condition, results of operations and prospects.

The Singtel Optus Group's business, financial condition and results of operations may be materially and adversely affected by natural calamities, outbreaks of communicable diseases and pandemics/epidemics.

Natural calamities, outbreaks of communicable diseases and pandemics/epidemics could result in sporadic or prolonged market and/or supply disruptions, an economic downturn or recession, volatilities in domestic and/or international capital markets and may materially and adversely affect Australia and other economies. The occurrence of any of these events or developments may materially and adversely affect the Singtel Optus Group's business, financial condition and results of operations.

Pandemic outbreaks, such as the COVID-19 pandemic outbreak, could disrupt global supply chains of network systems, equipment, handsets, devices and content and could impact or lead to delays in the deployment, installation, upgrade, operation and/or maintenance of network infrastructure, and/or delivery of equipment, handsets, devices and content. The imposition of movement restriction measures as a result of such pandemic outbreaks could also lead to access and workforce constraints and impede the Singtel Optus Group's ability to operate and serve its customers, resulting in deterioration in service levels and/or quality, delays to projects and deliverables to customers, inability to meet contractual obligations and/or failure to comply with regulatory requirements. Such measures could significantly dampen consumer, government and enterprise spending, and adversely affect revenues. Decline in revenues and the delay in payments from customers or non-payments from customers may lead to funding constraints for the Singtel Optus Group.

A prolonged and widespread pandemic outbreak may also result in a global recession with a severe impact on various sectors such as telecommunication, aviation, travel, retail, tourism, automobile, manufacturing and oil and gas, as well as reduced investment and spending and severe unemployment. An economic downturn of this scale, coupled with the uncertainties around disruption to business and business models posed by technology, changes in enterprise and consumer behaviours, and government and regulatory actions, may pose significant challenges to the management of capital investments, working capital and business changes. Any of the above factors could have an adverse effect on the Singtel Optus Group's business, financial condition, results of operations and prospects.

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

Changes in domestic, regional and global economic conditions may have a material adverse effect on the demand for telecommunications, IT services, digital services and others related services, which may in turn have a material adverse effect on the financial performance and operations of the Singtel Group and its associates and joint ventures. The global credit and equity markets have also experienced substantial dislocations, liquidity disruptions and market corrections. These and other related events have had a significant impact on the global credit and financial markets and economic growth, and consequently, on consumer and business demand for telecommunications, IT services, digital services and other related services.

Difficult conditions in the global credit markets and sustained high interest rates could also adversely impact the cost or other terms of the Singtel Optus Group's existing financing, as well as its ability to obtain new credit facilities or access the capital markets on favourable terms.

The increasing inflationary pressures triggered by, among others, geopolitical conflicts, trade tensions, resumption of economic activities post-pandemic, challenges of supply chain shortages and surging energy prices may adversely impact the Singtel Optus Group's financial performance by increasing the Singtel Optus Group's costs, including the cost of energy to power infrastructure, facilities and data centers.

The business of Singtel Optus Group is subject to extensive laws and regulations.

The Singtel Optus Group's operations in Australia are subject to extensive government regulations, which may impact or limit flexibility to respond to market conditions, competition, new technologies or changes in cost structures. Governments may alter their policies relating to the telecommunications, IT, multimedia, financial services, digital services and related industries and the regulatory environment (including in relation to taxation) in which the Singtel Optus Group operates. The business and results of operations of the Singtel Optus Group could be materially and adversely affected by changes in law, regulation or government and/or regulatory policies. In particular, decisions or changes in decisions by governments or regulators concerning economic or business interests or goals which are inconsistent with the interests or actions of the Singtel Optus Group could materially and adversely affect its financial conditions, results of operations and investments. In addition, changes in law, regulation or government and/or regulatory policies (including in relation to taxation) may increase the compliance obligations and business costs faced by the Singtel Optus Group which could materially and adversely affect its financial condition, results of operations and investments. In particular, the Singtel Optus Group is subject to regulatory decisions on the rates at which it purchases some services from and provides some services to other telecommunications companies in the country. Such decisions can significantly affect the Singtel Optus Group's revenues and costs as well as its competitive position, and may also not be consistent with the Singtel Optus Group's expectations. The Singtel Optus Group also has to comply with various technical, operational and consumer codes and standards.

It is possible that the Australian Government's policy could lead to a sub-optimal or negative outcome for the Singtel Optus Group. Such changes could result in increased access and/or compliance costs and could have a material adverse effect on the Singtel Optus Group's financial performance and results of operations.

The Singtel Optus Group's businesses depend upon statutory licences issued by Australian governmental authorities. Failure to meet regulatory requirements could result in fines or other sanctions including, ultimately, revocation of the licences. There is no assurance that the Singtel Optus Group will be able to renew existing licences on terms that are the same or equivalent to those that currently apply, no assurance that new terms will not be imposed and no assurance that the Singtel Optus Group will be able to renew the existing licences at all. In addition, the Singtel Optus Group may be required to obtain licences where it wishes to expand its existing businesses or enter into new areas of business and there can be no assurance that it will be able to obtain these licences.

The operations of the Singtel Optus Group are also subject to various other laws and regulations such as those relating to customer data privacy and protection, payment services and anti-money laundering, anti-bribery and corruption, workplace safety and health, public order and safety, cybersecurity, online falsehoods, national security, environmental, and human and labour rights. In addition, there have been changes in the regulatory landscape for media and telecommunications industry, particularly in respect of issues of cybersecurity, data privacy, consumer protection, service resiliency and emergency service access. These changes, together with increasing scrutiny by regulators and inclination of regulators towards stronger enforcement actions may lead to additional compliance costs for the business. The Australian Government has established a regulatory regime for critical infrastructure, which may adversely affect the way we manage and operate our network when our equipment is classified as critical infrastructure. Failure by the Singtel Optus Group to comply with these regulations could result in various sanctions. Such sanctions may materially and adversely affect business and/or capacity to operate in line with the business objectives of the Singtel Optus Group.

The Singtel Optus Group may not be able to access spectrum to support its business.

The Singtel Optus Group may need to access additional spectrum to support both organic growth and the development of new services. Access to spectrum is of critical importance to the Singtel Optus Group in order to support its business of providing mobile voice, data and other connectivity services. The use of spectrum in Australia is regulated by the Government and requires a licence. Licences are allocated through auction by the Australian Communication and Media Authority ("ACMA") from time to time, under tender, pre-determined prices or negotiated prices. Limits may also be imposed upon the amounts of spectrum which the Singtel Optus Group or other bidders may purchase. The process for renewing spectrum licences or acquiring new or additional spectrum licences may be subject to change. There can be no assurance that the Singtel Optus Group will be able to acquire licences for new or additional spectrum or access such new or additional spectrum on favourable and/or reasonable commercial terms or at all. The Singtel Optus Group will need to renew its existing spectrum licences when they expire. There can be no assurance that the Singtel Optus Group will be able to renew these licences on terms that are favourable and/or on reasonable commercial terms or on equivalent terms to those that apply today, or at all. Failure to acquire access to spectrum on reasonable terms or at all could have a material adverse effect on the Singtel Optus Group's business, financial performance and growth plans.

The Singtel Optus Group operates in legal and regulatory systems where the interpretation, application and enforcement of laws and regulations may be uncertain.

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

The Singtel Optus Group faces competitive risks in Australia.

The telecommunications market in Australia is highly competitive. The Singtel Optus Group has been operating in an increasingly competitive environment since full deregulation of the Australian telecommunications sector on 1 July 1997. Full deregulation has resulted in a significant increase in the number of telecommunications service providers in Australia. The Singtel Optus Group's major competitor is Telstra Corporation Limited, which has a substantial market presence as well as networks and resources significantly greater than those of the Singtel Optus Group, thereby giving it greater flexibility to discount prices selectively and to package different services.

In the Australian telecommunications market, in addition to the incumbent operator, a number of participants are subsidiaries of international groups and these participants have made large investments in networks which are now sunk costs. The Singtel Optus Group is exposed to the risk of irrational pricing being introduced by such competitors. Competition has further intensified with recent movements in the industry such as mergers and potential network sharing agreements between operators. The Singtel Optus Group's market share is also at risk due to significant and rapid growth by existing industry competitors who could gain a competitive advantage through better services, wider coverage or cost competitiveness. The consumer fixed line services continue to be dominated by the incumbent operator which can leverage its scale and market position to restrict the development of competition. With the deployment of the NBN, competition is expected to increase further.

Competition in the Australian enterprise market has also intensified following the consolidation of fixed line service providers. By leveraging new scale and lower cost base structures, such fixed line service providers may seek to obtain a greater market share through aggressive pricing, and by expanding into adjacent information and communications technology ("ICT") markets with complementary managed services and IP based solutions. In addition, the increasing network footprint of the Australian NBN could result in intensified competition among the retail service providers segment, which could result in lower margins, revenue and market share for the Singtel Optus Group. The dominance and sophistication of cloud infrastructure by hyperscalers and increasing adoption of cloud-based solutions by government and enterprise customers, are also disruptive risks to Singtel Optus Group's business.

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

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

The Singtel Optus Group has evolved from its traditional carriage business in Australia to venture into new growth areas to create additional revenue streams, including 5G, Internet of Things ("IoT"), cloud services, cybersecurity, ICT, mobile payment and remittance services, data and analytics. There is no assurance that the Singtel Optus Group will be successful in these new ventures, gain market share and generate revenue and margins to offset the decline in traditional carriage business. In addition, these businesses may require substantial capital, new expertise, considerable process or systems changes, on-going compliance monitoring with respect to complex legal and regulatory requirements and organizational, cultural and mindset changes. These businesses may also expose the Singtel Optus Group to regulatory and IT security risks along with the risks associated with the media and online industries, such as media regulation, brand safety, disputes and/or litigation over content rights, intellectual property infringement, online falsehood and data protection regulations and legislation in the various countries where the customers of the Singtel Optus Group operate in. Materialisation of any or all of the above mentioned risks could have a material adverse effect on the Singtel Optus Group's business, financial condition, results of operations and prospects.

In Australia, the Singtel Optus Group has ramped up its 5G deployment. The investment in 5G networks and related systems carries risks of uncertainty and may dilute the earnings of the Singtel Optus Group. The investment in 5G network is dependent on 5G applications and services which have not yet been fully developed and the monetisation potential of 5G networks remains unclear. The investment in 5G networks may require significant capital outlay and there is no assurance that the Singtel Optus Group may break even on such investments in a timely manner, or at all. In addition, the high quality of existing 4G networks may limit the perceived value of the new 5G networks and may also impact the monetisation potential of 5G networks.

In Australia, the Government has implemented security legislation to restrict vendors from certain countries from participating in supplying 5G network equipment to mobile network operators. This limits the sources of vendors available to the Singtel Optus Group which could lead to higher investment costs and may result in a material adverse impact on the Singtel Optus Group's revenue and profitability.

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

The Singtel Optus Group incurs substantial capital expenditure in constructing, maintaining and enhancing its network and systems infrastructure. The Singtel Optus Group's network and systems infrastructure projects are subjected to risks associated with the construction, supply, installation and operation of equipment and systems. The bespoke projects undertaken by the Singtel Optus Group as solutions providers to design, build, operate and/or maintain IT infrastructure and systems are subject to the risks of increased project costs, disputes and unexpected implementation delays, any or all of which could result in an inability to meet projected completion dates or service levels. The projects are also vulnerable to supply chain disruptions arising from developments such as geopolitical conflicts and economic sanctions.

For the Singtel Optus Group's satellite business, the launch of any satellite is subject to the risks of launch delays, cost overruns and the occurrence of other unforeseeable events, including but not limited to, satellite launch failure and satellite failure to enter into designated orbital locations, or any other event which is beyond the control of the Singtel Optus Group. The Singtel Optus Group's network and systems infrastructure projects are also subject to risks associated with the sale of capacity on the completed project infrastructure, including risks of default, disputes, litigation and arbitration involving contractors, suppliers, customers and other third parties involved in the construction or operation of network infrastructure projects. Materialisation of any or all of these risks could have a material adverse effect on the Singtel Optus Group's business, financial condition, results of operations and prospects.

Furthermore, the Singtel Optus Group relies on access to, and the use of, facilities and services of Telstra, NBN and other third parties to provide services to its own customers. Whilst the grant and terms of such access can in some cases be determined by the relevant regulatory authority, such arrangements are more usually negotiated directly with the access provider. In the event that the grant of access to the Singtel Optus Group is denied or delayed, or the pricing is unattractive or the terms of access are the subject of dispute, such denial, delay, unattractive pricing or dispute resolution process could have an adverse effect on the Singtel Optus Group's ability to service its customers and its growth and profitability.

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

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

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

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

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

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

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

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

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

The Singtel Optus Group relies on third party suppliers and service providers and their respective extended supply chains with respect to many aspects of its business. The Singtel Optus Group has relied on, and will continue to rely on, third party suppliers for various purposes, including, but not limited to, the design, construction, operation and maintenance of the Singtel Optus Group's network, the supply of handsets, devices and equipment, systems and applications development services, customer service operations, content provision and customer acquisition. Accordingly, the Singtel Optus Group's operations and reputation could be affected by such third party suppliers or their supply chain failing to perform their obligations, or failing to operate in line with increased expectations of key stakeholders such as governments, regulators and/or customers on a broadening set of environmental, social and governance (ESG) issues. These include corporate governance and business ethics, human rights and modern slavery, as well as climate change and environmental management. Changes in business conditions, force majeure, governmental changes and other factors beyond the Singtel Optus Group's control or which it does not presently anticipate could also affect its suppliers' ability to deliver products and/or services to us on a timely basis. In addition, the industry is dominated by a few key suppliers for such services, handsets, devices, equipment or content. Any prolonged delays, failure or refusal by a key supplier to provide such services, handsets, devices, equipment or content arising from disruptions caused by, among others, global pandemics such as COVID-19, government-imposed bans and/or sanctions due to security and other concerns, or any consolidation of the industry or cost escalation by any key supplier may significantly affect the Singtel Optus Group's business and operations.

The Singtel Optus Group faces technology risks.

Rapid and significant technological changes are typical in the telecommunications and ICT industry and these changes may materially affect the Singtel Optus Group's capital expenditure and operating costs, the demand for the Singtel Optus Group's products and services and the Singtel Optus Group's returns on the technology investments. For example, rapid advancements in wireless communications and new digital technologies such as 5G, edge computing, artificial intelligence, application programming interfaces, cloud-based technologies and blockchain are driving development of entirely new ecosystems and business models. Such new technologies may come with inherent lack of maturity in the early stages of technology adoption and could introduce unintended operational complexity and instability.

The Singtel Optus Group has invested substantial capital and other resources in the development and modernisation of its networks and systems. Technological changes continue to reduce the costs, and expand the capacities and functions, of new infrastructure capable of delivering competing products and services, resulting in lower prices and more competitive and innovative products and services. With the rapid advancement in technology, the Singtel Optus Group may also be left with investments that are technologically obsolete before the end of the expected useful life of these investments and the value of these investments may be impaired. These changes may require the Singtel Optus Group to replace and upgrade its network and systems to remain competitive and as a result, the Singtel Optus Group may be required to incur significant additional capital expenditure in order to maintain the latest technological standards and remain competitive against these newer products and services. There is also no assurance that the Singtel Optus Group will be able to upgrade its network and systems or to adopt suitable new technologies in time, which may materially and adversely affect the Singtel Optus Group's business and may also leave the Singtel Optus Group vulnerable to security threats and cyberattacks.

The Singtel Optus Group faces a continuing risk of market entry by new operators and service providers (including non-telecommunications players and OTT players) who, by using newer or lower cost technologies, may succeed in rapidly attracting customers away from established market participants. The Singtel Optus Group's business may also incur substantial development expenditure to gain access to related or enabling technologies to pursue new growth opportunities in the Singtel Optus Group's business. There is no assurance that the Singtel Optus Group will be able to modify its existing infrastructure and processes in a timely and cost-effective manner to facilitate such implementation. Failure to do so could adversely affect the Singtel Optus Group's quality of service, financial condition and operational performance. New technologies may also enable players from adjacent industries to enter the telecommunications and IT services markets, thus increasing competition and depressing prices. This may result in a loss of market share and could have an adverse effect on the Singtel Optus Group's financial condition and results of operations.

Furthermore, the Singtel Optus Group currently relies on access to infrastructure owned by Telstra, NBN Co and other providers to deliver certain of its services. There can be no assurance that the Singtel Optus Group will be able to continue to access such infrastructure on favourable terms, or at all. In addition, should the Singtel Optus Group seek access to additional or new infrastructure to support future growth plans and/or technological developments, there is also no guarantee that it will be able to do so on favourable terms, or at all. Failure to do so could have a material adverse effect on the Singtel Optus Group's business, financial performance and growth plans.

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

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

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

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

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

The Singtel Optus Group may be required to raise additional funds for its future capital needs or to refinance its current indebtedness. There can be no assurance that funding, if needed, will be available on terms that the Singtel Optus Group considers favourable, or at all. Furthermore, any debt financing, if available, may involve restrictive covenants being imposed on the Singtel Optus Group. In addition, any disruptions experienced in the international capital markets may lead to reduced liquidity and increased credit risk premiums for certain market participants, as well as increased risk in procuring financing. Financial markets continue to be volatile. In addition, the global recessionary impact arising from, amongst others, trade tensions, high inflation, rising interest rates and uncertainties regarding economic outlook, may heighten execution risk for funding activities and increase credit risk premiums for market participants. If the Singtel Optus Group is unable to borrow the amounts required on favourable terms, it may be unable to pursue its planned strategies. There can be no assurance that future conditions in the financial markets, particularly if it and other telecommunications companies seek increasingly large amounts of capital financing, will not adversely affect its ability to finance its operations.

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

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

The Singtel Optus Group is exposed to interest rate risk.

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

The Singtel Optus Group is exposed to counter-party risk.

The Singtel Optus Group may enter into various transactions which will expose it to risks relating to the credit of its counter-parties and their ability to satisfy the terms of such contracts. For example, the Singtel Optus Group may enter into swap arrangements, including multi-year swap arrangements, which expose it to the risk that the counter-party may default on its obligations to perform under the relevant contract.

The Singtel Optus Group's surplus funds may also be invested in interest-bearing deposits with financial institutions. In the event that a counter-party, including a financial institution is declared bankrupt or becomes insolvent, this may result in delays in obtaining funds or in the Singtel Optus Group having to liquidate its position, potentially leading to losses.

Credit ratings and ratings outlook assigned to the Issuer or Singtel Optus may be subject to change.

The Issuer and Singtel Optus have been assigned an overall corporate credit rating of "A3" with a rating outlook of "stable" by Moody's and "A-" with a rating outlook of "stable" by S&P. A credit rating is not a recommendation to buy, sell or hold the Notes. Each series of Notes issued under the Programme may be rated or unrated. Credit ratings or ratings outlook are subject to (where applicable) revision, suspension or withdrawal at any time by the assigning rating agency. Rating agencies may also revise or replace entirely the methodology applied to assign credit ratings. The Issuer or Singtel Optus have been assigned an overall corporate credit rating, and may additionally be issued a stand-alone credit rating. No assurance can be given that if the Issuer or Singtel Optus were issued such a stand-alone credit rating, it would be the same as or would not be lower than its overall corporate credit rating. Moreover, no assurance can be given that a credit rating or rating outlook will remain for any given period of time or that a credit rating or rating outlook will not (where applicable) be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant or if a different methodology is applied to assign such credit ratings. Neither the Issuer nor Singtel Optus has any obligation to inform Noteholders of any such (where applicable) revision, downgrade or withdrawal of credit ratings or ratings outlook. A suspension, reduction or withdrawal at any time of the credit rating or rating outlook (where applicable) assigned to the Issuer or Singtel Optus, the Programme or the Notes may adversely affect the market price of the Notes, which may in turn have a material adverse effect on the Singtel Optus Group's financial condition and results of operations. Moreover, the Issuer or Singtel Optus' credit ratings do not reflect the potential impact related to market or other considerations relating to the Notes.

The Singtel Optus Group is exposed to various regulatory and litigation risks.

The Singtel Optus Group may be involved from time to time in disputes with various parties (such as contractors, suppliers and customers) relating to the provision of its services, the development and maintenance of its network infrastructure or other business activities. These disputes may lead to legal and other proceedings and may result in additional costs and delays to, and a diversion of effort by, the Singtel Optus Group and/or subject the Singtel Optus Group to significant liabilities to third parties (for example, compensation). In addition, the Singtel Optus Group may be subject to investigations and administrative proceedings, adverse compliance audit findings, unfavourable orders, directives or decrees from regulatory bodies that result in financial losses (for example, fines) and which may delay the implementation, construction or completion of various infrastructure projects. While the Singtel Optus Group consults with its legal counsel and other experts (both within and outside the Singtel Optus Group) on matters relating to such regulatory or litigation actions where relevant, there is no assurance that such regulatory or litigation actions will be concluded or settled on favourable or reasonable terms, or at all. In addition, any payment of taxes, fines, penalties or other amounts made or to be made as a result of such regulatory or litigation actions may be subject to disputes and may result in further liabilities, losses or regulatory actions being taken against the Singtel Optus Group. Please refer to the "Legal Proceedings" subheading under the section "Description of Singtel Optus and the Singtel Optus Group" for further information about material litigation.

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

While the Singtel Optus Group has an Employment Partnership Agreement ("EPA") with its employees and limited union membership, there can be no assurance that the EPA will be renewed or that future strikes and other labour activism will not disrupt operations or have a material adverse effect on the Singtel Optus Group's business, financial condition, results of operations and prospects.

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

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

The Singtel Optus Group also faces transitional risks which include energy security risks, loss of business due to lagging climate initiatives and/or regulatory risks. In particular, the Singtel Optus Group could be required to comply with stricter regulatory requirements aimed to address climate change, such as reducing its carbon emissions, enforcing stricter emissions standards, paying carbon taxes, increasing energy prices or replacing and/or upgrading its network and system infrastructure to comply with such regulatory requirements on emissions. There is also growing customer expectation that the Singtel Optus Group transition to services with low-carbon emissions and are resilient to natural disasters. Any of the abovementioned factors could have an adverse effect on the Singtel Optus Group's financial condition and results of operations.

The Singtel Optus Group faces the occurrence of natural catastrophes, severe weather conditions, other acts of God or other uncontrollable events such as acts of terrorism.

The provision of the Singtel Optus Group's services depends on the quality, stability, resilience and robustness of its networks and systems. The Singtel Optus Group faces the risks of the malfunction of, loss of, or damage to network infrastructure from natural or man-made causes or other events beyond the control of the Singtel Optus Group. Some of the areas in which the Singtel Optus Group operates have experienced a number of major natural catastrophes over the years, including typhoons, droughts, floods, bushfires and earthquakes. Some of these catastrophes have also increased in intensity and frequency due to climate change, which may cause a prolonged and exacerbated impact on the infrastructure and operations of the Singtel Optus Group.

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

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

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

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

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

The Singtel Optus Group believes that the growth it has achieved to date, as well as its position as one of the leading integrated telecommunications services providers in Australia are, to a large extent, attributable to a strong and experienced management team. The Singtel Optus Group believes that its continued growth and the successful implementation of its business strategy depends upon the retention of its key management executives and its ability to attract and retain other highly capable individuals.

The loss of some or all of the Singtel Optus Group's senior executives, or the inability of the Singtel Optus Group to attract or retain other key talent, could materially and adversely affect the Singtel Optus Group's business.

Singtel Optus is controlled by a single shareholder.

As at 4 August 2024, Singtel had an aggregate interest of 100 per cent. of Singtel Optus' shares. At that level of share ownership, Singtel is able to exercise control and governance over matters requiring shareholders' approval, including the election of directors, approval of significant corporate transactions and approval of final dividend payments by Singtel Optus. No assurance can be given that Singtel's objectives will not conflict with business goals and objectives of the Singtel Optus Group or that any such conflict will not have an adverse effect on the financial condition and results of operations of the Singtel Optus Group.

There can be no assurance that Singtel will remain the controlling shareholder of Singtel Optus or that there will not be a change of control of the Singtel Optus Group or the entry of another major shareholder with the ability to exert significant influence on the direction or operations of the Singtel Optus Group, or that the Singtel Optus Group's business, financial condition and results of operations would not be adversely affected by such a change in control or influence.

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

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

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

- litigation against the Singtel Optus Group;
- reduced demand for mobile communications services; and
- restrictions on the ability of the Singtel Optus Group or higher compliance costs to deploy its mobile communications networks as a result of government environmental controls which exist or may be introduced to address such perceived risks, any of which could have a material adverse effect on the Singtel Optus Group's financial performance and results of operations.

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

As the Singtel Optus Group's businesses and operations rely heavily on information technology, the Singtel Optus Group is exposed to risks of cybersecurity threats, data privacy breaches as well as other network security risks. For example, during September 2022 the Singtel Optus Group experienced a cyberattack that compromised customer information of the Singtel Optus Group's customers (please refer to the "Legal Proceedings" subheading under the section "Description of Singtel Optus and the Singtel Optus Group" for further information). The scale and level of sophistication of cybersecurity threats have increased with the changing tactics and tools used by cyber attackers, ranging from terrorist attacks, state-sponsored cyber attacks and ransomware. The shift by businesses to emphasize remote working arrangements has further increased the Singtel Optus Group's exposure to cybersecurity risks. The Singtel Optus Group is exposed to the risks of cyber attacks that can cause disruptions to the network IT systems and services provided to customers, and cyber theft or exfiltration of sensitive and/or confidential data, which may result in litigation actions from customers, an adverse impact on the reputation of the Singtel Optus Group and/or regulatory enforcement action, fines and penalties. The Singtel Optus Group is also exposed to cybersecurity threats arising from vulnerabilities in third-party products and services which the Singtel Optus Group utilises in its operations and provision of services to customers.

While the Singtel Optus Group undertakes an appropriate range of preventative and risk mitigation initiatives, there can be no assurance that they will be sufficient or that the Singtel Optus Group's business, financial condition and results of operations would not be adversely affected by such cybersecurity threats, data breaches as well as other network security risks.

The failure to keep up with and counteract increasing cybersecurity threats may materially and adversely affect the reputation, cybersecurity business and growth strategy of the Singtel Optus Group. Further, as artificial intelligence ("AI") systems become more capable and easily accessible, there is a risk that AI will be used by malicious actors to circumvent traditional cyber, scam, and spam controls.

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

The Singtel Optus Group is subject to Australian laws and regulations covering privacy matters, including a requirement to take reasonable steps to secure the personal information it holds and to notify customers in the event of unauthorised disclosure of their personal information. For example, during September 2022 the Singtel Optus Group experienced a cyberattack that compromised customer information of the Singtel Optus Group's customers, which the Singtel Optus Group notified to customers and relevant regulators (please refer to the "Legal Proceedings" subheading under the section "Description of Singtel Optus and the Singtel Optus Group" for further information).

The Singtel Optus Group seeks to protect the data privacy of its customers in its networks and systems infrastructure. Significant failure of security measures or lapses in established processes may undermine customer confidence and result in litigation action from customers and/or regulatory enforcement action, fines and penalties. Failure of security mechanisms may also result in the imposition of additional regulatory measures relating to the security and privacy of customer data. Regulators in Australia are increasingly active in enforcing existing laws and are examining options to extend these laws to address public concern over data breaches and the activities of social media platforms. The imposition of such additional regulatory measures may have a material adverse effect on the Singtel Optus Group's business, financial condition and results of operations.

With the advent of generative AI and AI-led technologies, the Singtel Optus Group sees growing demand from customers to explore the immense potential and unlock related opportunities. The Singtel Optus Group may in the future choose to adopt some forms of generative AI and AI-led technologies. The adoption of such technologies may expose the Singtel Optus Group to additional complexities, such as potential violation of privacy laws through the unintended publication of personal data or creation of deepfakes. As the technology continues to evolve, failure to keep abreast of the regulatory landscape may have material adverse effects on the Singtel Optus Group's business, financial condition and results of operations.

The Singtel Optus Group may in the future, enter into strategic alliances, joint ventures, partnerships, acquisitions, investments and/or divestments, which may adversely affect its business and financial position, dilute shareholdings and cause it to incur debt.

The Singtel Optus Group may, in the future, enter into strategic alliances, joint ventures, partnerships, acquisitions, investments and/or divestments. The Singtel Optus Group may not be able to identify suitable investment opportunities, partners or acquisition candidates. If it does identify suitable investment opportunities, partners or acquisition candidates, it may have difficulty in accurately assessing the candidates or risks in placing an accurate valuation and it may be unable to negotiate terms commercially acceptable or favourable to it or complete those transactions at all. If the Singtel Optus Group acquires another company or forms a new joint venture or other strategic partnership, it could have difficulty in integrating and assimilating that company's business, including products, components, personnel, operations, technology and culture, with its business, or developing the requisite knowledge and expertise. In addition, the key personnel of an acquired company may decide not to work for the Singtel Optus Group. Any potential acquisition, alliance, joint venture, investment or divestment could involve a number of specific risks, including diversion of management's attention, higher costs, unanticipated events or circumstances, legal liabilities, failure of the business of the acquired company, fall in value of investments and amortisation of acquired intangible assets, some or all of which could have a material adverse impact on the Singtel Optus Group's business, financial condition and results of operations.

The Singtel Optus Group may finance future investments, joint ventures, partnerships or acquisitions with cash from operations, its existing cash balances, debt financing, the issuance of additional shares or a combination of these or any other forms of financing. The Singtel Optus Group cannot guarantee that it will be able to arrange financing on acceptable terms, if at all, to complete any such transaction. Investments, joint ventures, partnerships or acquisitions financed by the issuance of its shares would dilute the ownership interest of its shareholders and debt financing would increase its leverage and financial risks.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme.

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

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

Notes subject to optional redemption by the Issuer

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

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

Index Linked Notes and Dual Currency Notes

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

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

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

(iv) they may lose all or a substantial portion of their principal;

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

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

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

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should seek independent financial and legal advice about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than the prevailing rates on its Notes.

Certain benchmark rates, including EURIBOR, may be discontinued or reformed in the future.

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

Regulation (EU) No. 2016/1011 (the "EU Benchmarks Regulation") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the "UK Benchmarks Regulation") among other things, applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark in the UK.

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark. More broadly, any of the international or national reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the discontinuance or unavailability of quotes of certain "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Terms and Conditions (as further described in Condition 6.2(g) (*Benchmark Discontinuation-Independent Adviser*), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event (as defined in the Terms and Conditions of the Notes) occurs, including if an inter-bank offered rate (such as EURIBOR) or other relevant reference rate (which could include, without limitation, any mid-swap rate), and/or any page on which such benchmark may be published (or any successor service) becomes unavailable, or if any Paying Agent, Calculation Agent, the Issuer or other party is no longer permitted lawfully to calculate interest on any Notes by reference to such benchmark. Such an event may be deemed to have occurred prior to the issue date for a Series of Notes. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Reference Rate (both as defined in the Terms and Conditions of the Notes), with the application of an Adjustment Spread (as defined in the Terms and Conditions of the Notes), in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective. There is no guarantee that any Adjustment Spread will be determined or applied. If no Adjustment Spread is determined, a Successor Rate or Alternative Reference Rate may nonetheless be used to determine the Rate of Interest. The use of any such Successor Rate or Alternative Reference Rate or, if applied, Adjustment Spread to determine the Rate of Interest may result in Notes linked to or referencing the initial inter-bank offered rate or other relevant reference rate performing differently (including paying a lower Rate of Interest) than they would do if the initial inter-bank offered rate or other relevant reference rate (as applicable) were to continue to apply in its current form.

Under these fallback arrangements, the Issuer will use all reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser (as defined in the Terms and Conditions of the Notes) to determine the Successor Rate or Alternative Reference Rate (as applicable) no later than five Business Days (as defined in the Terms and Conditions of the Notes) prior to the relevant Interest Determination Date (the "IA Determination Cut-off Date"), but in the event that the Issuer (acting in a reasonable manner) is unable to appoint an Independent Adviser, or such Independent Adviser fails to determine the Successor Rate or Alternative Reference Rate (as applicable), prior to the relevant IA Determination Cut-off Date, the Issuer (acting in a reasonable manner) will have discretion to, amongst other things, determine the relevant Successor Rate or Alternative Reference Rate (as applicable). There can be no assurance that such Successor Rate or Alternative Reference Rate (as applicable) determined by the Issuer will be set at a level which is on terms commercially acceptable to all Noteholders. Furthermore, in certain circumstances, the ultimate fallback for the purposes of calculation of Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. Due to the uncertainty concerning the availability of Successor Rates and Alternative Reference Rates, any determinations that may need to be made by the Issuer and the involvement of an Independent Adviser, entails a risk that the relevant fallback provisions may not operate as intended at the relevant time. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any of the international or national reforms or possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The market continues to develop in relation to Sterling Overnight Index Average ("SONIA"), Secured Overnight Financing Rate ("SOFR") and Singapore Overnight Rate Average ("SORA") as reference rates for Floating Rate Notes.

Investors should be aware that the market continues to develop in relation to SONIA, SOFR and SORA as reference rates in the capital markets and their adoption as alternatives to Sterling or U.S. Dollar London Interbank Offered Rate ("LIBOR"). In addition, market participants and relevant working groups are exploring alternative reference rates based on SONIA and SOFR, including term SONIA and SOFR reference rates (which seek to measure the market's forward expectation of an average SONIA or SOFR rate over a designated term) or different measures of SONIA and SOFR. The development of SONIA, SOFR and SORA rates as interest reference rates for the Eurobond markets, as well as continued development of SONIA, SOFR and SORA based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Notes. If SONIA, SOFR and SORA do not prove to be widely used in securities like the Notes, the trading price of such Notes linked to SONIA, SOFR and SORA may be lower than those of Notes referencing indices that are more widely used.

The use of SONIA, SOFR and SORA as reference rates for Eurobonds continues to develop both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing SONIA, SOFR and SORA. In particular, investors should be aware that several different SOFR methodologies have been used in SOFR linked notes issued to date and no assurance can be given that any particular methodology, including the compounding formula in the Terms and Conditions, will gain widespread market acceptance.

The market or a significant part thereof may adopt an application of SONIA, SOFR and SORA that differs significantly from that set out in the Terms and Conditions as applicable to the Notes. Furthermore, the Issuer may in the future issue Notes referencing SONIA, SOFR and SORA that differ materially in terms of interest determination when compared with the Notes. The development of SONIA, SOFR and SORA could result in reduced liquidity or increased volatility, or could otherwise affect the market price of any Notes that reference to SONIA, SOFR and SORA issued under this Programme from time to time. In addition, the manner of adoption or application of SONIA, SOFR and SORA reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA, SOFR and SORA in other markets, such as the derivatives and loan markets. Noteholders should carefully consider how any mismatch between the adoption of SONIA, SOFR and SORA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing SONIA, SOFR and SORA.

SONIA, SOFR and other risk-free rates differ from LIBOR and other inter-bank offered rates in a number of material respects and have a limited history.

SONIA, SOFR and other risk-free rates differ from LIBOR and other inter-bank offered rates in a number of material respects, including (without limitation) that SONIA and SOFR are backwards-looking, risk-free overnight rates, and in the case of SOFR, secured, whereas LIBOR is expressed on the basis of a forward-looking term, unsecured and includes a risk-element based on inter-bank lending. As such, investors should be aware that risk-free rates or SOFR may behave materially differently to inter-bank offered rates as interest reference rates for the Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to LIBOR which is an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Risk-free rates offered as alternatives to inter-bank offered rates also have a limited history. The future performance of such rates may therefore be difficult to predict based on the limited historical performance. The level of such rates during the term of the Notes may bear little or no relation to the historical level of such rates. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Furthermore, the Rate of Interest is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for Noteholders to estimate reliably the amount of interest which will be payable on the Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of the Notes. Further, in contrast to LIBOR-based Notes, if the Notes become due and payable under Condition 8, or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of the Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable.

The administrator of SONIA or SOFR may make changes that could change the value of SONIA or SOFR or discontinue SONIA or SOFR.

The Bank of England or the Federal Reserve Bank of New York (or their successors), as administrators of SONIA or SOFR, may make methodological or other changes that could change the value of SONIA or SOFR, including changes related to the method by which SONIA or SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SONIA or SOFR, or timing related to the publication of SONIA or SOFR. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA or SOFR (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing SONIA or SOFR.

Notes issued at a substantial discount or premium.

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

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

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

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

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

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

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

Risks related to Notes generally.

Set out below is a brief description of certain risks relating to the Notes generally:

Modification.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Change of law.

The Terms and Conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular.

Notes where denominations involve integral multiples: definitive Notes.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

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

The Guarantees provided by the Guarantors will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit their validity and enforceability.

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

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

Performance of contractual obligations.

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

Noteholders are exposed to financial risk.

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

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

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

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

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

Noteholders' ability to enforce certain rights in connection with the Notes may be limited or affected by reforms to Australian insolvency legislation relating to "ipso facto" rights.

Since the passing in 2017 of the Treasury Laws Amendment (2017 Enterprise Incentives No. 2) Act 2017, Australia has had a regime that provides for a stay on enforcement of certain rights (known as "ipso facto" rights) arising under a contract (such as a right entitling a creditor to terminate the contract or to accelerate payments or providing for automatic acceleration) for a certain period of time (and in some cases indefinitely), if the reason for enforcement is (in substance) the occurrence of certain events relating to specified insolvency proceedings (or the appointment of a restructuring practitioner in the case of certain companies) or the company's financial position during those proceedings. The specified proceedings include the appointment of an administrator or managing controller (over the whole or substantially the whole of the property of the company) or an application for a scheme of arrangement. The specified proceedings do not include a winding up or liquidation unless it was preceded by administration, or a deed of company arrangement.

The operation of the legislation introducing the stay commenced on 1 July 2018. The stay applies to ipso facto rights arising under contracts, agreements or arrangements entered into after 1 July 2018, or entered into before 1 July 2018 and novated, assigned or varied on or after 1 July 2023, subject to certain exclusions. Rights exercised with the consent of the relevant administrator, receiver, scheme administrator or liquidator and rights prescribed by regulations or Ministerial declarations are excluded ("subordinate legislation"). Such subordinate legislation may also prescribe additional reasons for application of the stay on enforcement, or for extending the stay indefinitely. The legislation also gives the Federal Court of Australia and the Supreme Courts of each State and Territory the power to broaden or narrow the scope and duration of the stay.

The Australian Government has made amendments to the Corporations Regulations 2001 (Cth) which exempt certain types of contracts from the stay, including an exemption for a contract, agreement or arrangement that is, or governs, securities, financial products, bonds, promissory notes or syndicated loans. In addition, the Minister for Revenue and Financial Services made the Corporations (Stay on Enforcing Certain Rights) Declaration 2018 setting out certain types of contractual rights which will also be excluded from the stay (regardless of the type of contract under which those rights arise), including a right to change the basis on which an amount is calculated in a financing arrangement or a guarantee, indemnity or security related to a financing arrangement, and a right for an "all-assets" secured creditor to appoint a controller of property to an asset.

The extent to which certain contracts and contractual rights fall within the scope of the categories in the regulations and declaration is somewhat unclear. In particular, while the regulations exempt arrangements which are, or which govern, securities, financial products, bonds, promissory notes, or syndicated loans, the regulations do not exempt ancillary arrangements, such as the Guarantees or security interests for such arrangements. Nevertheless, the regulations exempt arrangements which are for the underwriting of an issue, or sale, of securities, financial products, bonds and promissory notes, or are directly connected to a securities financing transaction.

If the regulations are not interpreted to exclude from the operation of the legislation ancillary arrangements such as the Guarantees, this may render unenforceable in Australia provisions of the Guarantees conditioned merely on the occurrence of the events giving rise to the "ipso facto" rights (for instance, in the event of the insolvency of the Guarantors). There is therefore some uncertainty as to aspects of this regime and until the regulations have been the subject of any relevant applicable decided case law or further official clarification, the scope of the stay on the exercise of ipso facto rights and the exclusions and the effect on any securities issued after the commencement date remains somewhat unclear.

Risks related to the market generally.

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally.

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

Exchange rate risks and exchange controls.

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

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

Interest rate risks.

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Inflation risk.

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

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

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

Credit ratings may not reflect all risks.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments.

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

DOCUMENTS INCORPORATED BY REFERENCE

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Offering Circular:

(a) the most recently published audited consolidated financial statements of the Singtel Optus Group;

(b) any financial information relating to the Singtel Optus Group which is contained in the unaudited Singtel's "Management Discussion and Analysis" of Financial Condition, Results of Operations and Cash Flows;

(c) any announcements of the Issuer made via SGXNET; and

(d) all supplements or amendments to this Offering Circular published by the Issuer from time to time.

This Offering Circular should be read and construed in conjunction with each relevant Pricing Supplement and all other documents which are deemed to be incorporated by reference in this Offering Circular and in the relevant Pricing Supplement. The relevant Pricing Supplement shall, save as specified herein and therein, be read and construed on the basis that such Pricing Supplement is so incorporated by reference and forms part of the Offering Circular. The relevant Pricing Supplement shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such Pricing Supplement is inconsistent with such contents in this Offering Circular. Copies of the documents listed in (a) above which are deemed to be incorporated by reference in this Offering Circular may be obtained at the website of the Australian Securities and Investments Commission at https://asic.gov.au, and copies of the documents listed in (b) above which are deemed to be incorporated by reference in this Offering Circular may be obtained at the SGX's website www.sgx.com.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the registered office of the Issuer and from the specified offices of the Paying Agent.

The Issuer and the Guarantors will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached.

Bearer Notes

Each Tranche of Bearer Notes (as defined in the Terms and Conditions of the Notes) will be in bearer form and will be initially issued in the form of a temporary bearer global note (a "Temporary Bearer Global Note") or, if so specified in the applicable Pricing Supplement, a permanent bearer global note (a "Permanent Bearer Global Note", together with any Temporary Bearer Global Note, the "Bearer Global Notes") which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the "Common Depositary") for, Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg").

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and (in the case of a Temporary Bearer Global Note delivered to a Common Depositary for Euroclear and Clearstream, Luxembourg) Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Fiscal Agent (as defined in "Terms and Conditions of the Notes"). On and after the date (the "Exchange Date") which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Bearer Global Note of the same Series or (b) for Definitive Bearer Notes (as defined in the Terms and Conditions of the Notes) of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of Definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that the purchasers in the United States and certain U.S. persons will not be able to receive Definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for Definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Fiscal Agent as described therein or (b) only upon the occurrence of an Exchange Event. For these purposes, "Exchange Event" means that (i) an Event of Default (as defined in Condition 11) has occurred and is continuing or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Fiscal Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Fiscal Agent.

The following legend will appear on all Bearer Notes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg.

Registered Notes

The Notes in registered form ("Registered Notes") of each Tranche offered and sold in reliance on Regulation S under the Securities Act ("Regulation S"), which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a "Registered Global Note", together with any Bearer Global Note, the "Global Notes"). Prior to expiry of the distribution compliance period (as defined in Regulation S), if any, applicable to each Tranche of Notes, beneficial interests in a Registered Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Registered Global Note will bear a legend regarding such restrictions on transfer.

Registered Global Notes will be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Definitive Registered Notes (as defined in the Terms and Conditions of the Notes).

Payments of principal, interest or any other amount in respect of the Definitive Registered Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 1) as the registered holder of the Registered Global Notes. None of the Issuer, the Fiscal Agent, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Definitive Registered Notes will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, Exchange Event means that (i) an Event of Default has occurred and is continuing or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any case, no successor or alternative clearing system is available. The Issuer will promptly give notice to the Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

General

Pursuant to the Agency Agreement (as defined under "Terms and Conditions of the Notes"), the Fiscal Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN, which are different from the Common Code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act), if any, applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear and/or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purposes the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or as may otherwise be approved by the Issuer and the Fiscal Agent.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 11. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and Clearstream, Luxembourg on and subject to the terms of an amended and restated deed of covenant (the "Deed of Covenant") dated 24 July 2014 and executed by the Issuer.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where such Notes may be presented or surrendered for payment or redemption, in the event that any of the Global Notes representing such Notes is exchanged for definitive Notes. In addition, in the event that any of the Global Notes is exchanged for definitive Notes, an announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

FORM OF PRICING SUPPLEMENT

Set out below is the form of the Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

Pricing Supplement dated [●]

Optus Finance Pty Limited (ABN 31 086 656 162)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] Guaranteed by Singtel Optus Pty Limited (ABN 90 052 833 208), Optus Networks Pty Limited (ABN 92 008 570330), Optus Administration Pty Limited (ABN 79 055 136 804), Optus Mobile Pty Limited (ABN 65 054 365 696), Optus Systems Pty Limited (ABN 36 056 541 167), Optus Vision Pty Limited (ABN 50 066 518 821), Optus Billing Services Pty Limited (ABN 95 088 011 536), Optus Fixed Infrastructure Pty Limited (ABN 96 092 450 783) and Optus C1 Satellite Pty Limited (ABN 80 087 587 504) (together, the "Guarantors")

under the €3,000,000,000
Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated [●] [and the supplemental Offering Circular dated [insert date]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular [as supplemented].

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the Conditions) set forth in the Offering Circular dated [original date]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [insert date]], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto.]

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

[**Prohibition of sales to UK retail investors –** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended ("EUWA"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU)2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[**MiFID II PRODUCT GOVERNANCE/TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MIFIR product governance/target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**NOTIFICATION UNDER SECTION 309B(1) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE (the SFA)** – [Insert notice if classification of the Notes is not "prescribed capital market products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)].]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement]

[if the Notes have a maturity of less than one year from the date of their issue, the minimum denomination

[must/may need to] be £100,000 or its equivalent in any other currency.]

1.	(a)	Issuer:	Optus Finance Pty Limited
	(b)	Guarantors:	Singtel Optus Pty Limited [Optus Networks Pty Limited, Optus Administration Pty Limited, Optus Mobile Pty Limited, Optus Systems Pty Limited, Optus Vision Pty Limited, Optus Billing Services Pty Limited, Optus C1 Satellite Pty Limited and Optus Fixed Infrastructure Pty Limited – *Insert names of the Subsidiary Guarantors on the Issue Date*]

2.	(a)	Series Number:	[●]
	(b)	Tranche Number:	[●] (*if fungible with an existing Series, details of that Series, including the date on which the Notes become fungible*)
3.	Specified Currency or Currencies:		[●]
4.	Aggregate Nominal Amount:		
	(a)	Series:	[●]
	(b)	Tranche:	[●]
5.	[(a)]	Issue Price:	[5] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
	[(b)	Net Proceeds:	[5] (required only for listed issues)]
6.	(a)	Specified Denominations:	[5] Notes [(including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA and] which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies). (Note where multiple denominations above [€100,000] or equivalent are being used with respect to Bearer Notes, the following sample wording should be followed: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]." (N.B. if an issue of Notes is (i) NOT admitted to trading on a European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Regulation the €100,000 minimum denomination is not required.) (In the case of Registered Notes, this means the minimum integral amount in which transfers can be made.)
	(b)	Calculation Amount:	[5] (if only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
7.	(a)	Issue Date:	[●]
	(b)	Interest Commencement Date:	[specify/Issue Date/Not Applicable] (N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)

8.	Maturity Date:	[Fixed rate – specify date/Floating rate – Interest Payment Date falling on or about [specify month and year]]
9.	Interest Basis:	[[●] per cent. Fixed Rate] [[EURIBOR]/[SOFR]/[SONIA]/[SORA] +/– [5] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [specify other] (further particulars specified below)
10.	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [specify other]
11.	Change of Interest Basis or Redemption/Payment Basis:	[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
12.	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13.	(a) Status of the Notes:	[Senior/[Dated/Undated]/Subordinated]
	(b) Status of the Guarantees:	[Senior/[Dated/Undated]/Subordinated]
14.	Listing:	[Singapore Exchange Securities Trading Limited/specify other/None]
15.	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	Fixed Rate Note Provisions:	[Applicable/Not Applicable] (if not applicable, delete the remaining subparagraphs of this paragraph)
	(a) Rate(s) of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/specify other)] in arrear]
	(b) Interest Payment Date(s):	[[●] in each year up to and including the Maturity Date]/[specify other] (N.B. This will need to be amended in the case of long or short coupons)
	(c) Fixed Coupon Amount(s): Amount (Applicable to Notes in definitive form)	[●] per Calculation
	(d) Broken Amount(s): (Applicable to Notes in definitive form)	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(e) Day Count Fraction:	[30/360 or Actual/Actual (ICMA) or [specify other]]
	(f) [Determination Date(s):	[●] in each year (Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))]

	(g)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/Give details]
17.	Floating Rate Note Provisions:		[Applicable/Not Applicable] (if not applicable, delete the remaining subparagraphs of this paragraph)
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[●]
	(b)	First Interest Payment Date:	[●]
	(c)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other]]
	(d)	Additional Business Centre(s):	[●]
	(e)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/specify other]
	(f)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Fiscal Agent):	[●]
	(g)	Screen Rate Determination:	[Applicable/Not Applicable]
		(i) Reference Rate:	[●] (Either EURIBOR, SOFR, SORA, SONIA or other. Additional information may be required if other – including fallback provisions in the Agency Agreement)
		(ii) Index Determination:	[Applicable/Not Applicable]
		(iii) Interest Determination Date(s):	[●] (Second day on which TARGET2 System is open prior to the start of each Interest Period if EURIBOR) (The [U.S. Government Securities Business Day/Singapore Business Day [immediately following/falling [●] after] the end of [each Observation Period/the Cut-off Date].] *(Only applicable where the Reference Rate is SOFR or SORA. Note that Interest Determination Date should fall at least 5 business days prior to the Interest Payment Date unless otherwise agreed with the Calculation Agent)*
		(iv) Relevant Screen Page:	[●] (In the case of EURIBOR, if not Reuters EURIBOR01) ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
		(v) Observation Method:	[Observation Shift/Lag/Lockout/Not Applicable]

(h)	ISDA Determination:	[Applicable/Not Applicable]
	(i) Floating Rate Option:	[●] (If "2021 ISDA Definitions" is selected, ensure that this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions))
	(ii) Designated Maturity:	[●] (A Designated Maturity period is not relevant where the relevant Floating Rate Option is a risk-free rate)
	(iii) Reset Date:	[●] (The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for EURIBOR which, depending on market circumstances, may not be available at the relevant time)
	(iv) ISDA Definitions:	[2006 ISDA Definitions]/[2021 ISDA Definitions]
	(v) Compounding:	[Applicable/Not Applicable] (If not applicable, delete the remaining items of this subparagraph)
	(vi) Compounding Method:	[Compounding with Lookback Lookback: [[●] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]] [Compounding with Observation Period Shift Observation Period Shift: [[●] Observation Period Shift Business Days]/[As specified in the Compounding/ Averaging Matrix (as defined in the 2021 ISDA Definitions)] Observation Period Shift Additional Business Days: [●]/[Not Applicable]] [Compounding with Lockout Lockout: [[●] Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)] Lockout Period Business Days: [●]/ [Applicable Business Days]]
	(vii) Averaging:	[Applicable/Not Applicable] (if not applicable, delete the remaining items of this subparagraph)

	(viii) Averaging Method:	[Averaging with Lookback Lookback: [[●] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]] [Averaging with Observation Period Shift Observation Period Shift: [[●] Observation Period Shift Business Days]/[As specified in the Compounding/ Averaging Matrix (as defined in the 2021 ISDA Definitions)] Observation Period Shift Additional Business Days: [●]/[Not Applicable]] [Averaging with Lockout Lockout: [[●] Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)] Lockout Period Business Days: [●]/[Applicable Business Days]]
	(ix) Index provisions:	[Applicable/Not Applicable] (If not applicable, delete the remaining items of this subparagraph)
	(x) Index method:	Compounded Index Method with Observation Period Shift Observation Period Shift: [[●] Observation Period Shift Business Days]/[As specified in the Compounding/ Averaging Matrix (as defined in the 2021 ISDA Definitions)] Observation Period Shift Additional Business Days: [●]/[Not Applicable]]
(i)	Margin(s):	[+/-][●] per cent. per annum
	(i) Minimum Rate of Interest:	[●] per cent. per annum
	(ii) Maximum Rate of Interest:	[●] per cent. per annum
(j)	Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 30E/360 30E/360 (ISDA) Other] (See Condition 6 for alternatives)
(k)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]

18.	Zero Coupon Note Provisions:		[Applicable/Not Applicable] (if not applicable, delete the remaining subparagraphs of this paragraph)
	(a)	Accrual Yield:	[●] per cent. per annum
	(b)	Reference Price:	[●]
	(c)	Any other formula/basis of determining amount payable:	[●]
	(d)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 8.6(c) and 8.11 apply/specify other] (Consider applicable day count fraction if not U.S. dollar denominated)
19.	Index Linked Interest Note Provisions:		[Applicable/Not Applicable] (if not applicable, delete the remaining subparagraphs of this paragraph)
	(a)	Index/Formula:	[Give or annex details]
	(b)	Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Fiscal Agent):	[●]
	(c)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[Need to include a description of market disruption or settlement disruption events and adjustment provisions]
	(d)	Specified Period(s)/Specified Interest Payment Dates:	[●]
	(e)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/specify other]
	(f)	Additional Business Centre(s):	[●]
	(g)	Minimum Rate of Interest:	[●] per cent. per annum
	(h)	Maximum Rate of Interest:	[●] per cent. per annum
	(i)	Day Count Fraction:	[●]
20.	Dual Currency Interest Note Provisions:		[Applicable/Not Applicable] (if not applicable, delete the remaining subparagraphs of this paragraph)
	(a)	Rate of Exchange/method of calculating Rate of Exchange:	[Give or annex details]
	(b)	Party, if any, responsible for calculating the principal and/or interest due (if not the Fiscal Agent):	[●]

	(c)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[Need to include a description of market disruption or settlement disruption events and adjustment provisions]
	(d)	Person at whose option Specified Currency(ies) is/are payable:	[●]

PROVISIONS RELATING TO REDEMPTION

21.	Issuer Call:			[Applicable/Not Applicable] (if not applicable, delete the remaining subparagraphs of this paragraph)
	(a)	Optional Redemption Date(s):		[●]
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):		[[●] per Calculation Amount/specify other]
	(c)	If redeemable in part:		
		(i)	Minimum Redemption Amount:	[●] per Calculation Amount
		(ii)	Maximum Redemption Amount:	[●] per Calculation Amount
	(d)	Notice period (if other than as set out in the Conditions):		[●] (N.B. if setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent)
22.	Investor Put:			[Applicable/Not Applicable] (if not applicable, delete the remaining subparagraphs of this paragraph)
	(a)	Optional Redemption Date(s):		[●]
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):		[[●] per Calculation Amount/specify other]
	(c)	Notice period (if other than as set out in the Conditions):		[●] (N.B. if setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent)
23.	Final Redemption Amount:			[[●] per Calculation Amount/specify other/see Appendix]

24.	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[[●] per Calculation Amount/specify other/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Form of Notes:	[Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Bearer Notes: Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] (For this option to be available, such Notes shall only be issued in denomination that are equal to, or greater than, €100,000 (or its equivalent in other currencies) and integral multiples thereof) [Bearer Notes: Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Registered Notes: Registered Global Note ([●] nominal amount)]
26.	Prohibition on Sales to EEA Retail Investors	[Applicable]/[Not Applicable] (if the offer of the Notes clearly does not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)
27.	Prohibition on Sales to UK Retail Investors:	[Applicable]/[Not Applicable] (if the offer of the Notes clearly does not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)
28.	Singapore Sales to Institutional Investors and Accredited Investors only	[Applicable]/[Not Applicable]
29.	Additional Financial Centre(s) or other special provisions relating to Payment Days:	[Not Applicable/give details] (Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 17(d) and 19(f) relate)
30.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. If yes, give details]

31.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/give details. N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues]
32.	Details relating to Instalment Notes:	
	(a) Instalment Amount(s):	[Not Applicable/give details]
	(b) Instalment Date(s):	[Not Applicable/give details]
33.	Redenomination applicable:	Redenomination [not] applicable (if Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))
34.	Hong Kong SFC Code of Conduct:	
	(a) Rebates	[A rebate of [●] bps is being offered by the [Issuer] to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.] / [Not Applicable]
	(b) Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	[*Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – OCs to provide*] / [Not Applicable]
	(c) Marketing and Investor Targeting Strategy	[*As set out in the Offering Circular]/[Describe if different from the Offering Circular*]
35.	Other terms:	[Not Applicable/give details]

DISTRIBUTION

36.	(a) If syndicated, names of Managers:	[Not Applicable/give names]
	(b) Stabilising Manager(s) (if any):	[Not Applicable/give names]
37.	If non-syndicated, name of relevant Dealer:	[Not Applicable/give name]
38.	U.S. Selling Restrictions:	[Reg. S Category 1/2]; TEFRA D/TEFRA C/TEFRA
39.	Additional selling restrictions:	[Not Applicable/give details]

Operational Information

40.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/give name(s) and number(s)]
41.	Delivery:	Delivery [against/free of] payment
42.	Additional Paying Agent(s) (if any):	[●]
43.	ISIN:	[●]
44.	Common Code:	[●]

[**LISTING APPLICATION**

This Pricing Supplement comprises the pricing supplement required to list the issue of Notes described herein pursuant to the €3,000,000,000 Euro Medium Term Note Programme of Optus Finance Pty Limited.]

RESPONSIBILITY

The Issuer and the Guarantors accept responsibility for the information contained in this Pricing Supplement. [The Singapore Exchange Securities Trading Limited (the "SGX-ST") assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this Pricing Supplement. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantors, their respective subsidiaries and associated companies (if any), the Programme or the Notes.]

Signed on behalf of the Issuer:

EXECUTED
by **OPTUS FINANCE PTY LIMITED**
(ABN 31 086 656 162) in accordance with
Section 127 of the Corporations Act 2001

....	....
Signature of director	Signature of director/company secretary (Please delete as applicable)
....	....
Name: of director (print)	Name of director/company secretary (print)

Signed on behalf of the Guarantors specified in paragraph 1(b) of the Pricing Supplement:

EXECUTED by
SINGTEL OPTUS PTY LIMITED
(ABN 90 052 833 208) in accordance with
Section 127 of the Corporations Act 2001

....	....
Signature of director	Signature of director/company secretary (Please delete as applicable)
....	....
Name: of director (print)	Name of director/company secretary (print)

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note (if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions of the Notes). The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions of the Notes for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Pricing Supplement" for a description of the content of Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Optus Finance Pty Limited (ABN 31 086 656 162) (the "Issuer") pursuant to the Amended and Restated Agency Agreement (such Agency Agreement as amended, supplemented, novated or restated from time to time, the "Agency Agreement") dated 5 August 2022 and made between the Issuer, the Guarantors (as defined below) as guarantors, The Bank of New York Mellon as fiscal agent (the "Fiscal Agent", which expression shall include any successor agent) and the other agents named therein (together with the Fiscal Agent, the "Agents", which expression shall include any additional or successor agents). The paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "Paying Agents" (which expression shall include the Fiscal Agent), the "Registrar", the "Transfer Agents" and the "Calculation Agent(s)".

References herein to the "Notes" shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes represented by a global Note (a "Global Note"), units of each Specified Denomination in the currency specified herein or, if none is specified, the currency in which the Notes are denominated (the "Specified Currency");

(b) any Global Note in bearer form (each a "Bearer Global Note");

(c) any Global Note in registered form (each a "Registered Global Note");

(d) any definitive Notes in bearer form ("Definitive Bearer Notes", together with the Bearer Global Notes, the "Bearer Notes") issued in exchange for a Global Note in bearer form; and

(e) any definitive Notes in registered form ("Definitive Registered Notes", together with the Registered Global Notes, the "Registered Notes") issued in exchange for a Global Note in registered form.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of the Agency Agreement. Interest bearing Definite Bearer Notes have interest coupons ("Coupons") and, if indicated in the applicable Pricing Supplement, talons for further Coupons ("Talons") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts ("Receipts") for the payment of the instalments of principal (other than the final instalment) attached on issue. Definitive Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in the Pricing Supplement attached to or endorsed on or incorporated by reference into this Note and supplement these Terms and Conditions of the Notes (the "Conditions") and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the "applicable Pricing Supplement" are to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on or incorporated by reference into this Note.

The due payment of all sums expressed to be payable by the Issuer under the Amended and Restated Deed of Covenant (such Deed of Covenant as amended, supplemented, novated or restated from time to time, the "Deed of Covenant") dated 25 July 2014 made by the Issuer, the Notes, the Receipts and the Coupons has been guaranteed by (i) Singtel Optus Pty Limited (ABN 90 052 833 208) ("Singtel Optus"), (ii) Optus Networks Pty Limited (ABN 92 008 570 330), (iii) Optus Administration Pty Limited (ABN 79 055 136 804), (iv) Optus Mobile Pty Limited (ABN 65 054 365 696), (v) Optus Systems Pty Limited (ABN 36 056 541 167), (vi) Optus Vision Pty Limited (ABN 50 066 518 821), (vii) Optus Billing Services Pty Limited (ABN 95 088 011 536) and (viii) Optus C1 Satellite Pty Limited (ABN 80 087 587 504) and (ix) Optus Fixed Infrastructure Pty Limited (ABN 96 092 450 783) (together the "Guarantors" and each a "Guarantor"; with (ii) to (ix) being together the "Existing Subsidiary Guarantors" and each an "Existing Subsidiary Guarantor", provided that upon any such company being released from its guarantee in accordance with Condition 3.3, such company will cease to be a Guarantor) pursuant to separate guarantees (each a "Guarantee" (which expression includes the same as it may be amended, supplemented, novated or restated from time to time) and together the "Guarantees") each dated 24 July 2014 and executed by the relevant Guarantor. The original of each Guarantee is held by the Fiscal Agent on behalf of the Noteholders, and if applicable, the Receiptholders and the Couponholders at its specified office.

Any reference to "Noteholders" means, in the case of Definitive Bearer Notes, the holders of the Notes and, in the case of Definitive Registered Notes, the person in whose name the Note is registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to "Receiptholders" shall mean the holders of the Receipts and any reference herein to "Couponholders" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, "Tranche" means Notes which are identical in all respects (including as to listing and admission to trading) and "Series" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant. The original of the Deed of Covenant is held by a common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement, the Guarantees and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents, the Registrar and the Transfer Agents. Copies of the applicable Pricing Supplement are available for viewing at the specified office of each of the Paying Agents, the Registrar and the Transfer Agents and copies may be obtained from those offices. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of all the provisions of the Agency Agreement, the Guarantees, the Deed of Covenant and the applicable Pricing Supplement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1. Form, Denomination and Title

The Notes are issued in bearer form or in registered form as specified in the applicable Pricing Supplement and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Notes in bearer form may not be exchanged for Notes in registered form and vice versa.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

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

Save as provided in Condition 2.3, each Certificate shall represent the entire holding of Registered Notes by the same holder.

Subject as set out below, title to Definitive Bearer Notes, Receipts and Coupons will pass by delivery. The Issuer, the Guarantors and the Paying Agents, as the case may be, will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt, Coupon or Talon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out below.

Title to Definitive Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "Register").

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("Euroclear") and/or Clearstream Banking S.A. ("Clearstream, Luxembourg"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantors and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Guarantors and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note, and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly. Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

2. Transfers of Registered Notes

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing system acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Definitive Registered Notes or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for Euroclear and Clearstream, Luxembourg shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of Euroclear or, Clearstream, Luxembourg or to a successor if Euroclear or Clearstream, Luxembourg or such successor's nominee.

2.2 Transfers of Definitive Registered Notes

Subject as provided in Condition 2.5 below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Definitive Registered Note may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer (i) the holder or holders must (A) surrender the Definitive Registered Note for registration of the transfer of the Definitive Registered Note (or the relevant part of the Definitive Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Fiscal Agent and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 3 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within five business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Definitive Registered Note of a like aggregate nominal amount to the Definitive Registered Note (or the relevant part of the Definitive Registered Note) transferred. In the case of the transfer of part only of a Definitive Registered Note, a new Definitive Registered Note in respect of the balance of the Definitive Registered Note not transferred will be authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 8, the Issuer shall not be required to register the transfer of any Definitive Registered Note, or part of a Definitive Registered Note, called for partial redemption.

2.4 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2.5 Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered during the period of (i) 15 days ending on (and including) the due date for redemption of, or payment of any Instalment Amount in respect of, that Note and (ii) during the period of seven days ending on (and including) any Record Date.

2.6 Exchanges and transfers of Definitive Registered Notes generally

Holders of Definitive Registered Notes may exchange such Notes for interests in a Registered Global Note of the same type at any time.

2.7 Compliance with Laws

A Noteholder is only entitled to transfer a Note if the transfer complies with all applicable laws, regulations and directives of all relevant jurisdictions.

3. Status of the Notes and the Guarantees

3.1 Status of the Notes

The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1) unsecured obligations of the Issuer and rank pari passu among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

3.2 Status of the Guarantees

The obligations of each Guarantor under its Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1) unsecured obligations of such Guarantor and (save for certain obligations required to be preferred by law) rank pari passu and equally with all other unsecured and unsubordinated obligations of the relevant Guarantor, from time to time outstanding.

3.3 Release of Subsidiary Guarantors

Without prejudice to the provisions of Condition 3.4, each Subsidiary Guarantor shall be entitled to terminate the relevant Guarantee on it (or Singtel Optus on its behalf) giving not less than 14 days' notice, accompanied by a certificate signed by two directors of each of the Issuer and Singtel Optus certifying compliance with these Conditions before and after such release, that no Event of Default has occurred and is subsisting before and after such release and such release will not cause the aggregate Total Assets of the remaining Guarantors together with the Total Assets of the Issuer to be less than 75 per cent. of the aggregate Total Assets of the Group, to the Fiscal Agent and, in accordance with Condition 15, the Noteholders; provided that no Event of Default, or event which with the giving of notice and/or the expiry of any grace period would constitute an Event of Default, is subsisting, or would, by virtue of the proposed release, cause an Event of Default to subsist. Upon termination in accordance with this Condition 3.3, the Subsidiary Guarantor shall be released absolutely from its obligations under the Notes and the relevant Guarantee without any further action required on the part of any person.

3.4 Additional Subsidiary Guarantors

The Issuer and Singtel Optus shall ensure that the Noteholders at all times have the benefit of guarantees from Singtel Optus and Subsidiaries of Singtel Optus (Singtel Optus and all of its Subsidiaries being hereinafter referred to as the "Singtel Optus Group") the aggregate of whose Total Assets (as defined below) together with the Total Assets of the Issuer, is not less than 75 per cent. of the aggregate Total Assets of the Singtel Optus Group. If at each Semi-Annual Reporting Date, it is determined that in respect of the immediately preceding Semi-Annual Reporting Period, the Total Assets of all of the Guarantors together with the Total Assets of the Issuer are less than 75 per cent. of the aggregate Total Assets of the Singtel Optus Group as at the end of such immediately preceding Semi-Annual Reporting Period, the Issuer and Singtel Optus shall ensure that within 30 days following such event, a Subsidiary or Subsidiaries of Singtel Optus becomes a Subsidiary Guarantor and provide(s) a guarantee or guarantees so that the requirements set forth herein are satisfied.

In these Conditions,

"Person" means any individual, corporation, partnership, joint venture, trust, unincorporated organisation or government or any agency or political subdivision thereof;

"Semi-Annual Reporting Date" means the date falling three months after the end of each relevant Semi-Annual Reporting Period;

"Semi-Annual Reporting Period" means each period ending on the close of each half of each of Singtel Optus' financial years;

"Subsidiary" of any Person means a corporation more than 50 per cent. of the outstanding voting stock of which is owned, directly or indirectly, by such Person or by one or more other Subsidiaries of such Person, or by such Person and one or more other Subsidiaries of such Person. For the purposes of this definition, "voting stock" means stock which ordinarily has voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency;

"Subsidiary Guarantor" means:

(a) each of the Existing Subsidiary Guarantors; and/or

(b) any Subsidiary of Singtel Optus that becomes a Guarantor pursuant to Condition 3.4

provided, however, that any Person constituting a Subsidiary Guarantor as described above shall cease to constitute a Subsidiary Guarantor when its Guarantee is released in accordance with Condition 3.3; and

"Total Assets" means, as of each Semi-Annual Reporting Date, (i) in the case of Singtel Optus or a Subsidiary of Singtel Optus that is incorporated in Australia, all consolidated assets of Singtel Optus or such Subsidiary of Singtel Optus, as the case may be, as measured in accordance with Australian Accounting Standards and (ii) in the case of a Subsidiary of Singtel Optus that is incorporated outside of Australia, all consolidated assets of such Subsidiary of Singtel Optus measured in accordance with the generally accepted accounting principles of the place of incorporation of such Subsidiary.

4. Covenants

4.1 Negative Pledge

So long as any Notes are outstanding, neither the Issuer nor Singtel Optus may, and neither the Issuer nor Singtel Optus shall permit any Restricted Subsidiary to create or permit to exist any Lien on any property or assets of the Issuer, Singtel Optus or any Restricted Subsidiary to secure any Capital Markets Indebtedness, or any guarantee or indemnity in respect of Capital Market Indebtedness, without also at the same time or prior thereto (i) procuring that the Notes then outstanding are secured equally and rateably with such Capital Market Indebtedness or (ii) providing the Notes with the benefit of other security as approved by the holders of a majority in principal amount of the outstanding Notes, as the case may be, provided, however, that the foregoing restrictions shall not apply to:

(a) Liens on property or assets of an entity existing at such time the entity becomes a Restricted Subsidiary, provided that such Liens were not created in anticipation of such entity becoming a Restricted Subsidiary;

(b) Liens created in connection with a substitution of property or assets (or a substitution of property or assets which itself was previously so substituted) pursuant to the terms of any agreement or arrangements pursuant to which any Lien referred to in Clause (a) was created;

(c) any refunding of indebtedness secured by any Lien referred to in the foregoing Clauses (a) and (b) provided that the principal amount of such indebtedness is not increased, the maturity of such indebtedness is not extended beyond the original maturity of the indebtedness so secured and the Lien is limited to the property or asset originally subject thereto and any improvements thereon; and

(d) any Lien to secure Non-Recourse Indebtedness of the Issuer or a Subsidiary of Singtel Optus provided that such Subsidiary (together with all other Subsidiaries with Capital Markets Indebtedness outstanding secured by Liens on the property or assets of the Issuer, Singtel Optus or a Restricted Subsidiary) does not constitute a Restricted Subsidiary.

For this purpose,

"Capital Markets Indebtedness" means any indebtedness for money borrowed or interest thereon in the form of bonds, notes, debentures, loan stock or other similar securities that are quoted, listed or ordinarily dealt with in any stock exchange, over-the-counter or other securities market, having an original maturity of more than 365 days from its date of issue, or any guarantee or indemnity in respect of Capital Markets Indebtedness.

"Lien" means any mortgage, charge, pledge, lien or other form of encumbrance or security interest.

"Non-Recourse Indebtedness" means, in respect of a debtor, any indebtedness incurred to finance the ownership, acquisition, construction, creation, development and/or operation of property (the "Relevant Property") in respect of which the person to whom such indebtedness is or may be owed by the debtor have no recourse whatsoever to the Issuer, Singtel Optus or any Restricted Subsidiary for the repayment of or payment of all or any portion of such indebtedness other than:

(a) recourse to such debtor limited to the Relevant Property and/or the income, cash flow or other property derived from the Relevant Property;

(b) recourse to another Person (other than the Issuer, Singtel Optus or any Restricted Subsidiary) who has guaranteed or provided other security in respect of such indebtedness; and

(c) recourse to the shares in, or any property of, a Subsidiary of Singtel Optus (other than the Issuer or any Restricted Subsidiary) that is engaged principally in the ownership, acquisition, construction, creation, development and/or operation of property and in which the net book value of Relevant Property exceeds 90 per cent. of such Subsidiary's total assets (except goodwill, trademarks, patents, tradenames and other intangible assets but including licences) at their net book values (after deducting related depreciation, depletion and amortisation) as determined in accordance with Australian Accounting Standards.

"Restricted Subsidiary" means each Subsidiary Guarantor.

5. Redenomination

5.1 Redenomination

Where redenomination is specified in the applicable Pricing Supplement as being applicable, the relevant Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Fiscal Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 15, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

(a) the Notes and the Receipts shall be deemed to be redenominated in euro in the denomination of €0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the relevant Issuer determines, with the agreement of the Fiscal Agent, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the relevant Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;

(b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest €0.01;

(c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the relevant Issuer (i) in the case of Relevant Notes in the denomination of €100,000 and/or such higher amounts as the Fiscal Agent may determine and notify to the Noteholders and any remaining amounts less than €100,000 shall be redeemed by the Issuer and paid to the Noteholders in euro in accordance with Condition 8; and (ii) in the case of Notes which are not Relevant Notes, in the denominations of €1,000, €10,000, €100,000 and (but only to the extent of any remaining amounts less than £1,000 or such smaller denominations as the Fiscal Agent may approve) €0.01 and such other denominations as the Fiscal Agent shall determine and notify to the Noteholders;

(d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the relevant Issuer gives notice (the "Exchange Notice") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the relevant Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Fiscal Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

(e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;

(f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:

(i) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note; and

(ii) in the case of definitive Notes, by applying the Rate of Interest to the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding; and

(g) if the Notes are Floating Rate Notes, the applicable Pricing Supplement will specify any relevant changes to the provisions relating to interest.

5.2 Definitions

In the Conditions, the following expressions have the following meanings:

"Established Rate" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

"euro" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

"Redenomination Date" means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the relevant Issuer in the notice given to the Noteholders pursuant to Condition 5.1 above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union;

"Relevant Notes" means all Notes where the applicable Pricing Supplement provide for a minimum Specified Denomination in the Specified Currency which is equivalent to at least €100,000 and which are admitted to trading on a regulated market in the European Economic Area; and

"Treaty" means the Treaty on the functioning of the European Union, as amended.

6. Interest

6.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in the Conditions, "Fixed Interest Period" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Other than in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Condition 6.1:

(a) if "Actual/Actual (ICMA)" is specified in the applicable Pricing Supplement:

  (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

  (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

    (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

    (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(b) if "30/360" is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and

(c) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365.

In the Conditions:

"Determination Period" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"sub-unit" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

6.2 Interest on Floating Rate Notes and Index Linked Interest Notes

(a) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an "Interest Payment Date") which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 6.2(a)(ii) above, the "Floating Rate Convention", such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply mutatis mutandis or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the "Following Business Day Convention", such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the "Modified Following Business Day Convention", such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the "Preceding Business Day Convention", such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, "Business Day" means a day which is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Pricing Supplement; and

(b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "TARGET System") is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Pricing Supplement.

(i) ISDA Determination for Floating Rate Notes

Where "ISDA Determination" is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this subparagraph (i), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Fiscal Agent under an interest rate swap transaction if the Fiscal Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions or the 2021 ISDA Definitions (as applicable), as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "ISDA Definitions") and under which:

(A) the Floating Rate Option is as specified in the applicable Pricing Supplement;

(B) the Designated Maturity is a period specified in the applicable Pricing Supplement;

(C) the relevant Reset Date is the first day of that Interest Period unless otherwise specified in the applicable Pricing Supplement;

(aa) if the Floating Rate Option is an Overnight Floating Rate Option, the Overnight Rate Compounding Method is one of the following as specified in the applicable Pricing Supplement:

(i) Compounding with Lookback;

(ii) Compounding with Observation Period Shift; and

(iii) Compounding with Lockout; and

(bb) if the Floating Rate Option is a Compounded Index Floating Rate Option, the Index Method is Compounded Index Method with Observation Period Shift as specified in the applicable Pricing Supplement.

In connection with the Overnight Rate Compounding Method, references in the ISDA Definitions to numbers or other items specified in the relevant confirmation shall be deemed to be references to the numbers or other items specified for such purpose in the relevant Pricing Supplement.

For the purposes of this subparagraph (i), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity", "Overnight Floating Rate Option", "Overnight Rate Compounding Method", "Compounding with Lookback", "Compounding with Observation Period Shift", "Compounding with Lockout", "Compounded Index Floating Rate Option", "Index Method", "Compounded Index Method with Observation Period Shift" and "Reset Date" have the meanings given to those terms in the ISDA Definitions.

For the purposes of Condition 6.2(b):

"Interest Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date, or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

(ii) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being EURIBOR:

Where "Screen Rate Determination" is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

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

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

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

(iii) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SOFR (the "SOFR Notes"):

(a) Compounded Daily SOFR: For each Floating Rate Note where the Reference Rate is specified as being SOFR and Index Determination is specified as "Not Applicable" in the relevant Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR plus or minus the Margin (if any).

For the purposes of this Condition 6.2(b)(iii)(a):

"Compounded Daily SOFR" means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Secured Overnight Financing Rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the relevant Pricing Supplement) on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the seventh decimal place, with 0.00000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{\mathrm{SOFR}_i \times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

"Applicable Period" means, in relation to an Interest Period:

(a) (where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement) the Observation Period relating to such Interest Period; and

(b) (where "Lag" or "Lockout" is specified as the Observation Method in the relevant Pricing Supplement) such Interest Period;

"d" means the number of calendar days in the relevant Applicable Period;

"d_o" means, for the relevant Applicable Period, the number of U.S. Government Securities Business Days in such Applicable Period;

"***i***" means, for the relevant Applicable Period, a series of whole numbers from one to d_o, each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in the Applicable Period;

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Period:

(a) (where "Lockout" is specified as the Observation Method in the relevant Pricing Supplement) the U.S. Government Securities Business Day immediately following the Rate Cut-off Date; and

(b) (where "Lag" or "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement) the U.S. Government Securities Business Day immediately following the end of each Observation Period, unless otherwise specified in the relevant Pricing Supplement;

"n_i" means, for any U.S. Government Securities Business Day "*i*", the number of calendar days from (and including) such U.S. Government Securities Business Day "*i*" up to (but excluding) the following U.S. Government Securities Business Day;

"Non-Reset Date" means, each U.S. Government Securities Business Day "*i*" in an Applicable Period which falls on or after the Rate Cut-Off Date (if any);

"Observation Period" means, for the relevant Interest Period, the period from (and including) the date falling "*p*" U.S. Government Securities Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling "*p*" U.S. Government Securities Business Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling "*p*" U.S. Government Securities Business Days prior to such earlier date, if any, on which the SOFR Notes become due and payable);

"*p*" means five U.S. Government Securities Business Days (or such other larger number of U.S. Government Securities Business Days as specified in the relevant Pricing Supplement);

"Rate Cut-Off Date" means:

(a) (where "Lockout" is specified as the Observation Method in the relevant Pricing Supplement) in relation to any Interest Period, the date falling "*p*" U.S. Government Securities Business Days prior to the Interest Payment Date in respect of the relevant Interest Period (or the date falling "*p*" U.S. Government Securities Business Days prior to such earlier date, if any, on which the SOFR Notes become due and payable); and

(b) in any other circumstances, no Rate Cut-Off Date shall apply;

"SOFR*i*" means, in respect of any U.S. Government Securities Business Day "*i*" in the Applicable Period, the SOFR Reference Rate for the SOFR Determination Date in relation to such U.S. Government Securities Business Day "*i*", provided that where "Lockout" is specified as the Observation Method, SOFR*i* in respect of each Non-Reset Date (if any) in an Applicable Period shall be SOFR*i* as determined in relation to the Rate Cut-Off Date;

"SOFR Determination Date" means, in respect of any U.S. Government Securities Business Day "*i*":

(a) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the U.S. Government Securities Business Day falling "*p*" U.S. Government Securities Business Days prior to such U.S. Government Securities Business Day "*i*"; and

(b) otherwise, such U.S. Government Securities Business Day "*i*";

"SOFR Reference Rate" means, in respect of any U.S. Government Securities Business Day, a reference rate equal to the daily Secured Overnight Financing Rate ("SOFR") as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) published at or around 3:00 p.m. (New York City time) on the New York Federal Reserve's Website on the next succeeding U.S. Government Securities Business Day for trades made on such U.S. Government Securities Business Day; and

"U.S. Government Securities Business Day" means any day except for a Saturday, Sunday or a day on which The Securities Industry and Financial Markets Association ("SIFMA") recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Subject to Condition 6.2(g), if, in respect of the determination of SOFR*i* for any U.S. Government Securities Business Day in the relevant Applicable Period, the Calculation Agent determines that the relevant SOFR Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SOFR Reference Rate shall be SOFR published on the New York Federal Reserve's Website on the first preceding U.S. Government Securities Business Day for which SOFR was published on the New York Federal Reserve's Website.

(b) Compounded Index SOFR: For each Floating Rate Note where the Reference Rate is specified as being SOFR and Index Determination is specified as "Applicable" in the relevant Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Index SOFR plus or minus the Margin (if any).

For the purposes of this Condition 6.2(b)(iii)(b):

"Compounded Index SOFR" means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Secured Overnight Financing Rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the relevant Pricing Supplement) on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the seventh decimal place, with 0.00000005 being rounded upwards:

$$\left(\frac{\text{SOFR Index}_{end}}{\text{SOFR Index}_{start}} - 1\right) \times \frac{360}{d}$$

where:

"*d*" means the number of calendar days in the relevant Observation Period;

"Observation Period" means, for the relevant Interest Period, the period from (and including) the date falling "*p*" U.S. Government Securities Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling "*p*" U.S. Government Securities Business Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling "*p*" U.S. Government Securities Business Days prior to such earlier date, if any, on which the SOFR Notes become due and payable);

"p" means five U.S. Government Securities Business Days (or such other larger number of U.S. Government Securities Business Days as specified in the relevant Pricing Supplement);

"SOFR Index Value" means, with respect to any U.S. Government Securities Business Day:

(1) the SOFR Index published for such U.S. Government Securities Business Day as such value appears on the Federal Reserve Bank of New York's Website at 3:00 p.m. (New York time) on such U.S. Government Securities Business Day provided, however, that in the event that the value originally published is subsequently corrected and such corrected value appears on the Federal Reserve Bank of New York's Website on the original date of publication, then such corrected value, instead of the value that was originally published, shall be deemed the SOFR Index Value in relation to such U.S. Government Securities Business Day; or

(2) if the index in paragraph (1) above is not published or displayed by the administrator of the SOFR rate or other information service on the relevant Interest Determination Date as specified in the relevant Pricing Supplement, the Reference Rate for the applicable Interest Period for which the index is not available shall be Compounded Daily SOFR, and for these purposes, the Observation Method shall be deemed to be "Observation Shift" and "p" shall be as set out in the relevant Pricing Supplement, as if Index Determination had been specified as being "Not Applicable" and these alternative elections had been made;

"SOFR Index_{end}" means the SOFR Index Value on the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days before the Interest Payment Date relating to the relevant Interest Period (or in the case of the final Interest Period, the Maturity Date); and

"SOFR Index_{start}" means the SOFR Index Value on the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days before the first day of the relevant Interest Period;

"U.S. Government Securities Business Day" means any day except for a Saturday, Sunday or a day on which The Securities Industry and Financial Markets Association ("SIFMA") recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(3) Fall Back – SOFR Notes: In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the relevant Pricing Supplement), subject to Condition 6.2(g), the Rate of Interest shall be:

that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period); or if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such SOFR Notes for the first Applicable Period had the SOFR Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date.

(4) Acceleration upon Default – SOFR Notes: If the SOFR Notes become due and payable in accordance with Condition 11, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Pricing Supplement, be deemed to be the date on which such SOFR Notes became due and payable (with corresponding adjustments being deemed to be made to the relevant SOFR formula) and the Rate of Interest on such SOFR Notes shall, for so long as any such SOFR Note remains outstanding, be that determined on such date.

(iv) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SONIA (the "SONIA Notes"):

(a) Compounded Daily SONIA: For each Floating Rate Note where the Reference Rate is specified as being SONIA and Index Determination is specified as "Not Applicable" in the relevant Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus the Margin (if any).

For the purposes of this Condition 6.2(b)(iv)(a):

"SONIA Compounded Daily Reference Rate" means, in respect of an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest as specified in the applicable final terms) on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards,

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{\mathrm{SORA}_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"London Business Day" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"Observation Period" means, in respect of an Interest Period, the period from (and including) the date falling "p" London Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on (but excluding) the date which is "p" London Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" London Business Days prior to such earlier date, if any, on which the Notes become due and payable);

"p" means, for any Interest Period or Observation Period (as applicable), the whole number specified hereon as the "Lag Period" or the "Observation Shift Period" (as applicable) in the applicable Pricing Supplement representing a number of London Business Days (or, if no such number is so specified, five London Business Days);

"d" is the number of calendar days in the relevant:

(i) Observation Period where Observation Shift is specified hereon; or

(ii) Interest Period where Lag is specified hereon;

"d_o" is the number of London Business Days in the relevant:

(i) Observation Period where Observation Shift is specified hereon; or

(ii) Interest Period where Lag is specified hereon;

"i" is a series of whole numbers from one to $\boldsymbol{d}_o$, each representing the relevant London Business Day in chronological order from, and including, the first London Business Day in the relevant:

(i) Observation Period where Observation Shift is specified hereon; or

(ii) Interest Period where Lag is specified hereon;

to and including, the last London Business Day in such period;

"n_i", for any London Business Day "i", in the relevant Interest Period or Observation Period (as applicable) means the number of calendar days from and including such London Business Day "i" up to but excluding the following London Business Day;

"$SONIA_{\mathbf{i}}$" means, in relation to any London Business Day the SONIA reference rate in respect of:

(i) the London Business Day "i" where Observation Shift is specified hereon; or

(ii) the London Business Day falling "p" London Business Days prior to the relevant London Business Day "i" where Lag is specified hereon; and

the "SONIA reference rate", in respect of any London Business Day, is a reference rate equal to the daily Sterling Overnight Index Average ("SONIA") rate for such London Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page on the next following London Business Day or, if the Relevant Screen Page is unavailable, as published by authorised distributors on such London Business Day or, if SONIA cannot be obtained from such authorised distributors, as published on the Bank of England's Website at www.bankofengland.co.uk/boeapps/database/(or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate)

(b) SONIA Compounded Index Rate: For each Floating Rate Note where the Reference Rate is specified as being SONIA and Index Determination is specified as "Applicable" in the relevant Pricing Supplement,, the Rate of Interest for each Interest Period will, subject as provided below, be the SONIA Compounded Index Rate as follows, plus or minus (as indicated in the relevant Pricing Supplement) the Margin.

For the purposes of this Condition 6.2(b)(iv)(b):

"SONIA Compounded Index Rate" means with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest as specified in the applicable final terms) on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards, plus or minus the Margin (if any),

$$\left(\frac{SONIA\ Compounded\ Index_{END}}{SONIA\ Compounded\ Index_{START}} - 1\right) \times \left(\frac{365}{d}\right)$$

provided that a Benchmark Event has not occurred in respect of the SONIA Compounded Index Rate, if the SONIA Compounded Index Value is not published or displayed by the administrator of the SONIA Compounded Index Rate or other information service on the relevant SONIA Compounded $\text{Index}_{\text{START}}$ and SONIA Compounded $\text{Index}_{\text{END}}$ date, the Reference Rate for the applicable Interest Period for which the index is not available shall be SONIA Compounded Daily Reference Rate, and for these purposes, the Observation Method shall be deemed to be "Observation Shift" and "p" shall be as set out in the relevant Pricing Supplement, as if Index Determination had been specified as being "Not Applicable" and these alternative elections had been made;

where:

"*d*" means the number of calendar days from (and including) the day on which SONIA Compounded $\text{Index}_{\text{START}}$ is determined to (but excluding) the day on which SONIA Compounded $\text{Index}_{\text{END}}$ is determined;

"London Business Day", means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"Observation Period" means, in respect of an Interest Period, the period from (and including) the date falling "p" London Business Days prior to the first day of such Interest Period (and the first Observation Period shall begin on and include the date which is "p" London Business Days prior to the Issue Date) and ending on (but excluding) the date which is "p" London Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" London Business Days prior to such earlier date, if any, on which the Notes become due and payable);

"*p*" means, for any Interest Period the whole number specified hereon (or, if no such number is so specified, five London Business Days) representing a number of London Business Days;

"SONIA Compounded Index" means the index known as the SONIA Compounded Index administered by the Bank of England (or any successor administrator thereof);

"SONIA Compounded Index$_{\mathbf{START}}$" means, in respect of an Interest Period, the SONIA Compounded Index Value on the date falling "p" London Business Days prior to the first day of such Interest Period;

"SONIA Compounded Index$_{\mathbf{END}}$" means the SONIA Compounded Index Value on the date falling "p" London Business Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period); and

"SONIA Compounded Index Value" means in relation to any London Business Day, the value of the SONIA Compounded Index as published by authorised distributors at 10:00 a.m. (London time) on the Relevant Screen Page on such London Business Day or, if the value of the SONIA Compounded Index cannot be obtained from such authorised distributors, as published on the Bank of England's Website at www.bankofengland.co.uk/boeapps/database/(or such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) on such London Business Day.

(c) Subject to Condition 6.2(g), where SONIA is specified as the Reference Rate hereon and either (i) SONIA Compounded Daily Reference Rate is specified hereon, or (ii) the SONIA Compounded Index Rate is specified hereon, if, in respect of any London Business Day, the SONIA reference rate is not available on the Relevant Screen Page or Relevant Fallback Screen Page as applicable, (or as otherwise provided in the relevant definition thereof), such Reference Rate shall be:

(1) the Bank of England's Bank Rate (the "Bank Rate") prevailing at close of business on the relevant London Business Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or

(2) if such Bank Rate is not available, the SONIA reference rate published on the Relevant Screen Page (or as otherwise provided in the relevant definition thereof) for the first preceding London Business Day on which the SONIA reference rate was published on the Relevant Screen Page (or as otherwise provided in the relevant definition thereof).

(d) If the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period) or (ii) if there is no such preceding

Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series of Notes become due and payable in accordance with Condition 11, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified hereon, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(v) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SORA (the "SORA Notes"):

(a) Compounded Daily SORA: For each Floating Rate Note where the Reference Rate is specified as being SORA and Index Determination is specified as "Not Applicable" in the relevant Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SORA (as defined below) plus or minus the Margin (if any):

(1) where "Lockout" is specified as the Observation Method in the relevant Pricing Supplement:

"Compounded Daily SORA" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during such Interest Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the relevant Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001 per cent.), with 0.00005 per cent. being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{\text{SORA}_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"d" means the number of calendar days in the relevant Interest Period;

"d_o" means, for any relevant Interest Period, the number of Singapore Business Days in the relevant Interest Period;

"i" means, for the relevant Interest Period, a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from (and including) the first Singapore Business Day in such Interest Period to the last Singapore Business Day in such Interest Period;

"Interest Determination Date" means the Singapore Business Day immediately following the Rate Cut-off Date, unless otherwise specified in the relevant Pricing Supplement;

"n_i", for any Singapore Business Day "*I*", is the number of calendar days from (and including) such Singapore Business Day "*i*" up to (but excluding) the following Singapore Business Day;

"*p*" means five Singapore Business Days (or such other larger number of Singapore Business Days as specified in the relevant Pricing Supplement);

"Rate Cut-Off Date" means, with respect to a Rate of Interest and Interest Period, the date falling "*p*" Singapore Business Days prior to the Interest Payment Date in respect of the relevant Interest Period (or the date falling "*p*" Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable);

"Singapore Business Days" or "SBD" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"SORA" means, in respect of any Singapore Business Day "*i*", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the Relevant Screen Page) on the Singapore Business Day immediately following such Singapore Business Day "*i*";

"$SORA_i$" means, in respect of any Singapore Business Day "*i*" in the relevant Interest Period:

(i) if such Singapore Business Day is a SORA Reset Date, the reference rate equal to SORA in respect of that Singapore Business Day; and

(ii) if such Singapore Business Day is not a SORA Reset Date (being a Singapore Business Day falling in the Suspension Period), the reference rate equal to SORA in respect of the first Singapore Business Day falling in the Suspension Period (the "Suspension Period $SORA_i$") (such first day of the Suspension Period coinciding with the Rate Cut-Off Date). For the avoidance of doubt, the Suspension Period $SORA_i$ shall apply to each day falling in the relevant Suspension Period;

"SORA Reset Date" means, in relation to any Interest Period, each Singapore Business Day during such Interest Period, other than any Singapore Business Day falling in the Suspension Period corresponding with such Interest Period; and

"Suspension Period" means, in relation to any Interest Period, the period from (and including) the date falling "*p*" Singapore Business Days prior to the Interest Payment Date in respect of the relevant Interest Period (such Singapore Business Day coinciding with the Rate Cut-Off Date) to (but excluding) the Interest Payment Date of such Interest Period.

(2) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement:

"Compounded Daily SORA" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the relevant Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001 per cent.), with 0.00005 per cent. being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{\mathrm{SORA}_{i-pSBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"d" means the number of calendar days in the relevant Interest Period;

"d_o" means, for the relevant Interest Period, the number of Singapore Business Days in such Interest Period;

"*i*" means, for the relevant Interest Period, a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from (and including) the first Singapore Business Day in such Interest Period to the last Singapore Business Day in such Interest Period;

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Period, the date falling one Singapore Business Day after the end of each Observation Period, unless otherwise specified in the relevant Pricing Supplement;

"n_i", for any Singapore Business Day "*i*", is the number of calendar days from and including such Singapore Business Day "*i*" up to but excluding the following Singapore Business Day;

"Observation Period" means, for the relevant Interest Period, the period from (and including) the date falling "*p*" Singapore Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and to (but excluding) the date falling "*p*" Singapore Business Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling "*p*" Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable);

"*p*" means five Singapore Business Days (or such other larger number of Singapore Business Days as specified in the relevant Pricing Supplement);

"Singapore Business Days" or "SBD" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"SORA" means, in respect of any Singapore Business Day "*i*", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the "Relevant Screen Page") on the Singapore Business Day immediately following such Singapore Business Day "*i*"; and

"SORA_{i-pSBD}" means, in respect of any Singapore Business Day "*i*" falling in the relevant Interest Period, the reference rate equal to SORA in respect of the Singapore Business Day falling "*p*" Singapore Business Days prior to the relevant Singapore Business Day "*i*".

(3) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement:

"Compounded Daily SORA" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the relevant Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001 per cent.), with 0.00005 per cent. being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{\text{SORA}_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"d" means the number of calendar days in the relevant Observation Period;

"d_o" means, for the relevant Interest Period, the number of Singapore Business Days in such Observation Period;

"*i*", for the relevant Interest Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from (and including) the first Singapore Business Day in such Observation Period to the last Singapore Business Day in such Observation Period;

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Period, the date falling one Singapore Business Day after the end of each Observation Period, unless otherwise specified in the relevant Pricing Supplement;

"n_i", for any Singapore Business Day "*i*", is the number of calendar days from and including such Singapore Business Day "*i*" up to but excluding the following Singapore Business Day;

"Observation Period" means, for the relevant Interest Period, the period from (and including) the date falling "*p*" Singapore Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and to (but excluding) the date falling "*p*" Singapore Business Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling "*p*" Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable);

"*p*" means five Singapore Business Days (or such other larger number of Singapore Business Days as specified in the relevant Pricing Supplement);

"Singapore Business Days" or "SBD" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"SORA" means, in respect of any Singapore Business Day "*i*", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the "Relevant Screen Page") on the Singapore Business Day immediately following such Singapore Business Day "*i*"; and

"$SORA_i$" means, in respect of any Singapore Business Day "*i*" in the relevant Observation Period, the reference rate equal to SORA in respect of that Singapore Business Day "*i*".

(aa) Subject to Condition 6.2(g), if, by 5.00 p.m., Singapore time, on the Singapore Business Day immediately following such Singapore Business Day "*i*", SORA in respect of such Singapore Business Day "*i*" has not been published and a Benchmark Event for SORA has not occurred, then SORA for that Singapore Business Day "*i*" will be SORA as published in respect of the first preceding Singapore Business Day for which SORA was published.

(b) Compounded Index SORA: For each Floating Rate Note where the Reference Rate is specified as being SORA and Index Determination is specified as "Applicable" in the relevant Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Index SORA (as defined below) plus or minus the Margin (if any):

For the purposes of this Condition 6.2(ii)(b)(v)(b):

"Compounded Index SORA" means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the relevant Pricing Supplement) on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left(\frac{\text{SORA Index}_{end}}{\text{SORA Index}_{start}} - 1\right) \times \frac{365}{d}$$

where:

"d" means the number of calendar days in the relevant Observation Period;

"Observation Period" means, for the relevant Interest Period, the period from (and including) the date falling "*p*" Singapore Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling "*p*" Singapore Business Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling "*p*" Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable);

"*p*" means five Singapore Business Days (or such other larger number of Singapore Business Days as specified in the relevant Pricing Supplement);

"Singapore Business Day" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"SORA Index Value" means, with respect to any Singapore Business Day:

(i) the value of the index known as the "SORA Index" administered by the Monetary Authority of Singapore (or any successor administrator thereof) published by the Monetary Authority of Singapore (or any successor administrator) on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors), or the Relevant Screen Page on such Singapore Business Day provided, however, that in the event that the value originally published is subsequently corrected and such corrected value is published by the Monetary Authority of Singapore, as the administrator of SORA (or any successor administrator of SORA) on the original date of publication, then such corrected value, instead of the value that was originally published, shall be deemed the SORA Index Value in relation to such Singapore Business Day; or

(ii) if the index in paragraph (i) above is not published or displayed by the administrator of SORA or other information service on the relevant Interest Determination Date as specified in the relevant Pricing Supplement, the Reference Rate for the applicable Interest Period for which the index is not available shall be Compounded Daily SORA, and for these purposes, the Observation Method shall be deemed to be "Observation Shift" and "*p*" shall be as set out in the relevant Pricing Supplement, as if Index Determination had been specified as being "Not Applicable" and these alternative elections had been made;

"SORA $Index_{end}$" means the SORA Index Value on the Singapore Business Day falling "*p*" Singapore Business Days before the Interest Payment Date relating to the relevant Interest Period (or the date falling "*p*" Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable); and

SORA $Index_{start}$ means the SORA Index Value on the Singapore Business Day falling "*p*" Singapore Business Days before the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date).

(c) Fall Back – SORA Notes: In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the relevant Pricing Supplement), the Rate of Interest shall be:

(i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period); or

(ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such SORA Notes for the first Interest Period had the SORA Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date.

(d) Acceleration upon Default – SORA Notes**:** If the SORA Notes become due and payable in accordance with Condition 11, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Pricing Supplement, be deemed to be the date on which such SORA Notes became due and payable (with corresponding adjustments being deemed to be made to the relevant SORA formula) and the Rate of Interest on such SORA Notes shall, for so long as any such SORA Note remains outstanding, be that determined on such date.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Fiscal Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Fiscal Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Fiscal Agent will calculate the amount of interest (the "Interest Amount") payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Condition 6.2:

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

Where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

(e) Notification of Rate of Interest and Interest Amounts

The Fiscal Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed if the rules of the relevant stock exchange so require and as directed by the Issuer and notice thereof to be published in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed if the rules of the relevant stock exchange so require and as directed by the Issuer and to the Noteholders in accordance with Condition 15. For the purposes of this paragraph, the expression "London Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(f) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.2, whether by the Fiscal Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Guarantors, the Fiscal Agent and the other Paying Agents, the Calculation Agent (if applicable) and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantors, the Noteholders, the Receiptholders or the Couponholders shall attach to the Fiscal Agent or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(g) Benchmark discontinuation

(i) Independent Adviser

(A) Subject in the case of Notes linked to SONIA and to Condition 6.2(b)(iv)(d) and Condition 6.2(b)(iv)(e), if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, at the Issuer's own expense, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, or failing which an Alternative Rate (in accordance with Condition 6.2(g)(vii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 6.2(g)(vii)) and any Benchmark Amendments (in accordance with Condition 6.2(g)(iv)).

An Independent Adviser appointed pursuant to this Condition 6.2(g) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agents, the Noteholders or the Couponholders for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 6.2(g).

(B) If (1) the Issuer is unable to appoint an Independent Adviser; or (2) the Issuer fails to determine a successor Rate or, failing which, an Alternative Rate in accordance with in accordance with Condition 6.2(g)(i)(A) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the Rate of Interest applicable to the first Interest Period. Where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period shall be substituted in place of the Margin relating to that last preceding Interest Period. If there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period). For the avoidance of doubt, this Condition 6.2(g)(i)(B) shall apply to the relevant Interest Period only and any subsequent Interest Periods may be subject to the subsequent operation of, and to adjustment as provided in, Condition 6.2(g)(i).

(ii) Successor Rate or Alternative Rate

If the Issuer following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 6.2(g)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for the relevant Interest Period and for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 6.2(g) in the event of a further Benchmark Event affecting the Successor Rate); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 6.2(g)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for the relevant Interest Period and all future payments of interest on the Notes (subject to the subsequent operation of this Condition 6.2(g) in the event of a further Benchmark Event affecting the Alternative Rate).

(iii) Adjustment Spread

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 6.2(g) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "Benchmark Amendments") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, following consultation with the Calculation Agent (or the person specified in the applicable Pricing Supplement as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), subject to giving notice thereof in accordance with Condition 6.2(g)(v), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 6.2(g)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 6.2(g) will be notified promptly by the Issuer to the Calculation Agent, the Paying Agents and, in accordance with Condition 15, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two directors of the Issuer:

(A) confirming (i) that a Benchmark Event has occurred, (ii) the relevant Successor Rate or, as the case may be, the relevant Alternative Rate and, (iii) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 6.2(g); and

(B) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread and that the intent of the drafting of such changes is solely to implement the relevant Benchmark Amendment.

The Fiscal Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and the Adjustment Spread (if any) and such Benchmark Amendments (if any) and without prejudice to the Calculation Agent's or the Paying Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Calculation Agent, the Paying Agents and the Noteholders.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 6.2(g)(i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Condition 6.2(b)(ii) will continue to apply unless and until the Calculation Agent has been notified of such Successor Rate or the Alternative Rate (as the case may be), and any such Adjustment Spread and Benchmark Amendments, in accordance with Condition 6.2(g)(v).

(vii) Definitions:

As used in this Condition 6.2(g):

"Adjustment Spread" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)

(B) the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); (or if the Issuer determines that no such industry standard is recognised or acknowledged)

(C) the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate.

"Alternative Rate" means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner determines in accordance with Condition 6.2(g)(ii) is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

"Benchmark Amendments" has the meaning given to it in Condition 6.2(g)(iv).

"Benchmark Event" means:

(1) the Original Reference Rate ceasing be published for a period of at least 5 Business Days or ceasing to exist; or

(2) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(3) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

(4) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes, in each case within the following six months; or

(5) it has become unlawful for any Paying Agent, Calculation Agent the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate; or

(6) a public statement by the supervisor of the administrator of the Original Reference Rate (as applicable) that, in the view of such supervisor, the Original Reference Rate is or will, by a specified date within the following six months, be no longer representative of an underlying market.

"Independent Adviser" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 6.2(g)(i).

"Original Reference Rate" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

"Relevant Nominating Body" means, in respect of a benchmark or screen rate (as applicable):

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"Successor Rate" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

6.3 Interest on Dual Currency Interest Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Pricing Supplement.

6.4 Interest on Partly Paid Notes

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

6.5 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 15.

7. Payments

7.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9) any law implementing an intergovernmental approach thereto.

7.2 Presentation of Definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of Definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Notes, and payments of interest in respect of Definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of Definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Bearer Note to which it appertains. Receipts presented without the Definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 9) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "Long Maturity Note" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any Definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Bearer Note.

7.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by a Bearer Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Notes and otherwise in the manner specified in the relevant Bearer Global Note against presentation or surrender, as the case may be, of such Bearer Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Bearer Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Note by the Paying Agent to which it was presented and such record shall be prima facie evidence that the payment in question has been made.

7.4 Payments in respect of Definitive Registered Notes and Registered Global Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Definitive Registered Note and each Registered Global Note will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Definitive Registered Note or Registered Global Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "Register") (i) where in global form, at the close of the business day (being for this purpose, in respect of Notes clearing through Euroclear and Clearstream, Luxembourg, a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date.

Notwithstanding the previous sentence, if (a) a holder does not have a Designated Account or (b) the principal amount of the Notes held by a holder is less than €250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "Designated Account" means the account maintained by a holder with a "Designated Bank" and identified as such in the Register and Designated Bank means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Definitive Registered Note and each Registered Global Note will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose, in respect of Notes clearing through Euroclear and Clearstream, Luxembourg, a day on with Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "Record Date") at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest or an instalment of principal (other than the final instalment) in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holder by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

7.5 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantors will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantors to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantors, adverse tax consequences to the Issuer or the Guarantors.

7.6 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Payment Day" means any day which (subject to Condition 10) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(i) the relevant place of presentation; and

(ii) each Additional Financial Centre specified in the applicable Pricing Supplement; and

(b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET System is open.

7.7 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 9;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Notes redeemable in instalments, the Instalment Amounts;

(f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 8.5); and

(g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9.

8. Redemption and Purchase

8.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date.

8.2 Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Fiscal Agent and, in accordance with Condition 15, the Noteholders (which notice shall be irrevocable), if:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 or the Guarantors would be unable for reasons outside their control to procure payment by the Issuer and in making payment themselves would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(b) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantors taking reasonable measures available to it/them,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantors would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Fiscal Agent a certificate signed by two Directors of the Issuer or, as the case may be, two Directors of each Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantors has/have or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 8.2 will be redeemed at their Early Redemption Amount referred to in Condition 8.5 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

8.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Pricing Supplement, the Issuer may, having given:

(a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15; and

(b) not less than 15 days before the giving of the notice referred to in (a) above, notice to the Fiscal Agent and, in the case of a redemption of Registered Notes, the Registrar, (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement. In the case of a partial redemption of Notes, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, in the case of Redeemed Notes represented by a Global Note, in each case not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 8.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least five days prior to the Selection Date.

8.4 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 15 not less than 15 nor more than 30 days' notice, the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Pricing Supplement.

To exercise the right to require redemption of this Note pursuant to this Condition 8.4, the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "Put Notice") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note pursuant to this Condition 8.4, the holder of this Note must, within the notice period, give notice to the Fiscal Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Fiscal Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Fiscal Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 8.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 8.4 and instead to declare such Note forthwith due and payable pursuant to Condition 11.

8.5 Early Redemption Amounts

For the purpose of Condition 8.2 above and Condition 11, each Note will be redeemed at its Early Redemption Amount calculated as follows:

(a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement or, if no such amount or manner is so specified in the applicable Pricing Supplement, at its nominal amount; or

(c) in the case of a Zero Coupon Note, at an amount (the "Amortised Face Amount") calculated in accordance with the following formula:

Early Redemption Amount = RP x $(1 + AY)_y$

where:

"RP" means the Reference Price;

"AY" means the Accrual Yield expressed as a decimal; and

"$_y$" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360, or on such other calculation basis as may be specified in the applicable Pricing Supplement.

8.6 Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 8.5.

8.7 Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

8.8 Purchases

The Issuer, the Guarantors or any subsidiary of the Issuer or any Guarantor may at any time purchase Notes (provided that, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. All Notes so purchased may be held, reissued, resold or, at the option of the Issuer, surrendered to a Paying Agent and/or the Registrar for cancellation.

8.9 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 8.8 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Fiscal Agent and cannot be reissued or resold.

8.10 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 8.1, 8.2, 8.3 or 8.4 above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.5(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 15.

9. Taxation

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer or the Guarantors will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantors will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction, for or on account of any present or future taxes or duties of whatever nature imposed by or on behalf of any Tax Jurisdiction on the Notes, Receipts or Coupons; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) presented for payment in any Tax Jurisdiction; or

(b) held by a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or

(c) where the tax is imposed by any Tax Jurisdiction on the Taxable Income, overall net income, overall net gains or overall profits of a holder of a Note; or

(d) where a tax is imposed because a holder of a Note has not supplied an appropriate tax file number, Australian Business Number or other number or exemption details; or

(e) where a tax is required as a result of the holder being an Associate of the Issuer that did not receive the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of an Australian registered managed investments scheme and where that holder is:

(i) a tax resident of Australia that holds its Notes in carrying on business in a country outside Australia at or through a permanent establishment of that Associate in that country; or

(ii) not a tax resident of Australia that does not hold the Notes in carrying on a business in Australia at or through a permanent establishment in Australia; or

(f) where presentation of a Note, Receipt or Coupon is required for payment, the Note, Receipt or Coupon is presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 7.6); or

(g) where such withholding or deduction is imposed on a payment to an individual or certain residual entities and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(h) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used herein:

"Associate" has the meaning given to it in section 128F(9) of the Income Tax Assessment Act 1936 (Cth) of Australia;

"Taxable Income" has the meaning given to that term in the Income Tax Assessment Act 1997 (Cth) of Australia;

"Tax Jurisdiction" means any jurisdiction under the laws of which the Issuer or any Guarantor, or any successor to the Issuer or any Guarantor, is organised or in which it is resident for tax purposes, or any political subdivision or any authority thereof or therein having power to tax; and

The "Relevant Date" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent or, as the case may be, the Registrar on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15.

10. Prescription

The Notes, Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 7.2 or any Talon which would be void pursuant to Condition 7.2.

11. Events of Default

If any one or more of the following events (each an "Event of Default") shall occur and be continuing:

(i) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or

(ii) if the Issuer or any Guarantor fails to perform or observe any of its other obligations under the Notes or its Guarantee and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 45 days next following the service to the Fiscal Agent at its specified office by any Noteholder; or

(iii) if there is default under any Indebtedness for Money Borrowed (other than in respect of any Non-Recourse Indebtedness) by the Issuer or any Guarantor having an aggregate principal amount outstanding exceeding U.S.$50 million (or the equivalent thereof in any other currency or currency unit) whether such Indebtedness for Money Borrowed exists at the date of issue of the first Tranche of the Notes or shall thereafter be created, which default shall have resulted in such Indebtedness for Money Borrowed becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable (after the expiration of any applicable grace period), if the effect is to cause such Indebtedness for Money Borrowed to become due prior to its stated maturity without such Indebtedness for Money Borrowed having been discharged, or such acceleration having been rescinded or annulled, within a period of 10 days.

For the purpose of this paragraph (iii):

"Indebtedness for Money Borrowed" means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit, (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash and to the extent not already included, any guarantee or indemnity in respect of such indebtedness; and for the purposes of this paragraph (iii) only, shall also include Deferred Purchase Amounts and any amounts payable under Finance Leases;

"Deferred Purchase Amount" means the purchase price of any asset or service where that purchase price is deferred for a period exceeding 90 days;

"Finance Lease" means any lease which under current accounting practice would be required to be capitalised on the balance sheet of the lessee or hirer; or

(iv) if an order shall be made by any court of competent jurisdiction or an effective resolution shall be passed for the winding up, liquidation or dissolution of the Issuer or any Guarantor, other than such an order made or a resolution passed for the purposes of a reconstruction, amalgamation or reorganisation where the Issuer or the relevant Guarantor, as the case may be, is solvent and which has been approved by an Extraordinary Resolution of the Noteholders; or

(v) if the Issuer or any Guarantor shall suspend or announce its intention to suspend payment of its debts generally or shall be declared or adjudicated by a court of competent jurisdiction to be unable, or shall admit in writing its inability, to pay its debts generally as they fall due, or shall be adjudicated or found insolvent (within the meaning of Section 95A of the Corporations Act 2001 (Cth)) by a court of competent jurisdiction; or

(vi) if the Issuer or any Guarantor shall enter into or make any compromise or arrangement with its creditors generally including the entering into of some form of moratorium with its creditors generally, other than such a compromise or arrangement for the purposes of a reconstruction, amalgamation or reorganisation where the Issuer or the relevant Guarantor, as the case may be, is solvent and which has been approved in writing by an Extraordinary Resolution of the Noteholders; or

(vii) if a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Issuer or any Guarantor in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or there shall be appointed a receiver, administrator, liquidator, custodian, trustee or sequestrator (or similar officer) over the whole or substantially the whole of the assets of the Issuer or any Guarantor, as the case may be, and any such decree, order or appointment is not removed, discharged or withdrawn within 60 days thereafter; or

(viii) if the Issuer or any Guarantor shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, other than a case commenced under an applicable law not pertaining to bankruptcy or insolvency for the purposes of a reconstruction, amalgamation or reorganisation where the Issuer or the relevant Guarantor, as the case may be, is solvent and which has been approved by an Extraordinary Resolution of the Noteholders, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, administrator liquidator, assignee, custodian, trustee or sequestrator (or similar official) of the Issuer or the relevant Guarantor over the whole or substantially the whole of its assets, or shall make any general assignment for the benefit of its creditors other than for a solvent reorganisation which has been approved by an Extraordinary Resolution of the Noteholders; or

(ix) other than in respect of any Non-Recourse Indebtedness, a distress, attachment, execution or other legal process is issued, levied, enforced or sued upon or against the whole or substantially the whole of the assets of the Issuer or any Guarantor and is not paid out, satisfied, withdrawn or set aside within 60 days of the date of issue, levy or enforcement; or

(x) if any Guarantee ceases to be, or is claimed by the Issuer or any Guarantor not to be, in full force and effect,

then any holder of a Note may, by written notice to the Issuer at the specified office of the Fiscal Agent, effective upon the date of receipt thereof by the Fiscal Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

12. Replacement of Notes, Receipts, Coupons and Talons

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer, Fiscal Agent or Registrar may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13. Agent, Paying Agents, Registrar, Transfer Agent and Calculation Agent(s)

The names of the Fiscal Agent, other Paying Agents, the Registrar, the Transfer Agent and the Calculation Agent initially appointed by the Issuer and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Fiscal Agent, Paying Agent, Registrar, Transfer Agent and Calculation Agent(s) and/or appoint additional or other Fiscal Agent, Paying Agents, Registrar, Transfer Agent and Calculation Agent(s) and/or approve any change in the specified office through which any Fiscal Agent, Paying Agent, Registrar, Transfer Agent and Calculation Agent(s) act, provided that:

(a) there will at all times be a Fiscal Agent;

(b) there will be a Registrar and Transfer Agent in relation to Registered Notes;

(c) there will be one or more Calculation Agent(s) where the Conditions so require;

(d) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Registrar and Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

(e) so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, if the Notes are issued in definitive form, there will at all times be a Paying Agent in Singapore.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 7.5. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 15.

In acting under the Agency Agreement, the Fiscal Agent, Paying Agents, Registrar, Transfer Agent and Calculation Agent(s) act solely as agents of the Issuer and the Guarantors and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Fiscal Agent, Paying Agent, Registrar, Transfer Agent and Calculation Agent(s) is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent, paying agent, registrar, transfer agent and calculation agent(s).

14. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10.

15. Notices

All notices regarding Bearer Notes will be deemed to be validly given if published in (i) a leading English language daily newspaper of general circulation in Australia and (ii) if and for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, published in a leading English newspaper having general circulation in Singapore. It is expected that any such publication in a newspaper will be made in the Australian Financial Review in Sydney and the Business Times in Singapore. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding Registered Notes will be deemed to be validly given if (a) sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the third day after mailing and (b) if and for so long as the Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Fiscal Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Fiscal Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Fiscal Agent, the Registrar or the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

Receiptholders and Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition.

16. Meetings of Noteholders and Modification

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement.

A meeting of the Noteholders may be convened by the Issuer or any Guarantor and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Issuer may make, without the consent of the Noteholders, Receiptholders or Couponholders:

(a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Receipts, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or

(b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

17. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19. Governing Law and Submission to Jurisdiction

19.1 Governing law

The Agency Agreement, the Guarantees, the Deed of Covenant, the Notes, the Receipts and the Coupons, and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Guarantees, the Deed of Covenant, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.

19.2 Submission to jurisdiction

The Issuer irrevocably agrees, for the benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons (including any disputes relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and/or the Coupons) and accordingly submits to the jurisdiction of the English courts.

The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Noteholders, the Receiptholders and the Couponholders may take any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with the Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and the Coupons) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

19.3 Appointment of Process Agent

The Issuer and each Guarantor appoints Hackwood Secretaries Limited at its registered office at One Silk Street, London EC2Y 8HQ as its agent for service of process for Proceedings in England, and undertakes that, in the event of Hackwood Secretaries Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings in England. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

19.4 Other documents

The Issuer and each Guarantor has in the Agency Agreement, the Guarantees and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed, or will be required to appoint, an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit. If, in respect of any particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

CAPITALISATION

The following table shows the consolidated capitalisation of the Singtel Optus Group as at 31 March 2024. The financial information presented below was prepared in accordance with Singapore Financial

Reporting Standards (International) ("SFRS(I)") for the purposes of consolidation into the Singtel Group's consolidated financial statements.

Table 1

	SFRS(I) as at 31 March 2024
	(A$' million)
Short term indebtedness	
Unsecured notes/loans	25
Lease Liabilities	488
Long term indebtedness	
Unsecured notes/loans	3,717
Leased Liabilities	2,432
Total indebtedness	6,662
Shareholders' equity	
Share capital	5,317
Reserves	(11)
Retained profits	3,892
Total capitalisation and indebtedness	15,860

SELECTED FINANCIAL INFORMATION OF THE SINGTEL OPTUS GROUP

The following tables present selected consolidated financial information for the Singtel Optus Group as at and for the financial years ended 31 March 2022, 2023 and 2024. The selected consolidated financial information was prepared in accordance with SFRS(I) for years ended 31 March 2022, 2023 and 2024 for the purposes of consolidation into the Singtel Group's consolidated financial statements. The consolidated financial statements of the Singtel Optus Group for the years ended 31 March 2022, 2023 and 2024 prepared in accordance with Australian Accounting Standards, are included in pages F-1 to F-173 of this Offering Circular.

Australian Accounting Standards differ in certain respects from SFRS(I). Certain principal differences between SFRS(I) and Australian Accounting Standards are discussed in "Summary of Principal Differences between SFRS(I) and Australian Accounting Standards".

Table 2

	SFRS(I) Year Ended 31 March		
	2022	**2023**	**2024**
		(A$' million)	
Income Statement Data			
Operating revenue	7,836	8,053	8,062
Operating expenses	(5,886)	(6,085)	(6,096)
	1,950	1,968	1,966
Other income	117	120	138
EBITDA(1)	2,067	2,088	2,103
Depreciation and amortisation	(1,818)	(1,801)	(1,815)
EBIT(2)	249	287	288
Net finance expense	(199)	(210)	(258)
Profit before exceptional items	50	77	30
Exceptional items(3)	87	(182)	(701)
Profit/(loss) before tax	137	(105)	(671)
Tax credit/(expense)	–	27	193
Net profit/(loss) after tax	137	(78)	(477)

Notes:

(1) EBITDA – Earnings before deduction of interest expense, taxes, depreciation, amortisation and exceptional items. This is a non-IFRS measure and one of the primary reporting measures used by the senior management of Singtel Optus Group for the purpose of assessing the performance of the Singtel Optus Group.

(2) EBIT – Earnings before deduction of interest expense, taxes and exceptional items. This is a non-IFRS measure and one of the primary reporting measures used by the senior management of Singtel Optus Group for the purpose of assessing the performance of the Singtel Optus Group.

(3) Exceptional items refer to items of income or expense within the income statement from ordinary activities that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the financial year.

Table 3

	SFRS(I) as at 31 March		
	2022	2023	2024
	(A$' million)		
Balance Sheet Data			
Cash	764	98	51
Total assets	19,592	19,528	19,482
Total liabilities	9,871	9,859	10,285
Total shareholders' equity	9,721	9,669	9,197

	SFRS(I) Year Ended 31 March		
	2022	2023	2024
	(A$' million)		
Cash Flow Statement Data			
Cash flow from operating activities	2,344	1,841	1,960
Cash flow used in investing activities	(1,188)	(1,783)	(2,087)
Cash flow from/(used in) financing activities	(498)	(725)	81
Increase/(decrease) in cash	658	666	(46)

DESCRIPTION OF OPTUS FINANCE

Incorporation

The Issuer was incorporated on 11 March 1999 with limited liability in the State of New South Wales, Australia, and is a wholly owned subsidiary of Singtel Optus. Its registered address is located at Building C, Level 4, 1-7 Lyonpark Road, Macquarie Park, New South Wales 2113, Australia.

Business Overview

The principal activity of the Issuer is to manage the Singtel Optus Group's treasury activities, including borrowing on behalf of the Singtel Optus Group and advancing such borrowings to companies within the Singtel Optus Group.

Directors and Company Secretary

The following table sets out the members of the board of directors and the company secretary of the Issuer:

Name	Position
Quah Kung Yang	Director
Sachin Gupta	Director
Nicholes Paul Kusalic	Company Secretary

Mr Quah Kung Yang, 62, is the Group Financial Controller for Singtel, overseeing the business reporting of the Group, as well as the financial management of NCS, Singtel's technology services arm. He has responsibilities for business enablement initiatives that drive performance across the Singtel Group such as sustainability finance, process improvements, internal controls and finance transformation. He is also the finance business partner for the Singtel Group's corporate functions, providing commercial support to the various Singtel Group functions such as Sustainability, IT, HR, Procurement, Legal and Property.

Before being appointed as the Group Financial Controller, Mr Quah was the Chief Financial Officer ("CFO") of Optus. He was responsible for corporate finance, management reporting, procurement, taxation, legal, credit management and investor relations activities for Optus. With close to 30 years' experience at Singtel, Mr Quah was previously the CFO of Singtel's Group Enterprise business unit, helping to shape overall strategy and provide effective financial stewardship of the various enterprise businesses in the Asia Pacific, Americas and EMEA.

Mr Quah was appointed to Singtel's Top Management team in 2007 and has held various roles with on- and off-shore responsibilities within the Group across Consumer, Enterprise and Networks divisions in the areas of Corporate Finance, Tax, and Business Finance. He was a key member in the Netlink Trust IPO, and in the financial due diligence review for the acquisition of cyber security subsidiary Trustwave. He was previously the Vice President (Business Management) in the Singtel International Group, where he oversaw new investment opportunities as well as managing Singtel's joint ventures and associates in Asia and EMEA. Prior to that, he was the Chief Financial Officer of C2C, a Singtel joint venture, providing city-to-city connectivity on a wholesale basis to telecommunication service providers.

Mr Quah graduated with a Bachelor of Accountancy (2nd Upper Honours) from the University of Kent at Canterbury, England. He is a Fellow of the Institute of Chartered Accountants in England & Wales and a member of the Institute of Singapore Chartered Accountants.

Mr Sachin Gupta, 48, is Managing Director of Strategic Portfolio Group at Singtel Optus, which includes strategy, mergers and acquisitions and business transformation initiatives. He has over 25 years of telecoms and digital infrastructure experience across Asia in capital markets, advisory and operations. He currently sits on the board of Indara Corporation Limited and previously held seats on the boards of Trustwave and Amobee.

Mr Gupta holds a Bachelor of Economics & Finance (Hons) from the University of NSW, and is also a Chartered Financial Analyst.

DESCRIPTION OF SINGTEL OPTUS AND THE SINGTEL OPTUS GROUP

Incorporation

Singtel Optus was incorporated under the name Optus Communications Pty Limited on 6 November 1991 with limited liability in the Australian Capital Territory, Australia, and is the parent company of the Issuer. As at 31 March 2024, Singtel Optus is wholly owned by Singtel.

The principal offices of Singtel Optus are located at Building C, Level 4, 1-7 Lyonpark Road, Macquarie Park, New South Wales 2113, Australia.

The principal activity of Singtel Optus is investment holding and it is the holding company of 41 subsidiaries as at 31 March 2024.

Business Overview

The Singtel Optus Group is the second largest provider of telecommunications services in Australia in terms of revenue. It is a fully integrated fixed and mobile telecommunications competitor to Telstra. As a fully integrated telecommunications provider, the Singtel Optus Group delivers a comprehensive range of telecommunications products and services to consumer, small and medium business, enterprise, government, wholesale and satellite customers. These services include local, long distance and international, mobile and fixed line telephony services, broadband and fixed-wireless internet services, multimedia entertainment services, satellite services and converged business telecommunications applications and ICT solutions. Since commencing operations on 31 January 1992, the Singtel Optus Group has invested in fixed, mobile and satellite networks providing an advanced technology platform for the delivery of its integrated communications, information and entertainment services.

History

Optus Communications Pty Limited was founded as a private joint venture by Cable & Wireless plc, Bell South Corporation, Mayne Nickless Limited and several Australian financial companies. Optus Communications Pty Limited commenced operations with the purchase of the government owned satellite carrier, AUSSAT Pty Limited, and became Australia's first privately owned carrier. Optus Communications Pty Limited continued to operate the satellite network and in March 1992, commenced construction of its fixed and digital mobile networks.

In August 1997, Cable and Wireless plc acquired Bell South Corporation's 24.5 per cent. interest in Optus Communications Pty Limited, which was renamed Cable & Wireless Optus Limited. Cable & Wireless Optus Limited was listed on the Australian Stock Exchange in November 1998, at which time Mayne Nickless Limited divested all of its holdings in Cable & Wireless Optus Limited. In addition, Cable and Wireless plc increased its shareholding to a 52.5 per cent. interest in Cable & Wireless Optus Limited.

In October 2001, Singtel acquired 100 per cent. of the ordinary shares of Cable & Wireless Optus Limited. The company was subsequently de-listed and renamed Singtel Optus Pty Limited.

Strategy

Singtel28 is the Singtel Group's new growth plan to enhance customer experiences and deliver sustained value realisation for shareholders. This follows the successful completion of its three-year strategic reset, which was embarked on in 2021 to transform the Group.

Singtel28 is a two-pronged strategy – lifting business performance and smart capital management. Building on the traction from the strategic reset, the Group will optimise its core businesses and scale growth engines including NCS and Nxera. The Singtel Group will also pursue smart capital management through its proven capital recycling programme and strong capital partnerships to fund growth initiatives and drive sustainable shareholder returns. Throughout this process, the Singtel Group's focus on sustainability and championing its people will continue to underpin the Singtel Group's strategy.

Singtel Optus Group Strategy

The Singtel Optus Group is executing a customer-led strategy to drive sustainable growth and profitability. The vision for the Singtel Optus Group is to make lasting customer relationships our absolute focus across the Singtel Optus Group's target consumer, business and government customer segments. The three priorities are:

1. Resilience – Network and IT resilience and stability are paramount, for the Singtel Optus Group. Singtel Optus Group is intensifying efforts to enhance reliability and customer experience with a priority on addressing legacy IT systems and increasing investment aimed at mitigating risks. Additionally, the Singtel Optus Group is committed to rebuilding brand trust through clear messaging that reinforces why consumers and businesses should confidently choose Optus. The Singtel Optus Group will continue to invest in brand building and growing trust with customers and non-customers.

2. Growth – The strategy of the Singtel Optus Group focuses on better serving existing customers to strengthen relationships and increase retention, supported by enhanced network experiences, multiproduct offerings, and a comprehensive voice-of-the-customer program. The Singtel Optus Group supports customer growth with unique customer experiences that differentiate Optus from competitors and diversify the business of the Singtel Optus Group through offerings such as Optus Sport. For enterprise customers, the Singtel Optus Group offers a range of unique 5G services including private campus networks, IoT and edge computing solutions. The Singtel Optus Group is also targeting growth in the small business sector and making significant strides in mid-market offerings. The Singtel Optus Group has recently implemented a refreshed enterprise strategy to maintain its competitive edge in a rapidly evolving market.

3. Simplification and efficiency – The Singtel Optus Group continues to emphasize simplification to make life easier for its customers and to maximize the effectiveness and cost efficiency of its teams. Leveraging AI, the voice-of-the-customer program, and digitising the customer journey will boost business efficiency and enhance customer experience by eliminating sources of dissatisfaction and reducing the need for service calls. The Singtel Optus Group also continues to invest in innovation and new technologies to ensure that it will continues to deliver value to customers over the long-term, supporting future growth and ongoing diversification of its business.

The Singtel Optus Group's strategy supports ongoing customer and revenue growth across the Singtel Optus Group's portfolio, including its Optus-branded services and its "Tier 2" brands such as amaysim which target more price-sensitive customer segments. The Singtel Optus Group's growth in profitability is also supported by a continued focus on operating efficiencies which are primarily delivered in line with an improvement in customer experience through simplification of products, systems and processes. The Singtel Optus Group has also signed a regional network sharing agreement with TPG Telecom Limited, which will allow it to provide consumers in regional Australia with more choice and better service. The agreement places Optus' network investments on a more long-term sustainable footing and allows it to accelerate 5G deployment in regional Australia.

Principal Activities of the Singtel Optus Group

The principal activities of the Singtel Optus Group include the delivery of telecommunications products and services to three main customer segments, namely Consumer Customers, Enterprise and Business Customers and Wholesale and Satellite Customers. The principal products and services provided in each of these customer segments are detailed below.

Consumer Customers

The Singtel Optus Group delivers a comprehensive range of consumer services and products to the Australian retail telecommunications market. These services and products include mobile voice and data, fixed voice, fixed broadband, and content and application services.

Principal products and services

- Consumer Mobile Services

  The Singtel Optus Group provides a full suite of consumer mobile communication services across Australia. This includes mobile voice, messaging, international roaming, mobile data services and a wide range of value-added entertainment features.

  In Australia, mobile service revenues are supported by sales of SIM-only plans, which are sometimes also sold in combination with a mobile handset or other device. The Singtel Optus Group has an extensive network of physical retail outlets and also sells its products and services via telesales, online and through retail distribution partners.

  Mobile services are offered as either postpaid, where customers pay monthly in advance for a billing period and receive a monthly bill detailing their usage, or prepaid, where customers pay in advance and use services until their balance gets depleted.

  The Singtel Optus Group mobile subscriber base (inclusive of consumer, business, enterprise and wholesale customers) was approximately 10.5 million as at 31 March 2024. As at 31 March 2024, approximately 63 per cent. of Singtel Optus' total mobile subscriber base were postpaid customers.

- Consumer Fixed Services

  The Singtel Optus Group offers a full array of consumer fixed services in Australia. This includes fixed voice, broadband and TV services. To strengthen and differentiate its broadband and mobile services, the Singtel Optus Group has secured access to certain exclusive sports content, notably rights to broadcast the English Premier League until the 2027/28 season. The Singtel Optus Group has also secured exclusive rights to broadcast a range of other international football, which includes UEFA Euro 2024, Copa America 2024, LaLiga, Barclays Women's Super League (WSL), US National Women's SoccerLeague (NWSL), Japanese J League, Korean K League, UEFA Nations League and selected European international fixtures.

  The Singtel Optus Group delivers consumer fixed services predominantly through the resale of services from the NBN. The Singtel Optus Group also uses its 4G Long Term Evolution ("LTE") network and 5G network to deliver home wireless broadband service. The Singtel Optus Group's consumer broadband customer base stood at approximately 1.3 million subscribers, as at 31 March 2024.

Enterprise and Business Customers

The Singtel Optus Group provides advanced communications solutions to business, corporate and government customers in Australia. It offers a comprehensive solution suite across voice, data, internet, satellite and enterprise mobility services. The Singtel Optus Group has a comprehensive managed services capability and the ability to deliver on the growing demand for ICT solutions including SaaS services as well as a full range of cybersecurity and cloud-based services.

In response to NBN-driven profitability, margin pressures in Fixed Data and a structural decline in Fixed Voice in its Enterprise and Business, the Enterprise and Business is overhauling its product portfolio from over 250 to fewer than 100 products, rationalising its vendor partnerships from over 100 to just 16, exiting unprofitable ventures, and prioritising a mobile-first strategy to maintain its competitive edge in a rapidly evolving market.

Principal products and services

- Enterprise & Business Mobile Services

  For Enterprise & Business customers, the Singtel Optus Group offers a broad range of mobile solutions that includes voice, messaging, email, applications, roaming, device management, mobile broadband and mobile security. 5G services are also being offered to Enterprise & Business customers, with increasingly sophisticated offerings including private campus networks, IoT and edge computing solutions.

- Enterprise & Business Fixed Services

  The Singtel Optus Group offers a range of fixed voice solutions in Australia for Enterprise & Business customers. This includes local voice, international voice, VoIP, audio and video conferencing, cloud-based telephony and unified communications services.

  The Singtel Optus Group also provides a wide range of enhanced data and IP solutions and services for its Enterprise & Business customers. Key products and services offered include:

  - internet access allowing organisations to connect to the internet via the Singtel Optus Group IP network;

  - secure private IP-based Wide Area Network ("WAN") services, allowing customers to combine voice, video and data applications onto a single network;

  - ethernet services which provide customers with Layer 2 data network connectivity thus allowing customers to connect to multiple sites across towns or throughout Australia using the simple, cost effective and flexible nature of an Ethernet connection; and

  - a secure and reliable global WAN connectivity, which offers the flexibility of secure remote access for users on the move or at remote sites through the use of multi-protocol label switching and IP security.

  The Singtel Optus Group delivers fixed services in the enterprise and business market using its Customer Access Network ("CAN"), fibre or in some cases through resale of services including from the NBN, Telstra and other third parties.

- ICT services and managed services

  The Singtel Optus Group provides a range of ICT solutions, products and services to corporate and government customers, including:

  - a range of products designed specifically for organisations to manage their contact centre requirements including call monitoring and routing services as well as network based intelligent services;

  - a fully managed end-to-end service on multi-carrier/vendors including third party voice, data and mobile products and services;

  - a scalable range of cost effective hosting solutions which include co-location, managed storage and web-hosting on a fully managed server;

  - professional and managed services to assist them to identify, plan, deploy, secure, manage and optimise their technology and communications requirements;

  - provision of cloud-based services by enabling their applications on the cloud, aggregating the applications and connecting them to various cloud environments; and

- provision of managed cybersecurity services which include security testing, forensic investigation and incident response for customers globally.

Wholesale and Satellite Customers

- Wholesale Services

  The Singtel Optus Group is a supplier of fixed, mobile voice and data telecommunications services to domestic and international carriers and service providers, utilising the Singtel Optus Group's network infrastructure. Wholesale products and services include:

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

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

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

  - interconnection services that allow other carriers to terminate carrier services into the Singtel Optus Group network.

- Satellite Services

  The Singtel Optus Group is the leading provider of satellite services in Australia and New Zealand with a fleet of five geostationary satellites operating principally in Ku-band across a number of geostationary orbital locations, namely 152°E, 156°E and 160°E as at 31 March 2024. The 156°E and 160°E orbital locations are used for the Australian and New Zealand Direct-To-Home broadcast platforms providing both subscription and free-to-air services to over two million locations in Australia and New Zealand.

The Singtel Optus Group offers the following satellite services:

- a full suite of broadcast services which deliver broadcast television and backhaul services across Australia and New Zealand for both the free-to-air and subscription television markets;

- IP-based satellite data broadcast solutions that deliver one-way or two-way high-speed data services for internet or distribution of data, audio or video in Australia and internationally; and

- a range of specialist services, including Government Managed Services, satellite control, system design, provision and management of telemetry, tracking and command earth stations, provision of transfer orbit services and satellite operations.

On 2 July 2020, the Singtel Optus Group announced that it had entered into a contract with Airbus Defence and Space ("**Airbus**") for a new OneSat software-defined satellite, Optus 11, that can provide both flexible concurrent broadcast and broadband services. Optus 11 was originally intended to be deployed in 2023 for Australia and New Zealand at the geostationary orbital location at 160°E. Deployment is now expected in 2026 due to delays in delivery from Airbus. On 3 March 2022, Optus announced that it will be the first commercial satellite owner and operator to utilise Space Logistics' Mission Robotic Vehicle ("MRV") and Mission Extension Pod ("MEP") to extend the life of its Optus D3 geostationary spacecraft. The MRV and MEP are expected to be launched using a SpaceX launch vehicle in 2025, with the MEP expected to extend the lifespan of Optus' D3 Satellite for up to six years. While the dates for Optus 11, the MRV and the MEP are based on the current schedules confirmed by the relevant suppliers, delays are a risk in complex projects such as these.

On 12 July 2023, the Singtel Optus Group announced an agreement with SpaceX to deliver mobile connectivity using SpaceX's Starlink satellite constellation, with a plan to cover 100 per cent. of Australia (excluding the Australian Radio Quiet Zone in Western Australia where no service is permitted to be provided and Remote Offshore Territories and Islands of Australia). SpaceX designs, manufactures and launches some of the world's most advanced rockets and spacecraft. Through its agreement with SpaceX, the Singtel Optus Group will work to expand the reach of customers' mobile connectivity to include the 60 per cent. of Australia's land mass that currently has no mobile coverage. SpaceX continues to develop this new technology and launch satellites to establish the coverage with a plan to enable SMS services in late 2024 and voice and data services in late 2025.

Network and Infrastructure

The Singtel Optus Group operates a full-service national telecommunications network. As at 31 March 2024, its extensive technology, infrastructure and facilities backbone includes:

- over 10,000 km of intercity fibre cable providing connections from Perth through to Cairns;
- over 26,000 km of intra-city fibre cable, providing connections between major facilities and connections to mobile base stations and corporate premises through a mixture of aerial and in ground fibre;
- approximately 749 DSLAM racks installed in 154 Telstra exchanges;
- major facilities within Australia consisting of 17 exchanges (including one with hosting centre capabilities and one with data centre capabilities), three satellite earth stations, one dedicated hosting site and one dedicated data centre;
- 47 points of interconnect with voice service carriers around the country, in the central business districts ("CBD"), metro and major regional centres; and
- ownership in 4 international cables.

These networks provide the Singtel Optus Group with an advanced technology platform capable of delivering leading products and services.

Mobile Network

The Singtel Optus Group provides mobile voice and data coverage through its national mobile network to approximately 98.5 per cent. of the Australian population as at 31 March 2024. The network supports the Singtel Optus Group's current customer base of approximately 10 million subscribers as at 31 March 2024.

Singtel Optus is continuing to roll out its expanded 4G LTE network and 5G network which supports new services capabilities including the streaming of online video content and TV services. The network operates from approximately 9,336 mobile sites which provide 4G LTE capability and approximately 4,273 sites which provide 5G capability. As at 31 March 2024, the 4G LTE network had reached 98.5 per cent. of Australia's national population and 99.9 per cent. of the metro population.

In November 2004, pursuant to a joint venture agreement, Optus Mobile Pty Limited and Vodafone Network Pty Limited agreed to share 3G mobile network infrastructure across approximately 58 per cent. of the Australian population in metropolitan regions. The joint venture utilises co-located mobile sites where each operator retains ownership of its own assets.

The Singtel Optus Group announced on 3 May 2012 that a memorandum of understanding had been signed to expand the joint venture agreement. This provided the Singtel Optus Group with access to nearly 1,000 additional mobile sites for the Singtel Optus Group's 3G and 4G LTE services across Australia. In May 2020, the joint venture was further expanded to include 5G passive sharing. Approximately 3,500 mobile sites are under the joint venture arrangement.

In April 2024, TPG Telecom Limited ("TPG") and Optus Mobile Pty Limited announced an agreement to enhance the regional mobile network in Australia, offering more choice and competition for customers in regional Australia. Under the regional Multi-Operator Core Network (MOCN) agreement, the Singtel Optus Group will provide TPG with access to its regional radio access network and the companies will share spectrum in regional Australia. TPG will gain access to 2,444 Singtel Optus Group's mobile network sites in regional Australia, expanding its 4G coverage from around 400,000 to around 1,000,000 square kilometres, covering 98.4% of the population. The Singtel Optus Group will licence some of TPG's spectrum for use in the MOCN, delivering enhanced capacity, speed and service quality to TPG's customers and the Singtel Optus Group's customers in regional Australia. Customers and communities will also benefit from the Singtel Optus Group's commitment to accelerate its 5G rollout in the regions, fast-tracking the number of 5G sites in the regional MOCN to 1,500 by 2028 and 2,444 by the end of 2030. Subject to relevant regulatory approvals, the MOCN is expected to be available to TPG and the Singtel Optus Group's customers in early 2025.

In April 2021, Optus Mobile Pty Limited entered into certain long-term supply arrangements, including a Master Services Agreement and Build to Suit Agreement, with Australia Tower Network Pty Limited (now called 'Indara Corporation Limited') ("Indara") (then an Australian wholly-owned subsidiary of Singapore Telecommunications Limited) under which Indara provides Optus Mobile Pty Limited access to mobile network sites. These sites include 2,312 sites that Optus Mobile Pty Limited sold to Indara in April 2021, and a committed build-to-suit programme for a further approximately 565 sites to be delivered over the near term to meet Optus' network requirements. In November 2021, Singtel ATN Pte Ltd (a wholly owned subsidiary of Singapore Telecommunications Limited ("Singtel") sold 70 per cent. of its equity in Indara to AS Infra Tower Pty Limited as trustee for AS Infra Tower Trust ("AS Infra"). AS Infra was established by Australian Super Pty Limited in its capacity as trustee of a complying superannuation fund in Australia known as "AustralianSuper". The aggregate cash proceeds to the Singtel Group was approximately A$1.9 billion.

In May 2022, Indara acquired the stapled structure comprising Axicom HoldCo Pty Ltd, Axicom Asset HoldCo Pty Ltd and Axicom Hold Trust (the "Axicom Acquisition"). To fund part of the Axicom Acquisition, Singtel, through Singtel ATN Pte. Ltd., subscribed for 90,157,621 new ordinary shares of Indara at A$1.278 per share. Singtel's effective shareholding interest in Indara decreased from 30 per cent. to 18 per cent. with the completion of the Axicom Acquisition and Singtel's subscription for shares in Indara.

Fixed Network

The Singtel Optus Group delivers fixed telephony, content and high speed broadband services to consumer, wholesale, enterprise, corporate, government and business customers using the NBN network. The Singtel Optus Group interconnects to the nationwide NBN network at 121 NBN points of interconnect.

The Singtel Optus Group directly connects wholesale, enterprise, corporate, government and business customers to its fixed transmission network via its CAN. The Singtel Optus Group has constructed a CAN in major Australian capital cities. These comprise mainly fibre optic loops in the CBD and metropolitan areas and are supplemented by alternative access methods such as leased transmission and microwave radio when required. Customers are able to connect to the Singtel Optus CAN through customer premises based equipment and gain access to the products and services offered by the Singtel Optus Group.

IP Network

The Singtel Optus Group's networks have been developed for the transport of IP data. These networks make use of the Singtel Optus Group's physical network infrastructure, providing IP connectivity in support of a range of IP based products offered by the Singtel Optus Group. These products include IP based voice services plus internet and intranet access for business and consumer customers as well as virtual IP networks for business customers.

Satellite Network

The Singtel Optus Group operates a satellite network of five satellites covering Australia, New Zealand and Antarctica. This satellite network delivers pay-TV to over two million households, free-to-air TV to over 300,000 households, video transmission to 600 re-transmission sites for free-to-air broadcasters and approximately 650 free-to-air self-help transmission sites. The satellite network also supports satellite small cell sites in Australia which provide 3G and 4G services for the Australian Government's Mobile Black Spot Program and data services for the Australian Government departments and enterprises in the mining, oil, gas and aviation sectors amongst others. The Singtel Optus Group operates, on behalf of NBN Co, Sky Muster satellites designed specifically to provide broadband services to Australia's remote areas.

Intellectual Property

It is the practice of the Singtel Optus Group to protect its intellectual property by obtaining appropriate registrations. The Singtel Optus Group owns various registered trademarks including "Optus", "yes", and the Optus logo. The Singtel Optus Group is the registered owner of various internet domain names associated with "Optus".

Legal Proceedings

The Singtel Optus Group may from time to time be in dispute with third parties, including regulators, regarding certain transactions, services and/or representations arising out of the ordinary course of business and/or alleged breach of laws. Some of these disputes may involve legal proceedings relating to alleged breach of laws, enforceable undertakings, contractual obligations of the parties and/or representations made, and involve amounts payable by companies within the Singtel Optus Group as fines, contractual liabilities, and/or compensation.

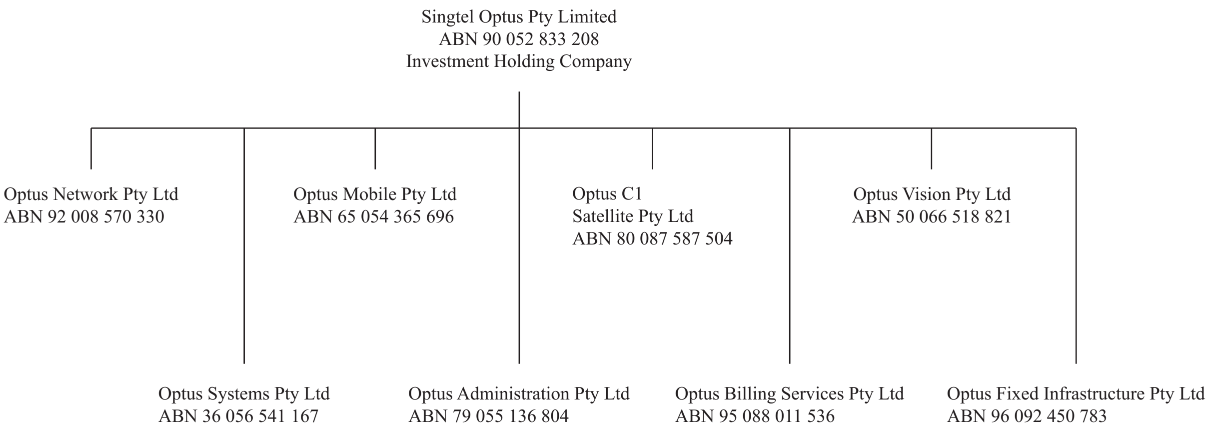
During September 2022 the Singtel Optus Group experienced a cyberattack that resulted in a data breach that compromised customer information of the Singtel Optus Group's customers. Upon discovering this, Optus immediately shut down the attack and worked with the Australian Cyber Security Centre to mitigate risks to customers and notified the Australian Federal Police, the Office of the Australian Information Commissioner (OAIC) and key regulators. Information which may have been exposed includes customers' names, dates of birth, phone numbers, email addresses and, for a subset of customers, addresses, Medicare card numbers and identity document numbers such as a driver's licence or passport. A class action suit has commenced against various companies in the Singtel Optus Group (under which the applicants are seeking a range of outcomes including declarations of contraventions, that the relevant companies in the Singtel Optus Group take reasonable steps to delete identifying personal information of ex-customers, damages and statutory compensation, interest and costs). In addition, two representative complaints have been lodged with the OAIC which allege breaches of the Australian Privacy Principles by members of the Singtel Optus Group and which seek compensation. In addition to the OAIC investigation, the Department of Home Affairs and Australian Communications and Media Authority (ACMA) commenced investigations regarding possible breaches of laws by various companies in the Singtel Optus Group in connection with the cyberattack. Further, the ACMA filed proceedings in the Federal Court of Australia against Optus Mobile Pty Limited (a related body corporate of the Issuer) in May 2024 in relation to the cyberattack. The ACMA alleges a breach of the Australian Telecommunications (Interception and Access) Act 1979 (Cth) on the basis that Optus Mobile failed to protect the confidentiality of personally identifiable information of its customers from unauthorised interference or unauthorized access. The Singtel Optus Group is defending all these claims.

On 8 November 2023, the Singtel Optus Group's network in Australia experienced a national outage affecting consumer fixed and mobile services and some enterprise and business services. The outage was resolved for the majority of services on the same day, and the Singtel Optus Group provided customers on eligible postpaid plans additional data following the incident and has been addressing any customer concerns directly. As a result of this outage the Singtel Optus Group is also the subject of ongoing inquiries and investigations by the Australian Senate and the ACMA, and a post incident review commissioned by the Australian Government in relation to the Singtel Optus Group and the telecommunications industry generally ("Bean Review"). The Singtel Optus Group is cooperating with these inquiries and investigations and has accepted the recommendations of the concluded Bean Review which have now been publicised. Separately, the Singtel Optus Group commissioned an independent review by EY into its processes for handling welfare checks during a significant network outage and has concluded that the Singtel Optus Group's processes as at April 2024 comply with the legislation. The Singtel Optus Group has provided this report to Senate and the ACMA.

DESCRIPTION OF THE SUBSIDIARY GUARANTORS

Singapore Telecom Australia Investments Pty Limited (ABN 69 096 686 190) ("STAI") is the parent and holding company of Singtel Optus Group, with Singtel as the holding company. The ultimate parent entity is Temasek Holdings (Private) Limited (incorporated in Singapore). The Subsidiary Guarantors, each of which is a wholly owned subsidiary of Singtel Optus, comprise the largest asset holding and operating subsidiaries of STAI.

The following diagram sets out the list of Subsidiary Guarantors.



As at 31 March 2024, the total aggregate assets in Singtel Optus, the Issuer and the Subsidiary Guarantors represented 84.8 per cent. of the total assets of the Singtel Optus Group as determined based on financial information in the audited consolidated financial statements of the Singtel Optus Group for the year ended 31 March 2024, which are prepared in accordance with Australian Accounting Standards.

A brief description of each Subsidiary Guarantor and their principal business activities are set out below.

Optus Networks Pty Limited

Optus Networks Pty Limited ("Optus Networks") was incorporated on 6 November 1981 with limited liability in the Australian Capital Territory, Australia. Its registered address is located at Building C, Level 4, 1-7 Lyonpark Road, Macquarie Park, New South Wales 2113, Australia.

Business Overview

The principal function of Optus Networks is to provide ICT services and solutions to enterprise customers. Optus Networks holds a carrier licence under the Telecommunications Act 1997.

Directors

The directors of Optus Networks are Quah Kung Yang and Sachin Gupta.

Optus Systems Pty Limited

Optus Systems Pty Limited ("Optus Systems") was incorporated on 22 June 1992 with limited liability in the Australian Capital Territory, Australia. Its registered address is located at Building C, Level 4, 1-7 Lyonpark Road, Macquarie Park, New South Wales 2113, Australia.

Business Overview

The principal function of Optus Systems is to operate the information systems used by the Singtel Optus Group. Optus Systems is paid management fees by other Singtel Optus Group entities for providing information technology services.

Directors

The directors of Optus Systems are Sachin Gupta and Quah Kung Yang.

Optus Mobile Pty Limited

Optus Mobile Pty Limited ("Optus Mobile") was incorporated on 21 November 1991 with limited liability in the Australian Capital Territory, Australia. Its registered address is located at Building C, Level 4, 1-7 Lyonpark Road, Macquarie Park, New South Wales 2113, Australia.

Business Overview

The principal function of Optus Mobile is the provision of mobile services via its own digital network and satellite based services. Optus Mobile holds a carrier licence under the Telecommunications Act 1997.

Directors

The directors of Optus Mobile are Henry Willmington, Sachin Gupta and Quah Kung Yang.

Optus Administration Pty Limited

Optus Administration Pty Limited ("Optus Administration") was incorporated on 24 March 1992 with limited liability in the Australian Capital Territory, Australia. Its registered address is located at Building C, Level 4, 1-7 Lyonpark Road, Macquarie Park, New South Wales 2113, Australia.

Business Overview

The principal function of Optus Administration is to serve as group employer and also as provider of administration services to the Singtel Optus Group.

Directors

The directors of Optus Administration are Quah Kung Yang and Sachin Gupta.

Optus Billing Services Pty Limited

Optus Billing Services Pty Limited ("Optus Billing") was incorporated on 10 June 1999 with limited liability in New South Wales, Australia. Its registered address is located at Building C, Level 4, 1-7 Lyonpark Road, Macquarie Park, New South Wales 2113, Australia.

Business Overview

The principal function of Optus Billing is to manage the rating, billing and cash on behalf of the Optus Group.

Directors

The directors of Optus Billing are Quah Kung Yang and Sachin Gupta.

Optus C1 Satellite Pty Limited

Optus C1 Satellite Pty Limited ("Optus C1 Satellite") previously Cable & Wireless Optus Satellites Pty Limited was incorporated on 14 May 1999 with limited liability in New South Wales, Australia. Its registered address is located at Building C, Level 4, 1-7 Lyonpark Road, Macquarie Park, New South Wales 2113, Australia.

Business Overview

The principal function of Optus C1 Satellite is to enter into contracts to own the C1 satellite and to provide services to the Commonwealth of Australia and to the Singtel Optus Group.

Directors

The directors of Optus C1 Satellite are John Castro and Quah Kung Yang.

Optus Vision Pty Limited

Optus Vision Pty Limited ("Optus Vision") was incorporated on 18 October 1994 with limited liability in the Australian Capital Territory, Australia. Its registered address is located at Building C, Level 4, 1-7 Lyonpark Road, Macquarie Park, New South Wales 2113, Australia.

Business Overview

The principal function of Optus Vision is to provide carriage services in respect of pay-TV, local telephony and data/internet in Sydney, Brisbane and Melbourne. It holds a carrier licence under the Telecommunications Act 1997 and owns the HFC network.

Directors

The directors of Optus Vision are Matthew Rhys Williams and Quah Kung Yang.

Optus Fixed Infrastructure Pty Limited

Optus Fixed Infrastructure Pty Ltd ("Optus Fixed Infrastructure") was incorporated on 12 April 2000 with limited liability in the New South Wales, Australia. Its registered address is located at Building C, Level 4, 1-7 Lyonpark Road, Macquarie Park, New South Wales 2113, Australia.

Business Overview

The principal function of Optus Fixed Infrastructure is to provide network services to the Singtel Optus group. It holds a carrier licence under the Telecommunications Act 1997 and owns the majority of the Singtel Optus Group's fixed line telecommunications infrastructure.

Directors

The directors of Optus Fixed Infrastructure are Sachin Gupta and Quah Kung Yang.

MANAGEMENT AND EMPLOYEES

Directors and Company Secretary

The directors of Singtel Optus are appointed by Singtel in accordance with the constitution of Singtel Optus and applicable Australian laws and regulations.

The following table sets out the members of the board of directors and the company secretary of Singtel Optus:

Name	Position
Paul Dominic O'Sullivan	Director
Yuen Kuan Moon	Director
Lim Cheng Cheng	Director
John Lindsay Arthur	Director
Michael Venter	Director
Nicholes Paul Kusalic	Company Secretary

Mr Paul Dominic O'Sullivan, 64, was appointed Optus Chairman in October 2014. As Chairman he plays a key role in Optus' engagement with major stakeholders including Federal and State Governments, regulatory bodies and major business and community organizations. Prior to this role from 2012 to 2014 he was Chief Executive Officer, Singtel Group Consumer where he was responsible for the Consumer businesses across the Group including the wholly owned operations in Singapore and Australia as well as Singtel's investments in Thailand, India, Africa, Philippines and Indonesia.

Mr O'Sullivan was Chief Executive of Singtel Optus from September 2004 to March 2012. Prior to that he held positions within Singtel Optus including Chief Operating Officer and Managing Director of Optus Mobile. He has also worked in various international management roles at the Colonial Group and the Royal Dutch Shell Group in Canada, the Middle East, the United Kingdom and Australia.

Mr O'Sullivan is Chairman of the Western Sydney Airport Company, a significant national infrastructure project to build a new airport which the Australian Government will own and operate, and Chairman of Australia and New Zealand Banking Group Limited, a multinational banking and financial services company.

Mr O'Sullivan is a Director of St Vincent's Health Australia ("SVHA"). SVHA provides healthcare services in the Eastern States of Australia through public and private hospitals and aged care facilities. Mr O'Sullivan holds a Bachelor of Arts (Mod) Economics from Trinity College, University of Dublin and is a graduate of the Advanced Management Program of Harvard University, U.S.

Mr Yuen Kuan Moon, 57, has been instrumental in leading one of Singtel's most ambitious transformations to reposition the Singtel Group for growth amid accelerated digitalisation and disruption in the telecommunications industry. The strategic reset he introduced at the start of his tenure has altered the fundamental make-up of the Singtel Group – redefining it along the lines of connectivity, digital services and digital infrastructure. This has resulted in the integration of the consumer and enterprise businesses in both Singapore and Australia, the expansion of the digital services arm NCS, and the creation of a new regional data centre business Nxera. Under his watch, Singtel established 5G market leadership which serves to underpin the growth of the Singtel Group's existing and new businesses across Singapore and the region. Besides transforming for the benefit of customers and shareholders, Moon also championed people and sustainability with renewed vigour to take care of employees and the larger community.

Prior to his appointment as Group CEO, Moon ran Singtel's consumer business in Singapore as CEO since 2012. He was also responsible for the Singtel Group's digital transformation, double hatting as the Group's Chief Digital Officer from 2018 to 2020.

Moon sits on the boards of Singtel and its key subsidiaries and has been serving on the Board of Commissioners of Telkomsel since 2009. In addition, Moon is a Board member of Groupe Speciale Mobile Association (GSMA), Defence Science and Technology Agency, the Singapore Institute of Management, besides being Chairman of the Ngee Ann Polytechnic Council.

Moon joined Singtel in 1993 after graduating from the University of Western Australia with First-Class Honours in Engineering. He also holds a Master of Science in Management from Stanford University.

Ms Lim Cheng Cheng, 52, was appointed Group Chief Corporate Officer on 1 April 2021. She is responsible for the Group's corporate functions including corporate transformation and shared services, group property, group legal, group strategic investments, group procurement, and group risk management and Innov8, Singtel's corporate venture capital fund.

Cheng Cheng joined Singtel in 2012 as Vice President, Group Strategic Investment and was appointed Deputy Group Chief Finance Officer in October 2014 and Group Chief Financial Officer in April 2015. She was the winner of the Best CFO (Big Cap) title at the 2018 Singapore Corporate Awards.

Before joining Singtel, Cheng Cheng was Executive Vice President and Chief Financial Officer at SMRT Corporation. She also worked at Singapore Power for 10 years in various corporate planning, investments and finance roles, the last being Head and Vice President (Financial Planning and Analysis).

Cheng Cheng is a non-executive, non-independent director at SingPost. She has also been appointed as a Board member of the Civil Service College with effect from 1 October 2023.

Cheng Cheng holds an MBA from the University of Chicago Booth School of Business and a Bachelor of Accountancy from the Nanyang Technological University. She is a Chartered Accountant (Singapore) of the Institute of Singapore Chartered Accountants.

Mr John Arthur, 69, joined the board of Sydney Metro in January 2019 and became its Chairman in July 2019. He has been a Director of NCS Pte. Ltd. and Singtel Optus Pty Limited, subsidiaries of Singtel since February 2022 and October 2023 respectively.

John is a lawyer by training, with experience as advisor, executive and director across a broad range of industries. He was a partner of the law firm Freehills, Group General Counsel of Lendlease Corporation, Chairman of the law firm Gilbert + Tobin, Chairman and CEO of Investa Property Group, Group Executive Counsel & Secretariat and then Chief Operating Officer of Westpac Banking Corporation, before retiring in late 2016. He was a Consultant to the Chief Executive of Westpac until late 2020. He is also a former board member of CSR Limited, Rinker Group Limited, Allianz Australia and ME Bank.

John holds a Bachelor of Laws (Honours) from the University of Sydney.

Mr Michael Venter, 61, was appointed Interim Chief Executive Officer and Chief Financial Officer in November 2023. Mr Venter has held the Chief Financial Officer role in Optus since 2021 and is responsible for corporate finance, financial and management reporting, procurement, taxation, legal, credit management and investor relations. Mr Venter has a proven track record with over 25 years' banking, insurance and finance experience across Australia and Asia. Mr Venter held a number of roles during his 17 years at Commonwealth Bank of Australia including Deputy CFO and Chief Operating Officer Wealth Management. Mr Venter brings a wealth of experience including previously a director of two ASX-listed retail property trusts and key roles supporting initial public offerings and mergers and acquisitions transactions.

Mr Venter holds a Bachelor Degree – Accounting (with Honours) from South Africa's Stellenbosch University and is a member of Chartered Accountants Australia & New Zealand.

Corporate Governance

Singtel and the Singtel Optus Group aspire to the highest standards of corporate governance as good governance supports long-term value creation. To this end, Singtel and Singtel Optus each have a set of well-defined policies and processes in place to enhance corporate performance and accountability, as well as protect the interests of stakeholders.

Following updates to the corporate governance structure of the Singtel Optus Group in 2024, there are three committees of the board of directors of Singtel Optus (the "Singtel Optus Board"), which, subject to certain shareholder reserved matters, provide oversight on the operations of the Singtel Optus Group. The key objectives for each committee are described below.

Audit Committee ("AC")

The AC assists the Singtel Optus Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the identification and management of financial, fraud and legal risks, and the internal and external audit process.

Risk Committee ("RC")

The RC assists the Singtel Optus Board in fulfilling its responsibilities in relation to oversight and governance of material risks to the Singtel Optus Group's business. These responsibilities include ensuring that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Singtel Optus Group's assets, and determining the nature and extent of the material risks which the Singtel Optus Board is willing to take in achieving the Singtel Optus Group's strategic objectives.

Optus Executive and Strategy Committee ("Optus Excom")

The Optus Excom performs the functions pertaining to the business and affairs of the Singtel Optus Group that have been delegated by the board of directors of Singtel Optus to Optus Excom under policies and approval limits adopted by the board of Singtel Optus, including but (not limited to) in respect of the capital and operating expenditure, business plans and budgets, investments and divestments, and matters relating to branding and reputation.

Management

The following table sets out the senior management of Singtel Optus responsible for the day-to-day management and operation of Singtel Optus:

Name	Position
Michael Venter	Chief Financial Officer and Interim Chief Executive Officer, Optus
Peter Kaliaropoulos	Chief Operating Officer
Gladys Berejiklian	Managing Director, Enterprise and Business
Mark Potter	Chief Information Officer, Optus
Maurice McCarthy	Managing Director, Customer Success
Matt Williams	Managing Director, Customer Solutions
Sachin Gupta	Managing Director, Strategic Portfolio
Jorge Fernandes	Managing Director (Acting), Optus Networks
Kate Aitken	Vice President, People and Culture
Poppy Fassos	Vice President, Risk Management

Note: As announced on the Singapore Exchange on 6 May 2024, Stephen Rue has been appointed as Chief Executive Officer, Optus from November 2024.

Employees

As at 31 March 2024, the Singtel Optus Group employed 6,183 employees.

The Singtel Optus Group believes that it enjoys good relationships with its employees. The Singtel Optus Group is committed to a direct relationship with its employees through the Employment Partnership Agreement ("EPA") and the Retail Enterprise Agreement. These collective agreements cover approximately 58 per cent. of employees of the Singtel Optus Group.

REGULATORY ENVIRONMENT

Australian Regulatory Environment

The following is a general summary of the Australian laws and regulations relating to the provision of telecommunications services in Australia. It is for general information only, and does not purport to be an exhaustive or comprehensive description of those laws and regulations.

The Australian telecommunications market was opened up to competition on 1 July 1997. At that time, telecommunications specific provisions were introduced to the Trade Practices Act 1974, now named the Competition and Consumer Act 2010 (the "Competition and Consumer Act"). These provisions were designed to provide a counter balance to Telstra's position as the vertically integrated incumbent which had a dominant position in the telecommunications market. Given its ubiquity, the Singtel Optus Group and other carriers continue to rely on access to parts of Telstra's network, as well as the fixed network operated by NBN. Regulatory developments have enabled the Singtel Optus Group and other new entrants to compete and take market share from Telstra in most telecommunications segments.

These provisions require Telstra and NBN to provide access to key input services. The ACCC has specific powers to declare access services and to set terms and conditions for those Declared Services. The ACCC is also given broad powers to investigate and take action against anti-competitive conduct.

Since 1997, the regulatory regime has been adjusted, largely to refine the powers of the ACCC. Legislative reforms have made significant changes to the existing regulatory arrangements.

Overview

The regulatory regime is principally set out in the Telecommunications Act 1997 (the "TCA") and Part XIB and Part XIC of the Competition and Consumer Act. Key regulatory issues are dependent on the delegated powers of the Australian Minister for Communications (the "Australian Minister"), the ACCC and the Australian Communications and Media Authority ("ACMA").

Obligations on the Singtel Optus Group

Whilst the competition regulations seek to level the playing field in a market dominated by Telstra, many of those same regulations also apply equally to the Singtel Optus Group. For example, Parts XIB and XIC of the Competition and Consumer Act which set out the competition and access framework are carrier neutral. The Singtel Optus Group offers a range of Declared Services. The terms of access to these Declared Services can be set by the ACCC in the absence of a commercial agreement.

The Singtel Optus Group is also subject to a range of compliance regulations covering technical standards, consumer protection, service standards and privacy matters, amongst others.

Access and Interconnection Declared Services

The ACCC is responsible for declaring services pursuant to Part XIC of the Competition and Consumer Act, which sets out a telecommunications industry-specific access regime. This regime applies to those services which have been declared by the ACCC ("Declared Services") for example:

- fixed terminating access service;
- fixed originating access service;
- mobile terminating access service ("MTAS");

- domestic transmission capacity (except links between mainland capital cities and some routes between capital cities and regional centres) on various bandwidths;

- local carriage services (“LCS”) (except in the CBD);

- wholesale line rental (“WLR”) (except in the CBD);

- wholesale asymmetric digital subscriber line service (“ADSL”);

- local bitstream access service;

- NBN access service, ancillary services and facilities access service; and

- Superfast Broadband Access Services (“SBAS”).

Whilst the declaration provisions are usually carrier and technology neutral and may apply to all carriers and carriage service providers, in practice some Declared Services apply only to Telstra.

Terms and conditions of access

Changes in effect from 1 January 2011 to the Competition and Consumer Act have given the ACCC the power to issue Access Determinations that set the terms and conditions of access to Declared Services. These terms are binding unless the access seeker and access provider have agreed alternate commercial terms.

Facilities access

The TCA also contains a regime requiring carriers to provide other carriers with access to certain facilities such as exchanges, pillars, ducts and towers. If the parties are unable to agree upon the terms and conditions of access, they will be determined by an arbitrator or, if the parties cannot agree on an arbitrator, by the ACCC. The ACCC has also issued a Facilities Access Code governing access to mobile towers and underground facilities, with which carriers must comply.

Competition Rules

The ACCC has been given specific power under Part XIB of the Competition and Consumer Act to regulate anti-competitive conduct in breach of the competition rule. Under the competition rule, a carrier or carriage service provider with a substantial degree of power in a telecommunications market must not take advantage of that power with the effect, or likely effect, of substantially lessening competition in that or another telecommunications market.

If a competition notice has been issued, and the carrier or carriage service provider continues to engage in the conduct, any person, including a competitor, may bring proceedings in the Australian Federal Court to seek an injunction, fines or compensation for the damage suffered.

Carrier Licences and Service Provider Rules

A carrier licence is required to own most transmission infrastructure which is used for the provision of telecommunications services to the public. This includes fixed network links, base stations used to supply mobile telephony, fixed radio communications transmitters and satellites. No carrier licence is required to own infrastructure such as switches, operational support systems, databases and internet servers. Breach of a licence condition by a body corporate is subject to a penalty of up to A$10 million for each contravention.

While service providers are not required to be licensed or registered, they are required to comply with the service provider rules which involve compliance with the telecommunications regulatory regime as set out in the TCA and other legislation, including any determinations made by the ACMA. Breach of a service provider rule by a body corporate is subject to a penalty of up to A$10 million for each contravention.

The Telecommunications Consumer Protection Code sets out requirements for Australian telecommunications companies when dealing with their customers. The Code was developed by the industry association, Communications Alliance, under the co-regulatory arrangements in the TCA, and registered by the ACMA. Telecommunications service providers that do not comply with the code face a direction to comply from the ACMA, while further breaches could lead to Federal Court action with the possibility of civil penalties of up to A$250,000.

Telecommunications Security Sector Reform ("TSSR") Obligations

From 18 September 2018, carriers are subject to the new TSSR obligations. All carriers, carriage service providers and carriage service intermediaries will be required to protect networks and facilities from unauthorised access and interference – including a requirement to maintain competent 'supervision' and 'effective control' over telecommunications networks and facilities owned or operated by them. The Australian Government has the power to direct a carrier, carriage service provider or carriage service intermediary to do, or not do, a specified thing that is reasonably necessary to protect networks and facilities from national security risks.

In advance of the implementation of the TSSR obligations, the Australian Government issued 5G security guidance to Australian carriers on 23 August 2018. The guidance indicated that "the involvement of vendors who are likely to be subject to extrajudicial directions from a foreign government that conflict with Australian law, may risk failure by the carrier to adequately protect a 5G network from unauthorised access or interference" in contravention of the TSSR obligations.

Australia's Foreign Investment policy

Investments into Australia by overseas entities and governments are subject to approval under the foreign investment review framework. The legislative framework includes the Foreign Acquisitions and Takeover Act (1975) and the Foreign Acquisitions and Takeovers Fees Impositions Act 2015 and their associated legislation. The legislation enables the Treasurer to review foreign investment proposals that meet certain criteria. The Treasurer has the power to approve, block, or apply conditions to the way proposals are implemented to ensure they are consistent with the national interest. When making decisions the Treasurer is advised by the Foreign Investment Review Board (FIRB), which examines foreign investment proposals and advises on national interest implications. Certain investment decisions by the Singtel Optus Group may require approval under the foreign investment review framework.

On 9 December 2020, the Australian Government passed legislation that gives effect to major reforms to the Foreign Acquisitions and Takeovers Act 1975. The new provisions, which subsequently commenced on 1 January 2021, will, in particular, require foreign investors to:

- Seek approval for all investments in sensitive national security land or businesses (including starting such a business), regardless of value;

- Be subject to enhanced monitoring and investigation powers, as well as stronger and more flexible enforcement options and penalties; and

- Continue to bear the costs of administering the foreign investment regime, under a reformed fee framework that will be fairer and simpler for foreign investors.

With effect from 1 January 2021, the temporary A$0 monetary screening thresholds that were introduced on 29 March 2020 in response to COVID-19 were removed. However, mandatory screening of investments in sensitive national security businesses will continue at the current A$0 monetary threshold.

On 1 May 2024, the Treasurer announced an overhaul of the foreign investment framework. In part, the reforms will aim to further protect the national interest, and the Federal Government is dedicating greater resources to:

- apply more scrutiny to foreign investment proposals in critical and sensitive sectors; and

- assure compliance with conditions imposed on high-risk foreign investment and continuing to take proportionate enforcement action.

The reforms also seek to streamline the foreign investment process to enable low risk capital to flow quickly. To support this, the Treasury will adopt a new performance target of processing 50 per cent. of investment proposals within the 30-day statutory decision period from 1 January 2025. Relevantly, the Government will also:

- provide refunds of application fees for foreign investments that do not proceed because the investor was unsuccessful in a competitive bid process;

- implement an exemption for passive or low-risk interfunding transactions from mandatory notification requirements and fees under the foreign investment framework; and

- improve the timeliness of decision-making by removing duplication in the assessment of competition issues between the foreign investment framework and the merger control system, as part of recently announced reforms to Australia's approach to merger control.

These reforms to the foreign investment framework will be subject to passage by the Australian Parliament.

Australian Government Cyber Security Strategy and Critical Infrastructure Act

In August 2020, the Australian government announced its Cyber Security Strategy 2020 (the "2020 Cyber Strategy"). The 2020 Cyber Strategy's objective is to lift baseline security and enhance the resiliency of infrastructure which is critical to Australia's economic and social well-being. It imposes an end-to-end regulatory regime on critical infrastructure providers in 10 major sectors of the economy. The regime includes the identification of 'systems of national significance' singled out for extra regulatory attention, including telecommunications services.

These obligations have a significant impact on Optus under the framework. The framework imposes additional compliance and reporting obligations on telecommunications service providers backed up by enforcement powers and penalties.

The Security Legislation Amendment (Critical Infrastructure) Act 2021 amended the Security of Critical Infrastructure Act 2018 (the "SOCI Act") to build upon the existing framework which aims to strengthen the security and resilience of critical infrastructure. The SOCI Act was further amended by the Security Legislation Amendment (Critical Infrastructure Protection) Act 2022 (the "SLACIP Act") which came into effect on 2 April 2022. The SLACIP Act introduced a new obligation for responsible entities to create and maintain a critical infrastructure risk management program, and a new framework for enhanced cyber security obligations required for operators of systems of national significance (Australia's most important critical infrastructure assets).

The purpose of these reforms was to provide a framework for managing risks to national security relating to critical infrastructure.

On 22 November 2023, the Australian government published a new 2023-2030 Cyber Security Strategy (the "2030 Cyber Strategy"), with a stated focus to implement six "cyber shields" to protect Australian citizen and businesses from cyber threats, including strong businesses and citizens, safe technology and protected critical infrastructure.

As part of the 2030 Cyber Strategy, the Australian government has begun a consultation process in respect of new cyber security legislation and amendments to the SOCI Act. Relevantly, the proposed changes to the SOCI Act include obligations for critical infrastructure entities to protect data storage systems, new powers for the Minister and Secretary for Home Affairs and consolidating security requirements for the telecommunications sector. Submissions in respect of the proposed reforms closed on 1 March 2024.

Customer Service Guarantee

The Singtel Optus Group is required to comply with the Telecommunications (Customer Service Guarantee) Standard 2011 (No. 2) ("CSG Standard"), which is administered by ACMA under the Telecommunications (Consumer Protection and Service Standards) Act 1999. The CSG Standard imposes on carriage service providers specific performance standards and compensation payment requirements with respect to the connection, fault rectification and making of appointments for the supply of standard fixed telephone services to consumers and small business customers. A carriage service provider is required to provide financial compensation to a customer for not meeting a performance standard. Exemptions are available in specified circumstances.

Universal Service Obligation

On 21 March 2012, the Australian parliament passed universal service reform legislation, aimed at ensuring the ongoing delivery of key telecommunication consumer safeguards during and after the rollout of the NBN. This legislation represents a move from a regulatory model for the delivery of universal service to a contractual model. A key aspect of the legislation was the establishment of the Telecommunications Universal Service Management Agency ("TUSMA"). From July 2015, the responsibilities of TUSMA have been transferred to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts ("the Department") and the TUSMA has ceased to exist. The Department is responsible for entering into, and managing contracts or grants, to ensure:

- all Australians have reasonable access to a standard telephone service (the Universal Service Obligation ("USO") for voice telephony services);
- payphones are reasonably accessible to all Australians (the USO for payphones);
- the ongoing delivery of the Emergency Call Service by Telstra (calls to Triple Zero '000' and '112');
- the ongoing delivery of the National Relay Service;
- the continued availability of untimed local calls for customers outside standard zones; and
- that appropriate safeguards are in place to support the continuity of supply of carriage services during the transition to the NBN.

The USO has now been incorporated into a new, wider Universal Service Guarantee ("USG"), including both broadband and voice. The new USG incorporates and updates the long standing USO by providing all Australian homes and businesses with access to both broadband and voice services, regardless of their location. Under the USG, Telstra must provide fixed voice services to premises in Australia on reasonable request. All carriers, including Telstra and the Singtel Optus Group, are required under the USO arrangements to contribute to, or subsidise, the costs of providing telecommunications services in loss making areas, mainly in rural Australia. Contributions to the subsidy are based on each carrier's share of the total national pool of eligible revenue and are determined by the Australian Minister.

Spectrum Licences

The Australian Government adopts a policy of pro-actively managing the use of spectrum. The use of mobile spectrum requires a licence and spectrum licences are allocated to users by the ACMA from time to time via auction, tender or by allocation for a pre-determined price or negotiated price. Allocation limits may be set to determine the maximum quantity of spectrum that can be acquired by potential purchasers.

Access to spectrum is of critical importance to the Singtel Optus Group in order to support its existing and future business of providing mobile and fixed wireless voice and data services. Singtel Optus may also need to access additional spectrum to support both organic growth and the development of new services.

In December 2021, the Singtel Optus Group acquired 2x25MHz nationally of the 900MHz band through a spectrum licence in the 850/900MHz spectrum auction held by the ACMA. The licence commenced on 1 July 2024, and payment for the 900MHz spectrum was made on 24 June 2024.

The Singtel Optus Group has also successfully acquired a range of new licences in the 26GHz spectrum band that will support new 5G use cases, deliver leading 5G speeds and expand the Singtel Optus Group's 5G network in metropolitan and regional Australia. In November 2023, the Singtel Optus Group acquired 20MHz of mid-range 3.7GHz spectrum across North NSW and South Queensland. The licences will be valid for 20 years, expiring in January 2044. The licences provide better 5G network experience in these areas.

As part of the Singtel Optus Group's ongoing network strategy, 3G technology is scheduled to be switched off in September 2024, which will enable the spectrum used for 3G to instead be used to enhance the capacity, speed and reliability of the 4G network and expand the Singtel Optus Group's 5G network coverage in Australia.

In addition, the Singtel Optus Group holds licences in various spectrum bands detailed in the table below as at 31 March 2024.

Spectrum band[1]	**Holdings**	**Expiry**
700MHz	2 x 10MHz nationally (with exception of the Mid West Radio Quiet Zone)	December 2029
900MHz (apparatus)(2)	2 x 8.4MHz nationally	June 2024 (To be converted to upfront license from 1 July 2024)
900MHz (Early access apparatus)(2)	2 x 8.4MHz in selected locations	June 2024
New 900 MHz	Permanent Access to 2 x 25MHz nationally from July 2024	June 2044
1800MHz	2 x 15MHz in Sydney, Melbourne, Brisbane, Perth, Adelaide	June 2028
1800MHz (regional)	Between 2 x 20MHz and 2 x 25MHz in regional areas	June 2028
2100MHz	2 x 20MHz in all 8 Australian capitals and 5MHz in regional areas	October 2032
2100MHz (apparatus)	Up to 2 x 10MHz in regional and remote areas at more than 1800 sites	September 2024 (annual renewal)
2300MHz	98MHz in Sydney, Melbourne, Brisbane, Perth and Adelaide; 70MHz in Canberra	July 2030

Spectrum band[1]	Holdings	Expiry
2600MHz	2 x 20MHz nationally (with exception of the Mid West Radio Quiet Zone)	September 2029
26GHz	800MHz in Sydney/Bathurst, Melbourne/Ballarat, Brisbane/ Lismore, Perth, Adelaide, Canberra, Darwin, Albany, Albury, Armidale, Bendigo, Bundaberg/Hervey Bay, Cairns, Coffs Harbour, Forster/ Tuncurry, Launceston, Mackay, Mildura, Port Macquarie, Rockhampton, Shepparton/ Mooroopna, Townsville, Traralgon/ Morwell, Wagga Wagga, and Warrnambool; 600MHz in Hobart and Margaret River in Western Australia	July 2036
3500MHz	100MHz in Sydney and Melbourne; 72MHz in Adelaide; 67.5MHz in Brisbane, Canberra; 65MHz in Perth/ Regional Western Australia,	December 2030
3600MHz	30MHz in Southern/Western NSW, Regional South Australia 35MHz in North Queensland, Central Queensland, Regional North NSW/ Southern Queensland, Regional Victoria, Tasmania	December 2030
3700MHz	20MHz in Regional/Rural North NSW and South Queensland Upper	January 2044

1 These are the ACMA defined terms for the spectrum bands, in practice each band sits in a range.

2 These licenses expired at the end of June 2024 with the commencement of the new 900 MHz spectrum in July 2024.

TAXATION

The following paragraphs are general in nature only and are not intended to constitute a complete analysis of all potential tax consequences relating to the ownership of Notes. Prospective investors should consult their own tax advisers concerning the consequences of an investment in the Notes in their particular circumstances.

Australian Taxation

The following is a summary of the Australian interest withholding tax treatment at the date of this Offering Circular of payments of interest on the Notes to non-residents of Australia for tax purposes and certain other matters. It should be noted that revenue authorities may take a different view and that there is a risk that the operation of the tax laws can be altered by a change in law, interpretation or application, potentially in a manner that may apply retrospectively to a transaction. The following should not be treated as taxation advice. It is not exhaustive, and in particular, does not deal with the position of all classes of holders of Notes. Prospective holders of Notes who are in any doubt as to their tax positions should consult their professional advisers.

Broadly, pursuant to section 128F of the Income Tax Assessment Act 1936 (Cth) ("Australian Tax Act"), an exemption from Australian interest withholding tax is available in respect of interest paid to a non-resident of Australia for tax purposes under any Notes, if the following conditions are met:

(a) the Issuer is a company and a resident of Australia when it issues the relevant Notes and when interest (as defined in section 128A(1AB)) is paid;

(b) the relevant Notes are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test. These are:

  (i) offers of the relevant Notes to 10 or more persons, each of whom is carrying on a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets and was not known, or suspected by the Issuer, to be associates (as defined in section 128F(9) of the Australian Tax Act) of each other;

  (ii) offers of the relevant Notes to 100 or more potential investors whom it was reasonable for the Issuer to have regarded as either having acquired debentures or debt interests in the past, or being likely to be interested in acquiring debentures or debt interests;

  (iii) offers of the relevant Notes as a result of being accepted for listing on a stock exchange, where the Issuer had previously entered into an agreement with a dealer, manager or underwriter in relation to the placement of debentures or debt interests, requiring the Issuer to seek such listing;

  (iv) offers of the relevant Notes as a result of negotiations being initiated publicly in electronic form, or in another form, that was used by financial markets for dealing in debentures or debt interests; or

  (v) offers of the relevant Notes to a dealer, manager or underwriter, who, under an agreement with the Issuer, offered to sell such Notes within 30 days by one of the preceding methods.

  In addition, the issue of a "global note" (as defined in section 128F(10) of the Australian Tax Act) and the offering of interests in the global note by one of these methods should satisfy the public offer test;

(c) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that any of the Notes or interests in any of the relevant Notes were being, or would later be, acquired, directly or indirectly, by an Offshore Associate of the Issuer (other than in the capacity of a dealer, manager or underwriter in relation to the placement of the relevant Notes, or a clearing house, custodian, funds manager or responsible entity of a registered scheme); and

(d) at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an Offshore Associate of the Issuer (other than an Offshore Associate who receives the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme).

For these purposes, an "Offshore Associate" means an associate (as defined in section 128F(9) of the Australian Tax Act) of the Issuer, where the associate is either:

(a) a non-resident of Australia that does not acquire Notes or an interest in Notes (or receives the relevant interest payment) in carrying on a business in Australia at or through a permanent establishment of the associate in Australia; or

(b) a resident of Australia that acquires Notes or an interest in Notes (or receives the relevant interest payment) in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country.

Under section 128F(9), "associate" is defined broadly to include (i) any entities that "sufficiently influence", or hold the majority voting interests in, the Issuer (i.e. controlling or parent companies of the Issuer); (ii) entities that are "sufficiently influenced by", or whose majority voting interests are held by, the Issuer (or any controlling or parent companies of the Issuer); and (iii) any trusts under which the Issuer or any of the aforementioned entities may benefit.

Under present circumstances, this means that Offshore Associates of the Issuer may include, but are not limited to, not only the intermediate parent company of the Issuer, being Singtel, but also its ultimate controlling parent company, being Temasek, any controlled entities of Temasek and any trusts under which Singtel and/or Temasek benefit. Any investor who believes that it may be affiliated with or related to any of the above-mentioned entities or who believes it may otherwise be an Offshore Associate of the Issuer, should make appropriate enquiries before investing in any Notes and should not acquire any Notes if it is an Offshore Associate.

The Issuer proposes to issue the Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

The Australian Government has also signed a number of new or amended double tax conventions ("New Treaties") with certain countries ("Specified Countries") including the United States of America, the United Kingdom, Norway, Finland, the Republic of France, Japan, the Republic of South Africa, New Zealand, Chile, Switzerland, Germany, Israel, Iceland and Portugal. The New Treaties may apply to interest derived by a resident of a Specified Country in relation to a Note issued by the Issuer.

The New Treaties with the United States of America, the United Kingdom, Norway, Finland, the Republic of France, Japan, the Republic of South Africa, New Zealand, Switzerland, Germany and Iceland effectively prevent withholding tax applying to interest derived by:

(a) the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and

(b) certain unrelated banks, and financial institutions which substantially derive their profits by carrying on a business of raising and providing finance, which are resident in the Specified Country,

by reducing the interest withholding tax rate to zero.

Under the New Treaties with Chile, Israel and Portugal, interest withholding tax applying to interest derived by certain unrelated banks, and financial institutions which substantially derive their profits by carrying on a business of raising and providing finance, is reduced to the rate of 5 per cent.

Under the New Treaties' back-to-back loans and economically equivalent arrangements will not obtain the benefit of the reduction in interest withholding tax and the anti-avoidance provisions in the Australian Tax Act can apply. Additionally, under the New Treaty with the United States of America, interest determined by reference to the profits of the Issuer or one of its associated enterprises will not obtain the benefit of reduction in interest withholding tax.

Further, under the New Treaty for Japan, interest derived by the Japan Bank for International Cooperation or the Nippon Export and Investment Insurance will have a nil rate of withholding tax.

Other than the New Treaty with Portugal, all of the New Treaties are currently in effect.

Section 126 of the Australian Tax Act imposes a type of withholding tax at the rate of 45 per cent. on the payment of interest on bearer notes which would include Notes in bearer form if the Issuer fails to disclose the names and addresses of the holders to the Australian Taxation Office. Section 126 does not apply to the payment of interest on Notes held by non-residents who do not carry on business at or through a permanent establishment in Australia, where the issue of those Notes satisfies the requirements of section 128F of the Australian Tax Act or interest withholding tax is payable.

If a holder of a Note issued by the Issuer is a non-resident that holds a Note at or through a permanent establishment in Australia, withholding for tax at the rate of 47 per cent. must be deducted, unless the holder of that Note supplies the Issuer of that Note with its Australian Business Number or Tax File Number or proof of an appropriate exemption from quoting such numbers. Such a holder may also be subject to Australian income tax in respect of interest derived from the relevant Notes.

As set out in more detail in the Terms and Conditions of the Notes, if the Issuer should at any time be compelled by law to deduct or withhold an amount in respect of any withholding taxes, the Issuer shall, subject to certain exceptions, pay such additional amounts as may be necessary in order to ensure that the net amounts received by the holders of the relevant Notes after such deduction or withholding shall equal the respective amounts which would have been receivable had no such deduction or withholding been required.

The Issuer has been advised that under Australian laws as presently in effect:

(a) assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to an issue of Notes, payment of principal and interest to a holder of such Notes, who is a non-resident of Australia, and who, during the taxable year, has not engaged in trade or business at or through a permanent establishment in Australia, will not be subject to Australian income tax;

(b) a holder of the Notes, who is a non-resident of Australia will not be subject to Australian income tax on gains realised during that year on a sale or redemption of such Notes, where:

    (i) such gains do not have an Australian source; and

    (ii) those Notes have not been held, and the sale or disposal of those Notes does not occur, as part of a business carried on, at or through a permanent establishment in Australia.

    A gain arising on the sale of such Notes by a non-resident holder to another non-Australian resident holder where such Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia should not be regarded as having an Australian source;

(c) there are specific rules that can apply to treat a portion of the purchase price of Notes as interest for withholding tax purposes when certain Notes originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold to an Australian resident (who does not acquire them in the course of carrying on trade or business at or through a permanent establishment outside Australia) or a non-resident who acquires them in the course of carrying on trade or business at or through a permanent establishment in Australia;

(d) no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death; and

(e) no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or redemption of any Notes or the transfer of any Notes.

The proposed Financial Transactions Tax (the "FTT")

On 14 February 2013, the European Commission published a proposal (the "Commission's Proposal") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986 as amended, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdiction of the issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the US Federal Register, and Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under "Terms and Conditions of the Notes – Further Issues") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

SUBSCRIPTION AND SALE

The Dealers have, in the amended and restated programme agreement dated 24 July 2014 (as supplemented by supplemental programme agreements dated 27 July 2015, 27 July 2017, 25 July 2018, 26 July 2019, 5 August 2022 and 5 August 2024) (the "Programme Agreement"), agreed with the Obligors a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "Form of the Notes" and "Terms and Conditions of the Notes". In the Programme Agreement, the Issuer (failing which, the Guarantors) have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes and the Guarantees have not been and will not be registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act ("Regulation S") or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has represented and agreed that, and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Programme Agreement, it has not offered and sold, and agrees that it will not offer, sell or, in the case of notes in bearer form, deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the Fiscal Agent, by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the Fiscal Agent shall notify each such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any Dealer whether or not participating in the offering of such tranche of Notes may violate the registration requirements of the Securities Act.

European Economic Area

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA.

For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or

  (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"); and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each member state of the EEA (each, a "Member State"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of any Notes the subject of such Pricing Supplement to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(a) if the pricing supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "Non-exempt Offer"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the pricing supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or pricing supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a "qualified investor" as defined in the Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "an offer of Notes to the public" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

United Kingdom

Prohibition of sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer represents and agrees, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

 (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

 (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

 (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation (as defined below); and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer represents, warrants and agrees, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(a) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a "Public Offer"), following the date of publication of a prospectus in relation to such Notes which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(d) at any time in any other circumstances falling within section 86 of the FSMA, provided that no such offer of Notes referred to in (b) to (d) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Australia

Each Dealer has acknowledged that this Offering Circular is not a "Product Disclosure Statement" (as defined in Chapter 7 of the Corporations Act 2001 (Cth) of Australia ("Corporations Act")). No "prospectus" or other "disclosure document" (each as defined in the Corporations Act) in relation to the Programme or the Notes has been or will be lodged with the Australian Securities and Investments Commission ("ASIC") or ASX Limited ABN 98 008 624 691.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it:

(a) has not made or invited, and will not make or invite, (directly or indirectly) offers from any person to purchase the Notes, or applications from any person for the issue of Notes, where the relevant invitation is received in Australia (regardless of where any resulting issue, sale or transfer occurs); and

(b) has not offered, and will not offer, (directly or indirectly) Notes for issue or sale to any person where the relevant offer is received in Australia (regardless of where any resulting issue, sale or transfer occurs), unless:

(i) the aggregate consideration payable for such Notes on acceptance of the offer or invitation by the person to whom the relevant offer or invitation is made, is at least A$500,000 or its equivalent in any other currency (calculated in accordance with both section 708(9) of the Corporations Act and regulation 7.1.18 of the Corporations Regulations 2001 (Cth)) or the offer or invitation otherwise does not require disclosure in accordance with Parts 6D.2 or 7.9 of the Corporations Act; and

(ii) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act; and

(iii) the offer or invitation complies with all other applicable Australian laws, regulations and directives; and

(iv) such action does not require any document to be lodged with ASIC, the ASX Limited ABN 98 008 624 691 or any successor entity thereto.

In addition, each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that in connection with the primary distribution of the Notes, it will not sell Notes to any person if, at the time of such sale, the employees or officers of the Dealer directly involved in the sale knew or had reasonable grounds to suspect that, as a result of such sale, any Notes or an interest in any Notes were being, or would later be, acquired (directly or indirectly) by an Offshore Associate of the Issuer.

Each Dealer has also represented and agreed, and each further Dealer appointed under the Programme will also be required to represent and agree, that it has not distributed or published and will not distribute or publish the Offering Circular or any other offering material or advertisement relating to the Notes in Australia unless the relevant distribution or publication, as applicable, complies with all applicable Australian laws, regulations and directives.

Singapore

If the applicable Pricing Supplement in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (the "MAS"). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA, and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

If the applicable Pricing Supplement in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Investors should note that there may be restrictions on the secondary sale of the Notes under Section 276 of the SFA.

Any reference to the "SFA" is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA"). Accordingly, each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it has not, directly or indirectly, offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

In relation to each Tranche of Notes issued by the Issuer, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "Prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantors, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the Guarantors, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer, the Guarantors or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer or the Guarantors. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed *other than* on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Manager(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code); and
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Managers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer and the Guarantors, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the Dealers that it is not a Sanctions Restricted Person. A "Sanctions Restricted Person" means an individual or entity (a "Person"): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/sdnlist.pdf) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/fse/fselist.pdf) or (iii) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at: https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en); or (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of the following (i) to (vi) to the extent that it will not result in a violation of any sanctions by the CMIs: (i) their inclusion in the most current "Sectoral Sanctions Identifications" list (which as of the date hereof can be found at: https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf) (the "SSI List"), (ii) their inclusion in Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the "EU Annexes"), (iii) their inclusion in any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes, (iv) them being the subject of restrictions imposed by the U.S. Department of Commerce's Bureau of Industry and Security ("BIS") under which BIS has restricted exports, re-exports or transfers of certain controlled goods, technology or software to such individuals or entities; (v) them being an entity listed in the Annex to the new Executive Order of 3 June 2021 entitled "Addressing the Threat from Securities Investments that Finance Certain Companies of the People's Republic of China" (known as the

Non-SDN Chinese Military-Industrial Complex Companies List), which amends the Executive Order 13959 of 12 November 2020 entitled "Addressing the threat from Securities Investments that Finance Chinese Military Companies"; or (vi) them being subject to restrictions imposed on the operation of an online service, Internet application or other information or communication services in the United States directed at preventing a foreign government from accessing the data of U.S. persons; or (c) that is located, organized or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, the Donetsk's People's Republic or Luhansk People's Republic. "Sanctions Authority" means: (a) the United Nations; (b) the United States; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) the People's Republic of China; (f) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (g) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Guarantors or any other Dealer shall have any responsibility therefore.

None of the Issuer, the Guarantors or any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with any additional restrictions agreed between the relevant Issuer and the relevant Dealer and set out in the applicable Pricing Supplement.

GENERAL INFORMATION

Authorisation

The establishment and update of the Programme and the issue of Notes have been duly authorised by resolutions of the Board of Directors of Optus Finance dated 31 July 2009, 26 August 2010, 27 July 2011, 18 July 2012, 15 July 2013, 18 July 2014, 21 July 2015, 20 July 2016, 20 July 2017, 6 July 2018, 19 July 2019, 22 July 2020, 28 July 2021, 29 July 2022, 24 July 2023 and 31 July 2024, the giving of the Guarantees have been duly authorised by resolutions of the Board of Directors of Singtel Optus dated 31 July 2009, 26 August 2010, 27 July 2011, 18 July 2012, 15 July 2013, 18 July 2014, 21 July 2015, 20 July 2016, 20 July 2017, 6 July 2018, 19 July 2019, 22 July 2020, 3 August 2021, 17 July 2022, 4 July 2023 and 3 August 2024, resolutions of the Board of Directors of Optus Networks Pty Limited dated 31 July 2009, 26 August 2010, 27 July 2011, 18 July 2012, 15 July 2013, 18 July 2014, 21 July 2015, 20 July 2016, 20 July 2017, 6 July 2018, 19 July 2019, 22 July 2020, 29 July 2021, 26 July 2022, 24 July 2023 and 31 July 2024, resolutions of the Board of Directors of Optus Administration Pty Limited dated 31 July 2009, 26 August 2010, 27 July 2011, 18 July 2012, 15 July 2013, 18 July 2014, 21 July 2015, 20 July 2016, 20 July 2017,6 July 2018, 19 July 2019, 22 July 2020, 29 July 2021, 27 July 2022, 24 July 2023 and 31 July 2024, resolutions of the Board of Directors of Optus Mobile Pty Limited dated 31 July 2009, 26 August 2010, 27 July 2011, 18 July 2012, 15 July 2013, 18 July 2014, 21 July 2015, 20 July 2016, 20 July 2017, 6 July 2018, 19 July 2019, 22 July 2020, 29 July 2021, 27 July 2022, 24 July 2023 and 31 July 2024, resolutions of the Board of Directors of Optus Systems Pty Limited dated 31 July 2009, 26 August 2010, 27 July 2011, 18 July 2012, 15 July 2013, 18 July 2014, 21 July 2015, 20 July 2016, 20 July 2017, 6 July 2018, 19 July 2019, 22 July 2020, 28 July 2021, 27 July 2022 and 24 July 2023, resolutions of the Board of Directors of Optus Vision Pty Limited dated 31 July 2009, 26 August 2010, 27 July 2011, 18 July 2012, 15 July 2013, 18 July 2014,21 July 2015, 20 July 2016, 20 July 2017, 6 July 2018, 19 July 2019, 22 July 2020, 2 August 2021, 26 July 2022, 18 July 2023 and August 2024, resolutions of the Board of Directors of Optus Billing Services Pty Limited dated 31 July 2009, 26 August 2010, 27 July 2011, 18 July 2012, 15 July 2013, 18 July 2014, 21 July 2015, 20 July 2016, 20 July 2017, 6 July 2018, 19 July 2019, 22 July 2020, 28 July 2021, 27 July 2022, 24 July 2023 and 31 July 2024, resolutions of the Board of Directors of Optus C1 Satellite Pty Limited dated 31 July 2009, 26 August 2010, 27 July 2011, 18 July 2012, 15 July 2013,18 July 2014,21 July 2015, 20 July 2016, 20 July 2017, 6 July 2018, 19 July 2019, 22 July 2020, 28 July 2021, 28 July 2022, 24 July 2023 and 29 July 2024, and resolutions of the Board of Directors of Optus Fixed Infrastructure Pty Limited (ABN 96 092 450 783) dated 20 July 2016, 20 July 2017, 6 July 2018, 19 July 2019, 22 July 2020, 28 July 2021, 27 July 2022, 24 July 2023 and 31 July 2024.

Approval, listing and admission to trading of Notes

Application has been made to the SGX-ST for permission to deal in and quotation for any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantors, their respective subsidiaries and associated companies (if any), the Programme or such Notes. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies).

Documents available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection from the registered offices of the Issuer and from the specified offices of the Paying Agents for the time being in One Canada Square, 40th Floor, London E14 5AL, United Kingdom:

(a) the constitutional documents of each Obligor;

(b) the most recent published audited consolidated and unconsolidated financial statements and the most recently published unaudited interim consolidated and unconsolidated financial statements (if any) of Singtel Optus;

(c) the Programme Agreement, the Agency Agreement, the Guarantees, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talon;

(d) a copy of this Offering Circular; and

(e) any future offering circulars, prospectuses, information memoranda and supplements including Pricing Supplements (save that the above will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

Save as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Singtel Optus Group since 31 March 2024 and there has been no material adverse change in the financial position or prospects of the Singtel Optus Group since 31 March 2024.

Litigation

Save as disclosed in this Offering Circular, the Obligors have not been involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Obligors are aware) in the 12 months preceding the date of this Offering Circular which may have or have in such period had a significant effect on the financial position or profitability of the Obligors or the Singtel Optus Group as a whole.

Auditors

The independent auditors of the Singtel Optus Group are KPMG, who have audited, and rendered unqualified audit reports on, the consolidated financial statements of the Singtel Optus Group for the years ended 31 March 2022, 2023 and 2024, which are included in this Offering Circular.

Dealers transacting with the Obligors

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Obligors and their affiliates in the ordinary course of business.

Legal Entity Identifier

The Legal Entity Identifier of the Issuer is 254900UAM2PKZZ3FLH23.

SUMMARY OF PRINCIPAL DIFFERENCES BETWEEN SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) AND AUSTRALIAN ACCOUNTING STANDARDS

There are differences between the financial statements reported under Singapore Financial Reporting Standards (International) (SFRS(I)) used for consolidation by Singtel and the statutory reports that are submitted annually to the Australian Securities & Investments Commission under Australian Accounting Standards.

Differences relate to the alignment of accounting treatment mainly for performance share plan accounting and the presentation and disclosure of certain items in the financial statements.

INDEX TO THE FINANCIAL STATEMENTS

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

SINGTEL OPTUS PTY LIMITED

ACN 052 833 208

ANNUAL REPORT

31 MARCH 2024

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DIRECTORS' REPORT

The directors present their report on the consolidated group ("Optus" or the "Group"), consisting of Singtel Optus Pty Limited (the "Company" or "SOPL") and its controlled entities, for the financial year ended 31 March 2024 (the "financial year").

Directors

The directors in office at any time during or since the end of the financial year are:

- Paul Dominic O'Sullivan (Chairman);
- John Arthur (appointed 3 October 2023);
- Lim Cheng Cheng;
- Michael Venter (appointed 21 November 2023);
- Robin Kelly Bayer (resigned 20 November 2023); and
- Yuen Kuan Moon.

Principal activities

The principal activity of the Group during the financial year was the provision of telecommunications services principally within Australia. There was no significant change in the nature of that activity during the financial year.

Review of operations

Total revenue and other income for the year increased by 0.3% to $8,204 million (2023: $8,178 million). The Group had a loss before tax from ordinary activities of $676 million (2023: loss before tax of $105 million). The loss was primarily due to the impairment of fixed assets (see below) as well as a network outage and the related provision for associated costs.

After an income tax credit of $196 million (2023: credit of $26 million), the net loss amounted to $480 million (2023: net loss of $79 million).

Cash capital expenditure for the year was $1,604 million (2023: $1,499 million).

Changes in state of affairs

Network Outage

On 8 November 2023, the Group's network in Australia experienced a national outage affecting consumer fixed and mobile services and some enterprise and business services.

The outage is the subject of several ongoing regulatory investigations. At this stage, the outcomes of these matters are not determinable.

Impairment of Property, plant and equipment

In line with the overall decline that was witnessed in the Australian enterprise market, the Group has been reporting steep declines in fixed carriage revenue due to churn and price erosion. As a result, the Group recorded a non-cash impairment of $582 million (2023: nil) mainly on its enterprise fixed access network assets.

In the opinion of the directors, other than the matters described above there were no significant changes in the state of affairs of the Group during the financial year.

Environmental regulations

Optus' operations are subject to environmental regulations under both Commonwealth and State legislation. In particular, Optus is subject to the requirements of the Telecommunications Act 1997 and Telecommunications Code of Practice 2021, and in certain circumstances, Optus may also be subject to a range of State and Territory planning and environmental laws.

Optus has established an Environmental Management System ("EMS") to ensure compliance with current regulations and any new regulations enacted. It identifies the criteria for environmental assessment and the performance measures to be applied to those criteria. The EMS outlines pre-construction assessment procedures and construction environmental management plan requirements in addition to post-construction auditing and monitoring.

A process of initial assessment, environmental review and construction supervision, with subsequent and continued environmental auditing is in place to ensure the Company fully meets its obligations under the current legislation. After making due enquiries, the directors are not aware of any material breaches of environmental regulations during the financial year.

Dividends

The Company did not pay or declare a dividend to its sole shareholder (Singapore Telecom Australia Investments Pty Limited) in the year ended 31 March 2024 (2023: nil). No other dividends have been paid or declared by the Company during or since the end of the financial year.

Subsequent events

Financing arrangements

On 19 June 2024, Singapore Telecom Australia Investments Pty Limited (STAI) (the holding company of Singtel Optus Pty Limited) partially settled the loan owing to the Group. The receipt of $1,476 million applied against the amount receivable from STAI (refer to Note 6) was in turn utilised to fund a mobile spectrum payment obligation paid to the Australian Communications and Media Authority (ACMA) on the 24 June 2024.

Legal proceedings
The ACMA filed proceedings in the Federal Court of Australia against Optus Mobile Pty Limited ("Optus Mobile") in May 2024 in relation to the cyber attack in September 2022. The ACMA alleges a breach of the Australian Telecommunications (Interception and Access) Act 1979 (Cth) on the basis that Optus Mobile failed to protect the confidentiality of personally identifiable information of its customers from unauthorised interference or unauthorized access. Optus Mobile intends to defend these proceedings.

Commercial agreements
In April 2024, the Group signed an agreement with TPG Telecom Limited to create a regional Multi-Operator Core Network (MOCN). The Group expects to receive total service fees of approximately $1.6 billion over the 11-year term of the agreement with incremental cash flows of approximately $900 million expected over the same period.

In June 2024 Services Australia signed a contract with Optus Networks Pty Limited (wholly owned subsidiary of the Group) to deliver customer contact management services, including contact centre services, fixed voice services, and operational and support services. The initial term of the contract is 6 years, after which Services Australia may exercise extension options.

There have been no other events subsequent to the financial year up to the date of this report that may significantly affect the Group's operations, results or state of affairs in future financial years.

Likely developments

Comments on likely developments in the operations and expected results of the Group are included in the public announcements of Singapore Telecommunications Limited (the indirect shareholder of the Group) announcements to the Singapore Exchange by Optus Finance Pty Limited (a subsidiary of the Company), and other media releases to the Australian market.

In the opinion of the directors, disclosure of any further information on likely developments in operations would be prejudicial to the interests of the Group.

Options

There are no unissued shares or interests under option as at the date of this report, and there were no shares or interests issued, during or since the end of the financial year, as a result of the exercise of an option over unissued shares or interests.

Officers' indemnities and insurance

The Company's constitution provides for the Company, to the extent permitted by law, to indemnify every person who is or has been a director, secretary or executive officer of the Company against any liability incurred by that person as an officer of the Company, unless the liability arises out of conduct that involved a lack of good faith or was contrary to the Company's expressed instructions.

The constitution also provides that, to the extent that any director or officer is not indemnified by any director and officer liability insurance, the Company indemnifies every director and officer against any liability for costs and expenses incurred by that person in their capacity as a director or officer of the Company:

a) in defending any proceedings in which judgement is given in favour of or results in the acquittal of the person; or
b) the Court grants relief to the person in connection with an application made under the Corporations Act.

The Company has previously entered into deeds of indemnity on the same terms as provided by the constitution with a number of former directors of the Company and their alternates.

Under the terms of the deeds of indemnity, and to the extent permitted by law and notwithstanding any changes to the constitution, the Company must, for a period of seven years after the director ceased to hold office, maintain in full force and effect and pay the premium on a directors' and officers' policy of insurance.

During the financial year, a controlled entity paid insurance premiums in respect of contracts insuring all directors and executive officers of the Company and its controlled entities against a liability arising as a result of work performed in their capacity as directors or officers of the Company and its controlled entities.

The names of the directors of the Company that are covered by these insurance policies are detailed on page 2 of this report.
The insurance policies prohibit disclosure of the premiums paid in respect of those policies, and the nature of the liabilities insured by the policies.

Since the end of the previous financial year, the Group has not indemnified or made a relevant agreement for indemnifying against a liability towards the auditor of the Group.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instruments 2016/191 dated 24 March 2016. In accordance with that Corporations Instrument amounts in the directors' report and the financial report have been rounded off to the nearest million dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors made pursuant to s298 (2) of the Corporations Act 2001.

Michael Venter
Director
Sydney
31 July 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Singtel Optus Pty Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Singtel Optus Pty Limited for the financial year ended 31 March 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Kevin Leighton

Partner

Sydney

31 July 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	31 March 2024 $m	31 March 2023 $m
Operating revenue	4	7,963	7,949
Other income	4	241	229
Total revenue and other income	4	**8,204**	**8,178**
Expenses	4	(6,803)	(6,266)
Depreciation and amortisation	4	(1,817)	(1,804)
Finance costs	4	(260)	(213)
Loss before income tax expense		**(676)**	**(105)**
Income tax credit	5	196	26
Loss after tax		**(480)**	**(79)**

The consolidated statement of profit or loss is to be read in conjunction with the notes to the consolidated financial statements as set out on pages 10 to 55.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Notes	31 March 2024 $m	31 March 2023 $m
Loss after tax		**(480)**	**(79)**
Other comprehensive income / (loss) Items that may be reclassified to the income statement in subsequent years:			
Cash flow hedges			
-Fair value changes during the year – gross		25	113
-Fair value changes during the year - tax impact		(7)	(34)
-Fair value changes during the year - net of tax		18	79
-Fair value changes transferred to income statement – gross		(18)	(79)
-Fair value changes transferred to income statement - tax impact		4	24
-Fair value changes transferred to income statement - net of tax		(14)	(55)
Total other comprehensive income		**4**	**24**
Total comprehensive loss for the year		**(476)**	**(55)**

The consolidated statement of other comprehensive income is to be read in conjunction with the notes to the consolidated financial statements set out on pages 10 to 55.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 March 2024 $m	31 March 2023 $m
Current assets			
Cash and cash equivalents		51	98
Receivables and contract assets	6	3,649	1,661
Inventories	7	163	205
Derivative financial Instruments	19	16	21
Other assets	8	344	368
Total current assets		**4,223**	**2,353**
Non-current assets			
Receivables and contract assets	6	3,029	4,721
Investments in joint venture entities	22	21	21
Property, plant and equipment	9	7,578	7,879
Right-of-use assets	10	2,009	2,052
Telecommunication licences	2	976	976
Intangible assets	11	1,975	2,059
Derivative financial instruments	19	45	39
Deferred tax assets	5	13	-
Other assets	8	267	232
Total non-current assets		**15,913**	**17,979**
Total assets		**20,136**	**20,332**
Current liabilities			
Payables and contract liabilities	12	2,929	3,124
Borrowings	13	513	961
Derivative financial instruments	19	3	5
Provisions	15	263	252
Total current liabilities		**3,708**	**4,342**
Non-current liabilities			
Payables and contract liabilities	12	297	333
Borrowings	13	6,149	5,006
Deferred tax liabilities	5	-	153
Derivative financial instruments	19	77	112
Provisions	15	56	61
Total non-current liabilities		**6,579**	**5,665**
Total liabilities		**10,287**	**10,007**
Net assets		**9,849**	**10,325**
Equity			
Contributed equity	16	5,317	5,317
Cash flow hedge reserve		8	4
Retained profits		4,524	5,004
Total equity		**9,849**	**10,325**

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated financial statements set out on pages 10 to 55.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Fully paid ordinary shares (Note 16) $m	Cashflow hedge reserves (Note 17) $m	Retained profits $m	Total $m
Balance as of 1 April 2022	5,317	(20)	5,083	10,380
Loss after tax	-	-	(79)	(79)
Other comprehensive income for the year	-	24	-	24
Total comprehensive income for the year	**-**	**24**	**(79)**	**(55)**
Balance as of 31 March 2023	**5,317**	**4**	**5,004**	**10,325**
Balance as of 1 April 2023	5,317	4	5,004	10,325
Loss after tax	-	-	(480)	(480)
Other comprehensive income for the year	-	4	-	4
Total comprehensive income for the year	**-**	**4**	**(480)**	**(476)**
Balance as of 31 March 2024	**5,317**	**8**	**4,524**	**9,849**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial statements as set out on pages 10 to 55.

CONSOLIDATED STATEMENT OF CASH FLOWS

	2024 $m	2023 $m
Cash flows from operating activities		
Loss before tax	(676)	(105)
Adjustments for:		
Depreciation and amortisation	1,817	1,804
Non-cash impairment	582	-
Net finance costs	260	212
Change in receivables and contract assets	16	(43)
Change in current inventories	42	(68)
Change in other current assets	24	(12)
Change in other non-current assets	(35)	-
Change in payables and contract liabilities	(80)	(9)
Change in provisions	5	88
Income tax refund	-	4
Net cash inflow from operating activities	**1,955**	**1,871**
Cash flows from investing activities		
Interest received	4	5
Payment for property, plant and equipment	(1,604)	(1,499)
Disposal in subsidiaries	-	(1)
Advances made to parent entity	(279)	(177)
Payment for intangible assets	(208)	(106)
Net cash used in investing activities	**(2,087)**	**(1,778)**
Cash flows from financing activities		
Proceeds from borrowings	2,531	956
Repayments of borrowings	(1,758)	(339)
Proceeds from bond issue	394	-
Repayment of bonds	(500)	(808)
Proceeds for swap settlement on bond redemption	-	9
Payment of lease liabilities	(321)	(318)
Payment of interest on lease liabilities	(126)	(121)
Net interest paid on borrowings and swaps	(132)	(96)
Other	(3)	(4)
Net cash generated from/ (used in) financing activities	**85**	**(721)**
Net decrease in cash and cash equivalents	**(47)**	**(628)**
Cash and cash equivalents at the beginning of the financial year	98	726
Cash and cash equivalents at the end of the financial year	**51**	**98**

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated financial statements as set out on pages 10 to 55.

NOTE 1. CORPORATE INFORMATION

Singtel Optus Pty Limited is a private company limited by shares. The Company is incorporated and domiciled in Australia and its registered office and principal place of business is 1 Lyonpark Road, Macquarie Park, New South Wales, Australia.

The Company's parent entity is Singapore Telecom Australia Investments Pty Limited, a wholly owned subsidiary of Singapore Telecommunications Limited ("Singtel") (incorporated in Singapore). The ultimate parent entity is Temasek Holdings (Private) Limited (incorporated in Singapore).

NOTE 2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The financial report is a general-purpose financial report which has been prepared on a going concern basis in accordance with Australian Accounting Standards, Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

The financial statements were approved by the Board of Directors on 31 July 2024.

The financial report includes the consolidated financial statements of Singtel Optus Pty Limited and its controlled entities.

The Company is a for profit company. All amounts are presented in Australian dollars.

Going Concern
The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern, whilst maximising the return to stakeholders through the optimisation of debt and equity. The Group's overall strategy remains unchanged from the previous financial year.

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realise its assets and discharge its liabilities in the normal course of business. In the year ended 31 March 2024, the Company recognised a non-cash impairment on property, plant and equipment of $582 million which contributed to the net loss after tax of $480 million. The Company has net current assets of $515 million, and management notes that current liabilities include deferred revenue which does not require a cash outflow. Excluding this amount, net current assets amount to $1,064 million.

Note 20 details the commitment of $1.5 billion payable to the ACMA in June 2024 in order to fund mobile spectrum acquisitions. This was funded by proceeds from the parent entity (STAI) which partially settled an amount payable to the Group (refer to Note 6). The funds have subsequently been received and this commitment (refer to Note 29) settled. A further repayment will be made by STAI of $500 million which will be utilised to fund general working capital requirements, therefore the Directors confirm that the going concern basis on which the financial statements have been prepared is appropriate.

Statement of compliance
Compliance with Australian Accounting Standards ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board.

Historical cost convention
This financial report has been prepared under the historical cost convention, except where otherwise stated.

Critical accounting estimates
The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Rounding
The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instruments 2016/191 dated 24 March 2016. In accordance with that Corporations instrument, amounts in the financial report have been rounded off to the nearest million dollars, unless otherwise stated.

NOTE 2. MATERIAL ACCOUNTING POLICIES (continued)

2.2 Principles of consolidation

The consolidated accounts of the Group include the financial statements of the Company and its controlled entities.

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company has power over the entity, is exposed to, or has right to, variable return from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Where an entity either began or ceased to be controlled during the financial year, the results are included only from the date control commenced or up to the date control ceased.

Intercompany transactions, balances and unrealised gains and losses resulting from transactions with or between controlled entities are eliminated in full on consolidation. Investments in subsidiaries are accounted for at cost in the individual financial statements of the Company.

2.3 Operating revenue

Revenue is recognised when the Group satisfies a performance obligation by transferring control of a promised good or service to the customer. It is measured based on the amount of the transaction price allocated to the satisfied performance obligation, and are net of tax, rebates and discounts within the Group.

Infocomm technology projects (“ICT”) revenue is recognised over time on percentage of completion method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs as it depicts the Group’s effort in satisfying the performance obligation to transfer control, while invoicing is typically based on milestones. A contract asset is recognised for work performed. Any amount previously recognised as a contract asset is transferred to trade receivable upon invoicing to the customer. If the milestone payment exceeds the revenue recognised to date, then the Group recognises a contract liability for the difference.

When the Group has control of goods or services prior to delivery to a customer, the Group is the principal in the sale to the customer. If another party has control of goods and services prior to transfer to a customer, then the Group is acting as an agent for the other party and revenue is recognised net of any related payments. Revenue includes the gross income received and receivable from revenue sharing arrangements entered into with overseas telecommunication companies in respect of traffic exchanged.

For prepaid services which have been sold, revenue is recognised based on usage. A contract liability is recognised for advance payments received from customers where services have not been rendered as at the end of the reporting period. Expenses directly attributable to the unearned revenue are deferred until the revenue is recognised.

Revenue from the sale of equipment (primarily handsets and accessories) is recognised upon the transfer of control to the customer or third-party dealer, which generally coincides with delivery and acceptance of the equipment sold. Revenue from service contracts are recognised over the contract period as control passes to the customers as services are provided. Service revenue is also recognised based on usage (e.g. minutes of traffic/ bytes of data) and includes revenue from interconnection / roaming charges for usage of the Company’s network by other operators for voice, data, messaging and signalling services.

Contracts with customers generally do not include a material right or financing component. In cases where material rights are granted, a portion of the transaction price is deferred as a contract liability and is not recognised as revenue until this additional performance obligation has been satisfied or has lapsed. Incentives given to customers are recognised as a reduction from revenue in accordance with the specific terms and conditions of each contract. Non-refundable, upfront service activation and setup fees associated with service arrangements are deferred and recognised over the associated service contract period or customer life.

Equipment and services deliverable under bundled telecommunication contracts are identified as separate performance obligations to the extent that the customer can benefit from them on their own. The transaction price is allocated between equipment and services based on their relative standalone selling prices. The standalone selling prices are determined based on the list prices at which the Group sells the standalone equipment and for service-only contracts. Where standalone selling prices are not directly observable, estimation techniques are used. Services rendered beyond contracts are treated as separate contracts.

2.4 Other income

Other income consists of gains and income from activities not relating to the primary operations of the group. Income from service and network arrangements in terms of the provision of products, including transmission capacity as well as sublease income is recognised as other income.

NOTE 2. MATERIAL ACCOUNTING POLICIES (continued)

2.5 Foreign currency

Functional and presentation currency
Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Transactions
Foreign currency transactions are translated into Australian dollars at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges and other operations held at cost.

Translation of foreign joint ventures
Assets and liabilities of overseas joint ventures are translated at the rates of exchange at reporting date. Income and expenses are translated at a weighted average rate for the year. Exchange differences arising on translation of the net investment in foreign joint venture entities, and of the financial instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

2.6 Borrowing costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in arranging borrowings, and lease finance charges. Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets that generally take more than one year to get ready for their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of assets.

2.7 Income tax

The Group uses the balance sheet method of tax effect accounting. Income tax expense (or income) for the period is the tax payable (or receivable) on the current period's taxable loss (or income) adjusted by changes in deferred tax assets and liabilities attributable to amounts recognised as assets or liabilities, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the tax bases of those assets and liabilities, and for unused tax losses. The tax rates expected to apply when the assets are recovered or liabilities are settled, based on the tax rates which are enacted or substantively enacted for each jurisdiction, are applied to the cumulative amounts of deductible and assessable temporary differences to measure the deferred tax asset or liability.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation
With effect from 1 July 2002, the Company's parent entity, Singapore Telecom Australia Investments Pty Limited (the "Head Entity"), elected to consolidate the consolidated Group, comprised of the Company and its wholly owned controlled entities, in accordance with the Income Tax Assessment Act 1997.

The Company is a wholly owned subsidiary in a tax-consolidated group with Singapore Telecom Australia Investments Pty Limited as the head entity. The implementation date of the tax consolidation system for the tax-consolidated group was 1 July 2002.
Current tax expense (income), deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach. Deferred tax assets and deferred tax liabilities are measured by reference to the carrying amounts of the assets and liabilities in the Company's balance sheet and their tax values applying under tax consolidation.

Any current tax liabilities are recognised as amounts payable to other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below) Any difference between these amounts is recognised by the Company as an equity contribution from or distribution to the head entity.

The Company recognises deferred tax assets arising from unused tax losses to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the assets can be utilised. The Company assesses the recovery of its unused tax losses and tax credits only in the period in which they arise, and before assumption by the head entity, in accordance with AASB 112 applied in the context of the tax-consolidated group. Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability are recognised by the head entity only.

NOTE 2. MATERIAL ACCOUNTING POLICIES (continued)

2.7 Income tax (continued)

Nature of tax funding arrangement and tax sharing agreements
The Company, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to the head entity equal to the current tax liability assumed by the head entity resulting in the Company recognising an inter-entity payable equal in amount to the tax liability assumed in relevant years. The inter-entity payable is at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The Company, in conjunction with other member of the tax-consolidated group, has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

2.8 Cash and cash equivalents

Cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity and are readily convertible to cash on hand and are subject to insignificant risk of changes in value.

2.9 Contract Assets

Where revenue recognised in respect of a customer contract exceeds the amount received or receivable from a customer, a contract asset is recognised. Contract assets arise from bundled telecommunications contracts where the control of equipment passes to the customer at the point of delivery and acceptance of equipment however, it is invoiced with monthly bundled services, which are delivered over time. They also arise from infocomm technology contracts where performance obligations are delivered over time however, invoicing is as per contract terms i.e. based on milestone. Contract assets are transferred to trade receivables when the consideration for performance obligations is billed. Contract assets are subject to impairment review for credit risk in accordance with the expected loss model.

2.10 Contract Costs

Contract costs such as sales commission directly attributed to acquiring a customer's contract are capitalised in the statement of financial position and amortised as operating expenses over the contract period or expected customer relationship period if the amortisation period is one year or less, the incremental costs of obtaining a contract is recognised as an expense when incurred. Capitalised contract costs are included in “other assets” depending on the period over which the economic benefits from these assets are expected to be received.

2.11 Receivables

Trade and other receivables, including contract assets are initially recognised at fair values and subsequently measured at amortised cost using the effective interest method, less an allowance for expected credit loss (“ECL”).

The Group applied the ‘simplified approach’ for determining the allowance for ECL, where lifetime ECL are recognised from initial recognition of the receivables and contract assets. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of the receivable. When determining the allowance for ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information based on the Group's historical experience and forward-looking information as applicable. Loss events include financial difficulty or bankruptcy of the debtor, significant delay in payments and breaches of contracts.

Trade and other receivables are written off against the allowance for ECL when there is no reasonable expectation of recovery. Subsequent recoveries of amounts previously written off are recognised in the income statement.

2.12 Inventories

Finished goods include handsets, devices and accessories and are stated at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at the statement of financial position date using the weighted average cost. Costs comprise of purchase price and expenditure that is directly attributable to the acquisition of the handsets after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business and the estimated costs necessary to make the sale.

NOTE 2. MATERIAL ACCOUNTING POLICIES (continued)

2.13 Impairment of assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that were previously impaired are reviewed for possible reversal of the impairment at each reporting date.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 an asset's fair value less costs to sell and value-in-use.

In assessing value-in-use, the estimated future cash flows are discounted to their present value at a discount rate reflecting the relevant weighted average cost of capital and asset specific risks.

2.14 Investments in subsidiaries

Investments in controlled entities are carried at the lower of cost and recoverable amount. Dividends and distributions are brought to account in the income statement of the Company when they are declared by the controlled entities.

2.15 Joint arrangements

Investments in joint arrangements are classified as either joint ventures or joint operations. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint Ventures
A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. 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 control.

In the consolidated financial statements, investments in joint ventures are accounted for using equity accounting principles. Investments in joint ventures are carried at the lower of the equity accounted amount and recoverable amount.

The Group's share of a joint venture's net profit or loss after tax is recognised in the consolidated income statement. Other movements in reserves are recognised directly in consolidated reserves. Adjustments are made, where practicable, to the profit or loss and the reserves of joint ventures to achieve consistency with the Group's accounting policies, and to eliminate unrealised profits and losses on transactions between the Group and joint ventures.

Joint operations
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. 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 control.

The Group's interest in joint operations is brought to account by including its interest in the following amounts in the appropriate categories in the consolidated statement of financial position and consolidated statement of profit or loss:

- Each of the individual asset categories employed in the joint operations.
- Liabilities incurred by the Group in relation to the joint operations and the liabilities for which it is jointly or severally liable; and
- Revenue derived from, and expenses incurred in relation to the joint operations.

NOTE 2. MATERIAL ACCOUNTING POLICIES (continued)

2.16 Property, plant and equipment

All classes of property, plant and equipment are stated at cost. An asset's carrying value is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Items of property, plant and equipment, including buildings and leasehold improvements but excluding freehold land, are depreciated or amortised using the straight-line method over their estimated useful lives to an estimated residual value. The depreciation rates used for each asset class, for the current and previous financial years, are as follows:

Freehold buildings	5 to 40 years
Leasehold improvements	Shorter of 25 years or lease term
Plant and equipment	2 to 25 years

These useful lives are reviewed annually. They are estimated based on the period of time over which the future economic benefits embodied in the depreciable assets are expected to be consumed by the Group.

Assets are depreciated or amortised from the date the asset is available for use, and in respect of internally constructed assets from the month the asset is completed and held ready for use.

Capital work-in-progress is stated at cost and not depreciated. The costs of assets constructed or internally generated by the Group include the cost of materials and direct labour. Directly attributable overhead and other incidental costs are also capitalised to the asset. Borrowing costs are capitalised to qualifying assets. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

2.17 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lessee accounting
The Group is a lessee mainly for mobile base stations, central offices, properties and other network related assets.
At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group implements a single accounting model where lessees recognise right-of-use assets and lease liabilities for all leases. The Group accounts for short-term leases, i.e. leases with terms of 12 months or less, as well as low-valued assets as operating expenses in the income statement over the lease term.

A right-of-use asset and a lease liability are recognised at commencement date of the contract for all leases conveying the right to control the use of identified assets for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

Renewal and termination options exercisable by the Group are included in lease terms across the Group if the Group is reasonably certain that they are to be extended (or not terminated). The Group has considered renewal and termination options based on the economic benefits derived.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

After the commencement date, the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

Depreciation is calculated using the straight-line method over the shorter of the asset's useful life or the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the Group's incremental borrowing rate or the rate implicit in the lease.

After the commencement date the Group measures the lease liability by:
- increasing the carrying amount to reflect interest on the lease liability.
- reducing the carrying amount to reflect lease payments made; and
- re-measuring the carrying amount to reflect any reassessment or lease modifications.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-to-use assets and lease liabilities for leases of low-value and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTE 2. MATERIAL ACCOUNTING POLICIES (continued)

2.17 Leases (continued)

Lessor accounting
The Group is a lessor mainly for property.

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for a major part of the economic life of the asset.

Finance leases are leases of assets where substantially all the risks and rewards incidental to ownership of the assets are transferred by the Group to the lessees. Receivables under finance leases are presented in the statement of financial position at an amount equal to the net investment in the leases and the leased assets are derecognised. Finance income is allocated using a constant periodic rate of return on the net investment over the lease term.

Operating leases are leases where the Group retains substantially all the risks and rewards of ownership of the assets. Income from operating leases is recognised on a straight-line basis over the lease terms as the entitlement to the fees accrues. The leased assets are included in the statement of financial position as property, plant and equipment.

Intermediate lessor
The Group as an intermediate lessor, accounts for a head lease and a sublease as two separate contracts. The sublease transaction is accounted as either finance lease or operating lease by reference to the right-of-use asset arising from the head lease. Leasing transactions with customers are accounted as operating or finance leases by reference to the head lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other' income.

Sale and Leaseback
Sale according to AASB 15
If the sale qualifies as a sale according to AASB 15 then:
(i) de-recognise the underlying asset; and
(ii) recognise a right-of-use asset equal to the retained portion of the net carrying amount of the asset.

Sale not according to AASB 15
If the sale does not qualify as a sale according to AASB 15, the goods transferred remain on balance sheet and a financial liability equal to the disposal price (received from the buyer-lessor) is recognised.

The Group classifies cash flows relating to the right transferred as investing activities and those relating to the rights retained as financing activities.

NOTE 2. MATERIAL ACCOUNTING POLICIES (continued)

2.18 Intangible assets

Goodwill
Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of identifiable net assets, including identifiable intangible assets and contingent liabilities, at the date of acquisition.

Goodwill is stated at cost less accumulated impairment losses. The unamortised balance of goodwill is tested for impairment annually or more frequently, if events or changes in circumstances indicate that it might be impaired.

Telecommunication licences
Telecommunication licences are carried at cost. The licences were originally granted to the Group 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. The cancellation conditions are such that the directors believe that cancellation is highly unlikely. The directors believe that there were inherent benefits of the licences granted in 1991 that are unique to the Group as the second licence carrier under the Federal Government's deregulation policy. These benefits continue post deregulation of the telecommunications industry and are not available to other new licence holders since 1 July 1997. Accordingly, the directors believe that the lives of these assets are indefinite.

As a result of the adoption of the revised accounting standard AASB 1020 Income Taxes in 2002, the consolidated entity has recognised a deferred tax liability of $292.9 million. Under the revised standard, this liability, related to the telecommunication licences, existed at the date of acquisition of the licences. In consequence, the carrying amount of the licence has been increased by that amount, refer to Note 5.

Telecommunication licences are not amortised and are reviewed for impairment on at least an annual basis.

Spectrum licences
Digital mobile spectrum licence fees are carried at cost and amortised on a straight-line basis over the shorter of the licence term and the period of expected benefits, which range from 1 year to 20 years. Amortisation commences when the spectrum, and associated plant and equipment, are completed and held ready for use.

Deferred expenditure
Deferred expenditure, primarily representing co-location access charges, is stated at cost less accumulated amortisation and accumulated impairment losses. The amortisation is over 20 years.

Software-as-a-Service (SaaS) arrangements
SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred for SaaS arrangements are expensed as incurred.

Brand name
Brand names acquired in a business combination are initially recognised at fair value. Brand names have an indefinite useful life as there is no foreseeable limit to the period over which it is expected to generate cash flows.

Subscriber relationships
Subscriber relationships acquired as part of a business combination are initially measured at fair value. They are subsequently measured at cost less accumulated amortisation and any impairment losses. Amortisation is calculated based on the average tenure of the subscriber relationship with the Group.

2.19 Contract Liabilities

Where the amount received or receivable from a customer exceeds the revenue recognised for a contract, a contract liability is recognised. Contract liabilities or advance billings are recognised as revenues when the Group transfers control of the related goods or services to the customer. Contract liabilities arise from telecommunication service contracts and prepaid services where the customer makes payment prior to control passing. They also arise from contracts where invoicing occurs prior to the performance obligations being delivered. Contract liabilities are transferred to revenue when control of the goods and or services are transferred to the customer.

NOTE 2. MATERIAL ACCOUNTING POLICIES (continued)

2.20 Payables

Trade and other payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

2.21 Borrowings

Bank borrowings and bonds are initially recognised at fair value, net of transaction costs incurred. These are subsequently measured at amortised cost using the effective interest method.

2.22 Employee entitlements

Wages and salaries and annual leave
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long service leave
Liability for long service leave is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bond rates with terms to maturity and currency that match, as closely as possible, to the estimated future cash outflows.

Superannuation fund
The Group contributes to defined contribution superannuation funds. These contributions include superannuation guarantee contributions and additional contributions made under employee remuneration arrangements. Contributions are charged against the income statement as they are incurred.

Equity-based benefits
The Group's parent, Singapore Telecommunications Limited (Singtel), has made awards to certain employees under its Share Plans (“Plans”). Participants in the Plans will receive fully paid ordinary shares of Singtel free of charge, the equivalent in cash, or combinations thereof, provided that certain prescribed performance targets or vesting conditions are met within a prescribed performance period. The performance period for the awards is three - five years. At the end of the performance period, Singtel will determine the number of Singtel shares to be allocated to each participant or category of participants based on the level of attainment of the performance targets or vesting conditions. Awards under the Plans will lapse if the employee ceases employment during the vesting period of three - five years. The Group expects to pay for shares to be acquired and transferred to employees in satisfaction of these awards.

Where the Group grants equity instruments of Singtel directly to its employees, the Group has accounted for the arrangement as cash-settled in its own financial statements. The fair value of cash-settled awards is initially measured at grant date, taking into account both market and non-market vesting conditions. The fair value is recognised as an employee benefit expense with a corresponding increase in liabilities. The fair value is then re-measured at each reporting date, with changes in the liability also recognised as an employee benefit expense.

NOTE 2. MATERIAL ACCOUNTING POLICIES (continued)

2.23 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured to their fair values at each reporting date. Details of balances are included in Note 19.

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 the fair value of a derivative financial instrument are recognised immediately in the income statement unless they qualify for hedge accounting.

Hedge accounting
At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at inception and ongoing, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument.
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of the hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward currency contract (i.e. including the forwards elements) as the hedging instrument for all its hedging relationships involving forward currency contracts.

Fair value hedge
Derivative financial instruments that qualify for fair value hedge accounting are initially recognised at fair value on the date that the contract is entered into. Changes in fair value of derivatives are recorded in the income statement together with any changes in the fair value of the hedged items that are attributable to the hedged risks.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised in the income statement from that date.

Cash flow hedge
The effective portion of changes in the fair value of the derivative financial instruments that qualify as cash flow hedges are recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in the cash flow hedge reserve are transferred to the income statement in the periods when the hedged items affect the income statement.

However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gain or loss previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect 'Other Comprehensive Income'. Furthermore, if the Group expects some or all the loss accumulated in "Other Comprehensive Income' will not be recovered in the future, that amount is immediately reclassified to the income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is 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.

NOTE 2. MATERIAL ACCOUNTING POLICIES (continued)

2.24 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 their fair values due to the relatively short maturity of these instruments.

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 are 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.

2.25 Goods and services tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax (“GST”), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (“ATO”). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the GST amount included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities that are recoverable from, or payable to, the ATO are classified as operating cash flows.

2.26 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the statement of financial position date. The discount rate used to determine the present value reflects the current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Onerous contracts
Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Restructurings
Provisions are recognised when the Group has developed a detailed formal plan for the restructuring and has either:

- entered into formal contracts to carry out the restructuring; or
- raised a valid expectation in those affected by the restructuring that the restructuring will occur.

Contingencies
A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and for which fair values can be reliably determined.

NOTE 2. MATERIAL ACCOUNTING POLICIES (continued)

2.27 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquisition over the fair value of the net identifiable assets acquired is recorded as goodwill.

2.28 Parent entity financial information

The financial information for the parent entity, SOPL, disclosed in Note 28 has been prepared on the same basis as the consolidated financial statements.

2.29 New accounting standards and interpretations

Management considered all new accounting standards, interpretations and amendments. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Accounting Standards and Interpretations issued but not yet effective
Australian Accounting Standards and Interpretations that are issued, but are not yet effective, up to the date of issuance of the Group's financial statements are not expected to have a significant impact on the preparation of the Group's financial statements. The Group intends to adopt these standards, as applicable, when they become effective.

New, revised or amended Accounting Standards and Interpretations

Deferred tax related to assets and liabilities arising from a single transaction
The Group has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities.

For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases and decommissioning liabilities by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of AASB 12.

There was also no impact on the opening retained earnings as at 1 April 2023 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised (see Note 5).

Material accounting policy information
The Group also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

NOTE 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The following are the critical accounting estimates and judgements that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

3.1 Expected credit loss of receivables and contract assets

At each reporting date, the Group assesses whether receivables and contract assets are credit impaired. Probability of default constitutes a key input in measuring the ECL. It is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The exposure to credit risk for receivables and contract assets is disclosed in Note 6.

3.2 Impairment of goodwill and intangibles

In accordance with the accounting policy in relation to intangible assets, goodwill and intangible assets with indefinite life are subject to an annual impairment review. In making this impairment assessment, the Group evaluates the value-in-use using cash flow projections which have been discounted at an appropriate rate. These calculations require the use of assumptions.

Forecasts of future cash flows are based on the Group's estimates using historical industry trends, general market and economic conditions, changes in technology and other available information. Refer to Note 11 for details of the key assumptions.

3.3 Estimated useful lives of property, plant and equipment and intangibles

The Group reviews annually the estimated useful lives of property, plant and equipment and intangibles based on factors such as business plans and strategies, expected levels 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 referred to above. A reduction in the estimated useful lives would decrease the carrying value of property, plant and equipment or intangibles.

3.4 Revenue recognition

The application of AASB 15 requires the Group to exercise judgement in identifying distinct or non-distinct performance obligations. For bundled telecommunications contracts, the Group is required to estimate the standalone selling prices of performance obligations, which materially impacts the allocation of revenue between performance obligations. Where the Group does not sell equivalent goods or services in similar circumstances on a standalone basis, it is necessary to estimate the standalone selling price. Changes in estimates of standalone selling prices can significantly influence the allocation of the transaction price between performance obligations. When estimating the standalone selling price, the Group maximises the use of observable inputs.

The assessment of whether the Group presents operating revenue as the principal, or net after deduction of costs as an agent, is a matter of judgement which requires an analysis of both the legal form and the substance of contracts. Depending on the conclusion reached, there may be differences in the amounts of revenues and expenses, though there is no impact on profit.

Contract costs are amortised over the contract period or the expected customer relationship period.

The accounting policies for revenue recognition are stated in Note 2.

3.5 Leases

Key assumptions include lease terms and discount rates on the lease payments.

In determining the lease term, the Group considers all relevant facts and circumstances that create an economic incentive for the Group to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the Group is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

The lease payments are discounted using the rate implicit in the lease or the Group's incremental borrowing rate. This requires the Group to estimate the rate of interest that it would have to pay to borrow the funds to obtain a similar asset over a similar term.

Changes in these assumptions may significantly impact the measurement of the lease liabilities.

The accounting policies for leases are stated in Note 2.

3.6 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 2024, the Group was involved in various legal proceedings where it has been defending its claims as disclosed in Note 20.

NOTE 4. INCOME STATEMENT

	2024 $m	2023 $m
Loss before income tax has been arrived at after including:		
Operating revenue		
Service revenue	5,715	5,551
Equipment revenue	1,509	1,600
Infocomm and Technology ("ICT") revenue	545	570
Interconnect revenue	194	207
Handset Insurance revenue	-	21
	7,963	7,949
Other income		
Income from service and network arrangements	99	104
Interest received or due and receivable	4	5
Other	138	120
	241	229
Total revenue and other income	**8,204**	**8,178**
Revenue recognised in the reporting periods that was included in the contract liabilities balance at the beginning of the year.	508	424
Contracts with consumers typically range from a month to 3 years, and contracts with enterprises typically range from 1 to 3 years.		
Expenses		
Expenses from ordinary activities classified by nature are:		
Traffic expenses	1,168	1,173
Selling & administrative expenses	1,145	1,115
Amortisation of contract costs	124	116
Employee benefit expenses	1,303	1,207
Capitalisation of costs	(260)	(201)
Cost of equipment sold	1,450	1,487
Other direct cost	854	842
Repair and maintenance expenses	290	264
Lease expenses for short term leases	-	1
Lease expenses for low-value leases	2	2
Costs related to cyber attack	-	140
Costs related to network outage	60	-
Impairment of property, plant and equipment	582	-
Others	85	120
	6,803	6,266
Depreciation and amortisation		
Depreciation of:		
Freehold buildings	13	17
Plant and equipment	1,248	1,239
Leasehold improvements	3	9
Right-of-use assets	319	307
Amortisation of:		
Deferred expenditure and subscriber relationship	48	48
Spectrum and other licences	186	184
	1,817	1,804

NOTE 4. INCOME STATEMENT (continued)

	Notes	2024 $m	2023 $m
Finance costs			
Interest paid or due and payable:			
Bonds and borrowings		132	88
Lease liabilities		126	121
Unwinding of discounts		2	4
Total finance costs		260	213
Others			
Loss before income tax includes the following expenses:			
Impairment of trade receivables and contract assets			
Amount provided		87	84
Bad debts recovered		(9)	(16)
Net expense for impairment of receivables and contract assets		78	68
Net expense from movements in other provisions:			
Employee entitlements		97	111
Inventories		3	(1)
Other		(2)	(4)
Total net expense from movements in other provisions		98	106

NOTE 5. INCOME TAX

	2024 $m	2023 $m
Amounts recognised in profit or loss		
Current tax credit		
Current year	(28)	34
Changes in estimates related to prior years	-	(4)
	(28)	30
Deferred tax credit		
Origination and reversal of temporary differences	(168)	(56)
	(168)	(56)
Tax credit recognised in profit or loss	(196)	(26)
Tax rate reconciliation		
Loss before income tax expense	(676)	(105)
Income tax credit on loss from ordinary activities before income tax calculated at 30% (2023: 30%).	(203)	(32)
Research and development claims	(2)	(2)
Non-deductible expenses	9	4
Prior year over provision	-	4
Income tax credit relating to ordinary activities	(196)	(26)

NOTE 5. INCOME TAX (continued)

	2024 $m	2023 $m
Deferred tax assets		
The balance of this asset comprises temporary differences attributable to:		
Property, Plant and Equipment	85	-
Lease liabilities	590	562
Liabilities not currently deductible	309	335
Other items	10	11
	994	908
Set-off of deferred tax liabilities	(981)	(908)
Net deferred tax asset	13	-
Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Telecommunications licences	293	293
Deferred expenditure	79	76
Cash flow hedges	4	2
Right of use assets	603	615
Property, plant, and equipment	-	75
Other items	2	-
	981	1,061
Set-off against deferred tax assets	(981)	(908)
	-	153

Deferred tax assets to the amount of $286 million (2023: $315 million) remain unrecognised relating to timing differences which are not anticipated to reverse until dates substantially into the future.

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:

Deferred tax assets / (liabilities)	2024 $m	2023 $m
Balance in beginning of the year	(153)	(196)
Charged to income statement	168	56
Charged to other comprehensive income	(3)	(10)
Payment from ATO	-	(4)
Others	1	1
Balance as at 31 March	13	(153)

In line with Note 2, deferred tax related to assets and liabilities arising from a single lease transaction have been disclosed separately. In the prior year, the Group recognised a deferred tax asset of $62 million for tax losses. This has been reclassified to “amount due from parent” due to the nature of the tax funding arrangement.

Tax consolidation

With effect from 1 July 2002, the Group's parent entity, Singapore Telecom Australia Investments Pty Limited (the "Head Entity") and its wholly owned Australian controlled entities, have implemented the tax consolidation legislation. The relevant accounting policy is set out in Note 2.

NOTE 6. RECEIVABLES AND CONTRACT ASSETS

	2024 $m	2023 $m
Current		
Trade receivables	492	515
Contract assets	1,208	1,168
	1,700	1,683
Less allowance for ECL	(95)	(110)
	1,605	1,573
Due from parent (i)	1,976	-
Other receivables	68	88
	3,649	**1,661**
Non-current		
Contract assets	782	804
Less allowance for ECL	(10)	(9)
	772	795
Due from parent (i)	2,257	3,926
	3,029	**4,721**

(i) The Group has an at call non-interest-bearing loan to its parent entity. An amount of $1,976 million which will be collected within the next 12 months has been disclosed as current. Whilst the remaining balance of the loan is at call, it has been disclosed as non-current as the Company has no intention to call upon the remaining balance in the 12 months from signing of the financial statements.

Trade receivables are non-interest bearing and are generally on 30-day terms, while balances due from carriers are 60-day terms. 120-day terms relate mainly to Device Repayment Plans. There was no significant change in contract assets during this year.

The age analysis of the trade receivable and contract assets (before allowance for expected credit loss) was as follows:

	2024 $m	2023 $m
Less than 60 days	789	843
61 to 120 days	275	317
More than 120 days	1,418	1,327
Balance as at 31 March	2,482	2,487

The movements in the allowance for expected credit losses of trade receivables and contract assets were as follows:

	2024 $m	2023 $m
Balance as at 1 April	119	132
Allowance for impairment	87	68
Utilisation of allowance for impairment	(101)	(81)
Balance as at 31 March	105	119

NOTE 6. RECEIVABLES AND CONTRACT ASSETS (continued)

The maximum exposure to credit risk for trade receivables and contract assets was as follows:

	2024 $m	2023 $m
Individuals	1,799	1,806
Business	683	681
Balance as at 31 March	2,482	2,487

The expected credit losses for debts which are collectively assessed are estimated based on a provision matrix by reference to historical credit loss experience of the different segments, adjusted as appropriate to reflect current conditions and estimates of future economic conditions as applicable. The expected credit losses for debts which are individually assessed are based on an analysis of the debtor's current financial position and are adjusted for factors that are specific to the debtors.

NOTE 7. INVENTORIES

	2024 $m	2023 $m
Finished goods - at cost	177	223
Provision for obsolescence	(14)	(18)
	163	205

In 2024, inventories of $1,450 million (2023: $1,487 million) were recognised as an expense during the year and included in Expenses.

NOTE 8. OTHER ASSETS

	2024 $m	2023 $m
Current		
Prepayments	227	258
Contract costs	117	110
	344	368
Non-current		
Prepayments	100	74
Contract costs	167	158
	267	232

Reconciliations of the carrying amount of contract costs at the beginning and end of the current financial year are set out below:

Year ended 31 March		
Opening net book amount	268	246
Additions	140	138
Amortisation charge	(124)	(116)
Closing net book amount	284	268

NOTE 9. PROPERTY, PLANT AND EQUIPMENT

	2024 $m	2023 $m
Freehold land and buildings:		
At cost	537	513
Accumulated depreciation	(334)	(335)
Total freehold land and buildings	203	178
Leasehold improvements:		
At cost	185	188
Accumulated depreciation	(159)	(161)
Total leasehold improvements	26	27
Plant and equipment:		
At cost	25,949	25,339
Accumulated depreciation and impairment	(19,439)	(18,913)
Total plant and equipment	6,510	6,426
Capital works in progress:		
At cost	839	1,248
Total capital works in progress	839	1,248
Total net carrying amount of property, plant and equipment	**7,578**	**7,879**

NOTE 9. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

	Notes	2024 $m	2023 $m
Freehold land and buildings:			
Carrying amount at the beginning of the financial year		178	121
Additions		38	74
Depreciation expense	4	(13)	(17)
Carrying amount at the end of the financial year		203	178
Leasehold improvements:			
Carrying amount at the beginning of the financial year		27	32
Additions		2	4
Depreciation expense	4	(3)	(9)
Carrying amount at the end of the financial year		26	27
Plant and equipment:			
Carrying amount at the beginning of the financial year		6,426	6,523
Additions		1,828	1,149
Depreciation expense	4	(1,248)	(1,239)
Disposals		(2)	(7)
Impairments		(573)	-
Reclassification		79	-
Carrying amount at the end of the financial year		6,510	6,426
Capital works in progress:			
Carrying amount at the beginning of the financial year		1,248	837
Additions less transfers to other categories		(400)	411
Impairment		(9)	-
Carrying amount at the end of the financial year		839	1,248

In line with the overall decline that was witnessed in the Australian enterprise market, the group observed steep declines in fixed carriage revenue due to churn and price erosion. As a result, the Group recorded non-cash impairment charges of $582 million (2023: Nil) mainly on its enterprise fixed access network assets.

NOTE 10. RIGHT-OF-USE ASSETS

	Mobile base stations / Central offices $m	Properties $m	Others $m	Total $m
Cost				
Balance as at 1 April 2023	2,594	376	16	2,986
Additions	231	50	4	285
Right-of-use assets deactivation	(86)	(36)	(4)	(126)
Reclassification	56	(56)	-	-
Balance as at 31 March 2024	**2,795**	**334**	**16**	**3,145**
Accumulated depreciation				
Balance as at 1 April 2023	(725)	(197)	(12)	(934)
Depreciation charge for the year	(256)	(60)	(3)	(319)
Right-of-use assets deactivation	77	36	4	117
Reclassification	(21)	21	-	-
Balance as at 31 March 2024	**(925)**	**(200)**	**(11)**	**(1,136)**
Total net carrying amount as at 31 March 2024	**1,870**	**134**	**5**	**2,009**
Cost				
Balance as at 1 April 2022	2,350	339	14	2,703
Additions	283	92	6	381
Right-of-use assets deactivation	(39)	(55)	(4)	(98)
Balance as at 31 March 2023	**2,594**	**376**	**16**	**2,986**
Accumulated depreciation				
Balance as at 1 April 2022	(493)	(204)	(12)	(709)
Depreciation charge for the year	(257)	(48)	(2)	(307)
Right-of-use assets deactivation	25	55	2	82
Balance as at 31 March 2023	**(725)**	**(197)**	**(12)**	**(934)**
Total net carrying amount as at 31 March 2023	**1,869**	**179**	**4**	**2,052**

NOTE 11. INTANGIBLE ASSETS

	31 March 2024 $m	31 March 2023 $m
Goodwill - at cost	352	352
Accumulated impairment	(4)	(4)
	348	348
Spectrum and other licences - at cost	2,310	2,218
Accumulated amortisation	(1,184)	(998)
	1,126	1,220
Deferred expenditure - at cost	759	701
Accumulated amortisation	(281)	(243)
	478	458
Subscriber relationship – at cost	37	37
Accumulated amortisation	(37)	(27)
	-	10
Brand – at cost	23	23
Accumulated amortisation	-	-
	23	23
Total intangible assets	**1,975**	**2,059**

NOTE 11. INTANGIBLE ASSETS (continued)

Consolidated	Notes	Goodwill	Spectrum and other licences	Deferred expenditure	Subscriber relationship	Brand	Total
		$m	$m	$m	$m	$m	$m
Year ended 31 March 2024							
Opening net book amount		348	1,220	458	10	23	2,059
Additions		-	92	58	-	-	150
Amortisation charge	4	-	(186)	(38)	(10)	-	(234)
Closing net book amount		348	1,126	478	-	23	1,975
Year ended 31 March 2023							
Opening net book amount		348	1,356	480	22	23	2,229
Additions		-	48	14	-	-	62
Amortisation charge	4	-	(184)	(36)	(12)	-	(232)
Closing net book amount		348	1,220	458	10	23	2,059

Impairment testing

The carrying value of goodwill and intangible assets with indefinite lives (telecommunication licenses) was assessed for impairment during the financial year. Telecommunications operations of the Group were assessed to be a single cash generating unit ("CGU") for the purpose of this review, as the generation of the Group's core revenue streams are heavily reliant on the use of integrated and interdependent customer access and transmission networks throughout Australia.

The recoverable amount of the Singtel Optus CGU has been determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets (including growth rates, operating margins, capital expenditure and discount rates) approved by management covering a 7-year period which appropriately reflects the network investment cycle of the group.

Cash flows beyond the budget period are extrapolated using the estimated growth rates stated below. The terminal growth rates do not exceed the long-term average growth rates for the country and industry in which the Group operates.

	Terminal growth rate		Pre-tax discount rate	
	2024	**2023**	**2024**	**2023**
Singtel Optus CGU	2.75%	2.75%	9.4%	9.1%

As at 31 March 2024, no impairment charge was required for goodwill arising from acquisition of subsidiaries and intangible assets with indefinite lives (telecommunication licenses), with any reasonably possible change to the key assumptions applied not likely to cause the recoverable values to be below their carrying values.

NOTE 12. PAYABLES AND CONTRACT LIABILITIES

	2024 $m	2023 $m
Current		
Trade payables (i)	1,157	1,240
Other payables and accruals (ii)	257	272
Contract liabilities (iii)	549	508
Performance share plan	17	6
Other financial liabilities (iv)	949	1,098
	2,929	3,124
Non-current		
Trade payables (i)	46	90
Other payables and accruals (ii)	79	56
Contract liabilities (iii)	163	174
Performance share plan	9	13
	297	333

(i) The trade payables are non-interest bearing and are generally settled on 30 to 60 days terms.

(ii) Other payables and accruals include the interest payable on borrowings. These are settled on a half-yearly basis except for interest payable on certain bonds and syndicated loan facilities which are settled on a quarterly basis. The total interest payable on the borrowings at year end was $18 million (2023: $18 million).

(iii) Contract liabilities include advance billings, unearned revenue and receipts from customer. The increase is due to deferred revenue as a result of increased cash receipts from customers.

(iv) The other financial liabilities relate to handsets and network investments, where vendor terms are up to 364 days.

NOTE 13. BORROWINGS

	2024 $m	2023 $m
Current		
Lease liabilities (i)	488	439
Notes payable - unsecured (ii)	-	500
Short-term other borrowings – unsecured (iii)	25	22
	513	961
Non-current		
Lease liabilities (i)	2,432	2,486
Medium-term bank facilities - unsecured (iv)	1,380	600
Notes payable - unsecured (ii)	2,321	1,894
Long-term other borrowings – unsecured (iii)	16	26
	6,149	5,006

(i) The incremental borrowing rate per annum for the Company at the end of the reporting period was 5.10%.

(ii) Unsecured notes payable denominated in Euro, Hong Kong dollars and Australian dollars have been issued by a controlled entity and guaranteed by the Company and certain controlled entities. The notes are subject to a negative pledge that requires the Company and other controlled entities to maintain certain financial ratios. The value of these notes includes a fair value hedge gain adjustment of $47 million (2023: $62 million gain adjustment).

(iii) The Company has an uncommitted third-party facility. The facility is denominated in Australian dollars and subject to fixed interest rates up to 2.75% per annum on drawn amounts.

(iv) These borrowings are provided under a Syndicated Sustainability Linked loan (SSL) or a Bilateral Committed Revolving Credit Facility denominated in Australian dollars. The facilities are governed by a negative pledge and facility documents, which amongst other conditions require the Company and other controlled entities to maintain certain financial ratios. In April 2022, the Group entered into a $1.4 billion Sustainability Linked Loan (SLL) which will expire on 24 April 2025. In July 2023, the Group entered into a $300m Bilateral Committed Revolving Credit Facility with DBS which will expire in March 2028.

The maturity periods of the lease liabilities at the end of the reporting period were as follows:

	2024 $m Discounted	2024 $m Undiscounted	2023 $m Discounted	2023 $m Undiscounted
Less than one year	488	652	439	537
Between one and two years	293	446	312	404
Between two and five years	1,065	1,205	886	1,123
Over five years	1,074	2,476	1,288	2,575
	2,920	4,779	2,925	4,639

NOTE 13. BORROWINGS (continued)

	2024 $m	2023 $m
Carrying amount of lease liability at the beginning of the financial year	2,925	2,839
Additions	283	381
Interest	126	121
Repayments*	(406)	(399)
Others	(8)	(17)
Carrying amount of lease liability at the end of the financial year	2,920	2,925

*Exclusive of GST

Reconciliation of liabilities from financing activities are set out below:

	Bonds $m	Bank Loans $m	Other Borrowings $m	Lease Liabilities $m	Interest Payables $m	Derivative Financial Instruments $m
As of April 2023	2,393	600	48	2,925	18	117
Financing Cash Flows	(106)	780	(7)	(406)	(132)	1
Non-cash changes:						
Fair Value Adjustments	33	-	-	-	13	(47)
Amortisation of Bonds discount	1	-	-	-	-	-
FX Movements	-	-	-	-	-	9
Additions of lease liabilities	-	-	-	283	-	-
Interest expense	-	-	-	126	133	-
Others	-	-	-	(8)	-	-
As of 31 March 2024	2,321	1,380	41	2,920	32	80

	2024 $m	2023 $m
Principal amounts and repayment dates are:		
500 million Australian dollars due 6 September 2023	-	500
350 million Australian dollars due 1 July 2025	349	349
100 million Australian dollars due 12 April 2028	100	-
300 million Australian dollars - Sustainability-linked bond due 24 Nov 2028	298	298
500 million Euro due 20 June 2029	781	750
500 million Australian dollars due 1 July 2030	497	497
1.5 billion Hongkong dollars due 7 June 2033	296	-
	2,321	2,394

	2024	2023
Disclosed as:		
Current	-	500
Non-current	2,321	1,894

The weighted average interest rate for bonds is 3.4% (2023: 3.1%) and bank borrowings is 4.9% (2023: 4.2%).

NOTE 14. FINANCING ARRANGEMENTS

At reporting date, the Group had access to the following committed lines of credit:

	2024 $m	2023 $m
Total facilities available at reporting date:		
Medium-term bank facilities (1 year to 3 years)	1,400	1,400
Long-term bank facilities (3 year to 5 years)	300	-
Other borrowings	41	48
	1,741	1,448
Facilities utilised at reporting date:		
Medium-term bank facilities (1 year to 3 years)	1,380	600
Other borrowings	41	48
	1,421	648
Facilities not utilised at reporting date:		
Medium-term bank facilities (1 year to 3 years)	320	800
	320	800

NOTE 15. PROVISIONS

		2024 $m	2023 $m
Current			
Employee entitlements	18	158	165
Other (i)		105	87
		263	252
Non-current			
Employee entitlements	18	29	31
Other (i)		27	30
		56	61

(i) Other current and non-current provisions primarily represent cyber attack and network outage provision and asset retirement obligations for corporate properties respectively. The cyber attack and network outage provisions have been estimated based on the most recent available indication or future economic resources required, taking into account expenses settled already.

Reconciliations of the carrying amount of other provisions at the beginning and end of the financial year are set out below:

	2024 $m	2023 $m
Other provisions (Current and non-current)		
Carrying amount at the beginning of the financial year	117	31
Additional provision made	60	89
Utilisation	(45)	(3)
Carrying amount at the end of the financial year	132	117

NOTE 16. CONTRIBUTED EQUITY

Issued and paid-up capital

	2024 $m	2023 $m
3,795,254,335 (31 March 2023: 3,795,254,335)		
Fully paid ordinary shares	5,317	5,317

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. At a shareholders' meeting, every holder of ordinary shares present in person or by proxy is entitled to one vote on a show of hands, and upon a poll, each share is entitled to one vote.

There have been no changes in share capital during the year.

The Company did not pay a dividend to its parent entity during the year (2023: nil).

Changes to the Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and its issued shares do not have a par value.

NOTE 17. RESERVES

Nature and purpose of reserves as disclosed in the statement of changes in equity

The cash flow hedge reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, net of tax, as described in Note 2. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss. In the cash flow hedge reserve a component of $10.4 million is recognised in relation to movement in currency basis from cross currency interest rate swap.

NOTE 18. EMPLOYEE ENTITLEMENTS

	Note	2024 $m	2023 $m
Aggregate employee entitlements			
Current long service leave and other provision	15	158	165
Non-current long service leave and other provision	15	29	31
		187	196
Number of Employees			
Full-time equivalent (FTE) employees at year end		6,183	6,976
Superannuation fund			
The Group contributes to employee defined contribution superannuation funds.			
Contributions to the funds during the financial year		105	95

Equity based employee benefits

During the current or previous financial year, the Group did not provide to employees any equity-based instruments (such as share options or performance rights) based on equities of the Company or its controlled entities, nor were there any such instruments outstanding at the beginning or end of the financial year.

The Group's expense arises under the equity-based compensation plans of its parent, Singapore Telecommunications Limited which are described in Note 2.

	2024 $m	2023 $m
This expense amounted to:	9	8

NOTE 19. FINANCIAL RISK MANAGEMENT

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: interest rate risk, foreign exchange risk, credit risk and liquidity risk. The group's overall risk management seeks to minimise potential adverse effects of these risks on the financial performance of the Group.

The Group has established risk management policies, guidelines and control procedures to manage its exposure to financial risks. Hedging transactions are determined in the light of commercial commitments and are reviewed regularly.

The Group uses financial instruments, including foreign exchange contracts, cross currency swaps and interest rate swaps in its management of exchange rate and interest rate exposures. Financial instruments are used only to hedge underlying commercial exposures and are not held for speculative purposes.

Derivative financial instruments	2024 $m	2023 $m
Balance as at 1 April	(57)	(123)
Fair value gains:		
- included in income statement:		
Hedge ineffectiveness	14	(1)
Fair value hedge movements	17	41
- included in the balance sheet:		
Cash flow hedge reserve	7	35
Payment for swap settlement	-	(9)
Balance as at 31 March	(19)	(57)

Derivative financial instruments	2024 $m	2023 $m
Current asset	16	21
Non-current asset	45	39
Current liabilities	(3)	(5)
Non-current liability	(77)	(112)
	(19)	(57)

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 2024, 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 13.

Fair value estimation

Optus bonds which are currently on issue and offered solely to wholesale investors total $739 million (2023: $694 million). They mature by year 2030 and no other financial assets or liabilities are traded on the exchange markets. It is calculated as the present value of the estimated future cash flows, discounted using interest rates based on a zero-coupon yield curve at the reporting date.

NOTE 19. FINANCIAL RISK MANAGEMENT (continued)

Hedging activities

The hedge accounting policy of the Group is described in Note 2 and the Group has entered into the following derivative financial instruments to hedge its risks:

- Cross-currency interest rate swaps with dual designation as fair value hedges for interest rate risk and cash flow hedges for currency risk, arising from the Group's issue of foreign currency denominated debt instruments.

  These cross-currency interest rate swaps involve the exchange of principal and fixed interest receipts in the foreign currency of the Group's debt instruments, for principal and floating (as well as fixed) interest payments in the Group's Australian dollar functional currency.

- Interest rate swap contracts that are cash flow hedges for Australian interest rate risk. These contracts involve the exchange of Australian floating interest receipts for fixed interest payments. These are in line with the Group's interest rate risk management policy of maintaining a mix of floating and fixed rate debt.

- Forward foreign exchange contracts, all of which are designated as cash flow hedges, for the Group's exposure to currency risks arising from forecast or committed expenditure and receipts denominated in foreign currencies.

The fair values of the derivative financial instruments are as follows:

31 March 2024	Nominal amounts $m	Fair values $m	
		Assets	Liabilities
Fair value hedges			
Cross currency swaps	402	-	47
Cash flow hedges			
Cross currency swaps	709	-	30
Interest rate swaps	572	22	-
Forward foreign exchange contracts	820	39	3
		61	80

31 March 2023	Nominal amounts $m	Fair values $m	
		Assets	Liabilities
Fair value hedges			
Cross currency swaps	402	-	68
Cash flow hedges			
Cross currency swaps	415	-	42
Interest rate swaps	572	18	2
Forward foreign exchange contracts	813	42	5
		60	117

NOTE 19. FINANCIAL RISK MANAGEMENT (continued)

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 2025, 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 13.

As at 31 March 2024 and 2023, the details of the outstanding derivative financial instruments were as follows:

	2024 $m	2023 $m
Interest rate swaps		
Notional principal		
(AUD$ million equivalent)	572	572
Fixed Interest rates	1.58% - 3.59%	1.57% -3.59%
Floating Interest rates	BBSW3M	BBSW3M
Cross Currency swaps		
Notional principal		
(AUD$ million equivalent)	1,111	817
Fixed Interest rates	3.11% - 5.77%	1.53% - 3.11%
Floating Interest rates	BBSW3M + 1.54%	BBSW3M + 1.54%
Forward foreign exchange contracts		
Notional principal		
(AUD$ million equivalent)	820	813

The interest rate swaps entered into by the Group are re-priced every six months.

Hedge ineffectiveness across all hedge relationships was $0.7 million (2023 $0.8 million) and was recorded in the Income Statement. Hedge ineffectiveness arose due to changes in the fair value of the hedging instrument exceeding the change in fair value of the hedged item. The Group did not discontinue hedge accounting for any relationships and had no reclassifications from the cash flow hedge reserve to the Income Statement during the 2024 financial year.

Capital management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the previous financial year.

The capital structure of the Group consists of net debt (borrowings as offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves and retained earnings).

Interest rate risk

The Group's objective is to minimise interest expense consistent with maintaining an acceptable level of exposure to the risk of interest rate fluctuations. In order to achieve this objective, the Group targets a mix of fixed and floating rate debt. To obtain this mix in a cost-efficient manner the Group primarily uses cross currency and interest rate swaps that have the effect of converting specific debt obligations of the Group from a variable to a fixed rate of interest and change the currency of the debt, or vice versa, as required.

As at 31 March 2024, 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 $3.9 million (2023 $0.1 million).

The critical terms of the interest rate swaps, and their corresponding hedged bonds are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swaps and the value of the corresponding hedged bonds will systematically change in opposite direction in response to movement in the underlying interest rates.

The main source of hedge ineffectiveness in these hedging relationships is the effect of counterparty and the Group's own credit risk on the fair value of the interest rate swaps, which is not reflected in the fair value of the hedge items attributable to changes in interest rates. No other sources of ineffectiveness emerged from this hedging relationship.

NOTE 19. FINANCIAL RISK MANAGEMENT (continued)

Foreign exchange risk

The Group maintains a policy to minimise the adverse impact of movements in foreign exchange rates on the Group's cash flows.

The Group has borrowings denominated in foreign currencies that have primarily been hedged into the functional currency of the Group using cross currency swaps in order to reduce the foreign currency exposure on these borrowings. As the hedges are perfect, any changes in the fair value of the cross-currency swaps have minimal impact on profit and equity.

Foreign exchange contracts are predominantly used to hedge the foreign exchange risk associated with the purchase and sale of goods and services denominated in foreign currencies and the resulting foreign currency denominated assets and liabilities.

The critical terms (i.e. the notional amount, life and underlying) of the derivative financial instruments and their corresponding hedged items are the same. The Group performs a qualitative assessment of effectiveness, and it is expected that derivative financial instruments and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying exchange rates.

The main source of hedge ineffectiveness in these hedging relationships is the effect of counterparty and the Group's own credit risk on the fair value of the derivative financial instruments, which is not reflected in the fair value of the hedged items attributable to changes in foreign currency rates. No other sources of ineffectiveness emerged from these hedging relationships.

As at 31 March 2024, assuming the Australian dollar appreciated 10% against the United States Dollar, with all other variables held constant, pre-tax equity would decrease by $65 million (2023 $63 million). Conversely, if the Australian dollar depreciated 10% against the United States Dollar, with all other variables held constant, pre-tax equity would increase by $85 million (2023 $82 million).

All hedge relationships remain intact and there is no hedge relationship in which hedge accounting is no longer applied.

Credit risk

The Group has no significant concentration of credit risk from trade receivables and contract assets due to its diverse customer base. Credit risk is managed through the application of credit assessments and approvals. Where applicable the Group obtains credit insurance. In addition, the Group has policies and procedures in place to monitor trade receivables and contract assets on an ongoing basis.

The carrying value amount reflected in Note 6 represents the Group's maximum exposure to credit risk for trade receivables and contract assets.

The Group has cash investments and other financial instruments such as forward foreign exchange contracts, cross currency swaps and interest rate derivative hedges with major financial institutions. The Group has policies in place to monitor the credit ratings of these counterparties on an ongoing basis.

The Group has policies in place that limit the financial exposure to any one financial institution and does not have a significant exposure to any individual counterparty.

Liquidity risk

The Group manages liquidity risk by monitoring and maintaining the level of cash equivalents and financing facilities considered adequate by management to fund the operations as well as mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the business, the Group aims at maintaining flexibility in funding by keeping a number of committed credit facilities available.

The expected undiscounted contractual cash flows of the borrowings for the Group, including the effects of hedging as at 31 March 2024 and 2023, are set out below. These amounts do not reflect the carrying amounts in the statement of financial position.

NOTE 19. FINANCIAL RISK MANAGEMENT (continued)

The expected undiscounted contractual cash flows of the borrowings for the Group, including the effects of hedging as at 31 March 2024 and 2023, are set out below. These amounts do not reflect the carrying amounts in the statement of financial position.

	Less Than 1 year $m	Between 1 and 2 years $m	Between 2 and 5 years $m	Over 5 years $m	Total $m
As at 31 March 2024					
Net-settled interest rate swaps	7	4	13	2	26
Cross currency interest rate swaps (gross settled):					
Inflow	22	22	66	1,203	1,313
(Outflow)	(57)	(54)	(164)	(1,194)	(1,469)
	(28)	(28)	(85)	11	(130)
Borrowings:					
Bonds	(53)	(400)	(538)	(2,831)	(3,822)
Unsecured bank loans	-	(1,086)	(304)	-	(1,390)
Others	(28)	(4)	(12)	-	(44)
	(81)	(1,490)	(854)	(2,831)	(5,256)
Foreign exchange contract in a liability position	(3)	-	-	-	(3)
Other financial liabilities	(949)	-	-	-	(949)
	(1,061)	(1,518)	(939)	(2,820)	(6,338)
As at 31 March 2023					
Net-settled interest rate swaps	3	2	7	7	19
Cross currency interest rate swaps (gross settled):					
Inflow	8	8	24	831	871
(Outflow)	(37)	(35)	(108)	(865)	(1,045)
	(26)	(25)	(77)	(27)	(155)
Borrowings:					
Bonds	(542)	(34)	(438)	(2,508)	(3,522)
Unsecured bank loans	-	-	(602)	-	(602)
Others	(23)	(18)	(8)	-	(49)
	(565)	(52)	(1,048)	(2,508)	(4,173)
Foreign exchange contract in liability position	(5)	(1)	-	-	(6)
Other financial liabilities	(1,098)	-	-	-	(1,098)
	(1,694)	(78)	(1,125)	(2,535)	(5,432)

NOTE 19. FINANCIAL RISK MANAGEMENT (continued)

Net fair value of financial assets and liabilities

The carrying amounts and fair values of the Group's financial assets and liabilities at reporting date are:

	Carrying amount		Net Fair value	
	31 March 2024 $m	31 March 2023 $m	31 March 2024 $m	31 March 2023 $m
Financial assets				
Cash	51	98	51	98
Receivables and contract assets	2,445	2,456	2,445	2,491
Derivative financial instruments	61	60	61	60
Due from parent	4,233	3,926	4.233	3,926
	6,790	6,540	6,790	6,575
Financial liabilities				
Payables and contract liabilities	3,226	3,457	3,226	3,457
Derivative financial instruments	80	117	80	117
Bank borrowings (incl. related party)	1,380	600	1,380	600
Other borrowings – unsecured	41	48	41	48
Domestic notes payable	1,244	1,644	1,130	1,516
Foreign currency notes payable	1,077	750	1,065	694
Lease liabilities	2,920	2,925	2,920	2,925
	9,968	9,541	9,842	9,357

Fair Value Measurements

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 -

- quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**).
- 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 and credit margins at inception of contract) (**Level 2**); and
- derived from valuation techniques that include inputs for the asset or liability which are not based on observable market data (unobservable inputs) (**Level 3**).

31 March 2024	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Derivative financial instruments	-	22	-	22
- Forward foreign exchange contract	-	39	-	39
	-	61	-	61
Financial liabilities				
Derivative financial instruments				
- Interest rate swaps	-	-	-	-
- Cross currency swaps	-	(77)	-	(77)
- Forward foreign exchange contract	-	(3)	-	(3)
	-	(80)	-	(80)

NOTE 19. FINANCIAL RISK MANAGEMENT (continued)

31 March 2023	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Derivative financial instruments	-	18	-	18
- Forward foreign exchange contract	-	42	-	42
	-	60	-	60
Financial liabilities				
Derivative financial instruments				
- Interest rate swaps	-	(2)	-	(2)
- Cross currency swaps	-	(110)	-	(110)
- Forward foreign exchange contract	-	(5)	-	(5)
	-	(117)	-	(117)

Financial assets and liabilities not measured at fair value (but with fair value disclosed)

	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
	$m	$m	$m	$m	
As at 31 March 2024:					
Financial liabilities					
- Bonds	2,321	739	1,449	-	2,188
	2,321	739	1,449	-	2,188
As at 31 March 2023:					
Financial liabilities					
- Bonds	2,394	694	1,516	-	2,210
	2,394	694	1,516	-	2,210

NOTE 20. CONTINGENCIES AND COMMITMENTS

Guarantees

During the year, the Group requested banks and financial institutions, in the ordinary course of business, to issue bank guarantees and performance bonds on its behalf. The amounts outstanding at reporting date amount to $150 million (2023 $149 million).

Legal proceedings and claims

The Group is in dispute with third parties regarding certain transactions and/or representations arising out of the ordinary course of business. Some of these disputes involve legal proceedings relating to the contractual obligations of the parties and/ or representations made, including the amounts payable by the consolidated entities under the contracts and claims against the Group for compensation for alleged breach of contract, and/ or representations and/or laws.

Ongoing investigations into the cyber attack reported to the relevant Australian authorities could give rise to regulatory actions, penalties, potential claims and/or litigation. A class action suit has commenced against various companies in the Group (under which the applicants are seeking a range of outcomes including declarations of contraventions, that the relevant companies in the Group take reasonable steps to delete identifying personal information of ex-customers, damages and statutory compensation, interest and costs). Subsequent to the financial year end, the Australian Communications and Media Authority (ACMA) filed proceedings in the Federal Court of Australia against “Optus Mobile Pty Limited” (a wholly owned subsidiary). The ACMA alleges a breach of the Australian Telecommunications (Interception and Access) Act 1979 (Cth) on the basis that Optus Mobile failed to protect the confidentiality of personally identifiable information of its customers from unauthorised interference or unauthorized access.

Optus is defending all these claims. As the outflow of economic benefit is not probable and/or determinable no provision has been made as at 31 March 2024.

Commitments

	2024 $m	2023 $m
Operating expenditure commitments		
Committed but not provided for and payable:		
Not later than one year	178	206
Later than one year but not later than five years	396	490
Later than five years	-	18
	574	714
Capital expenditure commitments		
Committed but not provided for and payable:		
Not later than one year	350	463
Later than one year but not later than five years	97	36
Later than five years	-	-
	447	499
Intangibles commitments		
Committed but not provided for and payable:		
Not later than one year	1,526	99
Later than one year but not later than five years	54	1,582
Later than five years	6	4
	1,586	1,685
Operating lease commitments		
Future operating lease rentals no provided for and payable:		
Not later than one year	1	-
Later than on year but not later than five years	2	-
Later than five years	17	2
	20	2

Lease commitments for short term leases (as a lessee)
The lease commitments for short term leases (excluding contracts of one month or less) was $0.7 million as at 31 March 2024 (2023 $0.1 million).

Investment commitments
Refer to Note 22 for details of commitments in relation to joint ventures and joint operations.

Contingent asset

Optus has cyber insurance, and a claim has been lodged, no assumptions around the recovery have been taken into account at this point.

NOTE 21. CONTROLLED ENTITIES

Name of Company	Note	Group interest % 31 March 2024	Group interest % 31 March 2023
Akal Pty Limited		100	100
Alpha West Holdings Limited		100	100
Alphawest Pty Limited		100	100
Alphawest Services Pty Ltd		100	100
Amaysim Mobile Pty Limited		100	100
Bkal Pty Limited		100	100
Eastpoint IP Pty Limited		100	100
Eatability Pty Limited	(i)	-	100
Ensyst Pty Limited		100	100
Inform Systems Australia Pty Limited	(i)	-	100
Optus Administration Pty Limited		100	100
Optus ADSL Pty Limited		100	100
Optus Billing Services Pty Limited		100	100
Optus Broadband Pty Limited	(i)	-	100
Optus C1 Satellite Pty Limited		100	100
Optus Content Pty Limited		100	100
Optus Data Centres Pty Limited		100	100
Optus Finance Pty Limited		100	100
Optus Fixed Infrastructure Pty Limited		100	100
Optus Internet Pty Limited		100	100
Optus Kylie Holdings Pty Limited	(i)	-	100
Optus Mobile Investments Pty Limited		100	100
Optus Mobile Pty Limited		100	100
Optus Multimedia Pty Limited	(i)	-	100
Optus Mobile Migrations Pty Limited (formerly Virgin Mobile (Australia) Pty Limited)		100	100
Optus Narrowband Pty Limited	(i)	-	100
Optus Networks Pty Limited		100	100
Optus Retailco Pty Limited		100	100
Optus Satellite Pty Limited		100	100
Optus Satellite Network Pty Limited		100	100
Optus Smart Spaces Pty Limited		100	100
Optus Space Systems Pty Limited		100	100
Optus Systems Pty Limited		100	100
Optus Vision Investments Pty Limited	(i)	-	100
Optus Vision Media Pty Limited	(ii)	20	20
Optus Vision Pty Limited		100	100
Optus Wholesale Pty Limited		100	100
Prepaid Services Pty Limited		100	100
Reef Networks Pty Ltd		100	100
Sibalo Pty Limited		100	100
Simplus Mobile Pty Limited	(i)	-	100
Uecomm Pty Limited		100	100
Uecomm Operations Pty Limited		100	100
Ue Access Pty Limited		100	100
Unwired Australia Pty Limited		100	100
Vaya Pty Limited		100	100
Vaya Communications Pty Limited		100	100
Vividwireless Pty Limited		100	100
Virgin Mobile (Australia) Services Pty Limited	(i)	-	100
Vividwireless Group Limited		100	100
Yes Labs Group Pty Limited	(i)	-	100

(i) The companies were deregistered during the year

(ii) Optus Vision Media Pty Limited is deemed to be a controlled entity by virtue of section 47(b) of the Corporations Act 2001

NOTE 22. JOINT VENTURES

Southern Cross Cable Consortium

This consortium operates through two separate companies. Southern Cross Cable Holdings Limited ("SCCHL") owns a cable network between Australia and the USA and conducts operations of that network outside the USA. Pacific Carriage Holdings Limited ("PCHL") conducts operations within the USA. Both these companies are incorporated in Bermuda. The Group owns 32.40% of PCHL (2023: 32.40%). The reporting date of these entities is 30 June. PCHL paid no dividends during the financial year.

	2024 $m	2023 $m
The Group has agreed to purchase capacity on this cable network payable as follows:		
Not later than one year	-	-
Later than one year but not later than five years	-	7
	-	7

Main Event Television Pty Limited

The Group's interest in this company, which is a provider of pay television programs and channels, is 33.33% (2023: 33.33%).

Equity accounting was suspended for these entities since the 2005 financial year because the Group's net investment was reduced to zero.

Bridge Mobile Pte Limited

This company which is incorporated in Singapore is principally involved in the provision of regional mobile services. The Group's interest is 10% (2023: 10%).

	2024 $m	2023 $m
The maximum amount that the Group may be required to contribute in equity to this company is:	5	5
Carrying amounts of investments in each joint venture entity		
Pacific Carriage Holdings Limited	20	20
Main Event Television Pty Limited	-	-
Bridge Mobile Pte Limited	1	1
	21	21

	2024 $m	2023 $m
Share of joint ventures' results		
Share of:		
Revenues	20	28
Expenses	(8)	(19)
Operating profit before income tax	12	9
Income tax expenses	(5)	(3)
Operating profit after income tax	7	6
Equity accounting suspended	(7)	(6)
Share of joint ventures' net profit/loss - equity accounted	-	-
Cumulative share of loss not recognised	(49)	(56)

NOTE 22. JOINT VENTURES (Continued)

	2024 $m	2023 $m
Share of joint ventures' net liabilities		
Current assets	3	5
Non- Current Assets	50	48
Total Assets	53	53
Current Liabilities	15	11
Non-current liabilities	86	98
Total Liabilities	101	109
Carrying amount of investments in joint venture entities		
At the beginning of the financial year	21	21
At the end of the financial year	21	21

Joint ventures' contingent liabilities and capital commitments

At reporting date, there were no material contingent liabilities or capital expenditure commitments of joint venture entities for which the Group will or may become liable.

NOTE 23. JOINT OPERATIONS

Optus / TPG Joint Venture

The Group has an interest in an unincorporated joint operation to share selected 4G and 5G network sites and radio infrastructure across Australia and shares some cost of building and operating the network.

Assets

Included in the assets of the Group are the following items that represent the Group's interest in the assets employed in the joint operations, recorded in accordance with the accounting policies described in Note 2.

	2024 $m	2023 $m
Current other assets	22	24
Non-current other assets	94	65
Property, plant and equipment	912	824
Total assets	1,028	913
Current other liabilities	16	15
Non-current other liabilities	76	43
Total liabilities	92	58

NOTE 24. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation for the years ended 31 March 2024 and 31 March 2023 are set out below. The key management personnel are the directors and executives with the greatest authority for the strategic direction and management of the Group.

The total compensation for the Australian-based directors and executives of the Group was as follows:

	2024 $000	2023 $000
Short-term benefits	10,650	13,659
Post-employment benefits	303	363
Share-based payments	4,313	3,799
Total key management compensation	15,266	17,821

NOTE 25. AUDITOR'S REMUNERATION

The auditor of Singtel Optus Pty Limited is KPMG.

	2024 $000	2023 $000
Amounts received or due and receivable by KPMG:		
An audit or review of the financial report of the entity and any other entity in the Group	2,193	2,135
Other services in relation to the entity and any other entity in the Group		
- Assurance and regulatory related	325	261
	2,518	2,396

NOTE 26. RELATED PARTIES

Directors

The names of each person holding the position of director of the Company during the financial year or as at the date of this report are as follows:

Directors:

- Paul Dominic O'Sullivan (Chairman);
- John Arthur (appointed 3 October 2023);
- Lim Cheng Cheng;
- Michael Venter (appointed 21 November 2023);
- Robin Kelly Bayer (resigned 20 November 2023); and
- Yuen Kuan Moon.

Details of key management personnel compensation are set out in Note 24.

Apart from the details disclosed in this note, no director has entered into a contract with the Company or the Group since the end of the previous financial year and there were no contracts involving director's interests existing at reporting date.

From time to time, directors of the Company or of its controlled entities or their director-related entities may purchase goods or services from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers and are trivial or domestic in nature.

NOTE 26. RELATED PARTIES (Continued)

Joint ventures and joint operations
Details of interest in joint ventures are set out in Note 22. Details of interest in joint operations are set out in Note 23. The Group incurred certain costs as agent for joint ventures and was reimbursed those costs.

	2024 $000	2023 $000
Shareholder related entities		
The aggregate amounts brought to account in respect of the following types of transactions with shareholder related entities were:		
International outpayments expense	35,484	35,484
International inpayments revenue	13,098	10,175
Information technology and consultancy expense	73,160	73,030
Lease payments	117,871	99,753
Interest expense	66,657	62,702
All transactions were with entities related to Singapore Telecommunications Limited and were at normal commercial terms and conditions and at market rate.		
The aggregate amounts receivable at reporting date from shareholder related entities were:		
Trade debtors - for international inpayments	3,958	5,427
Other debtors	2,855	2,357
Due from parent	4,233,174	3,925,604
The aggregate amounts payable at reporting date to shareholder related entities were:		
Trade creditors - for international outpayments	17,779	10,418
Other creditors	808	594

The above receivables and payables are in respect of transactions with entities related to Singapore Telecommunications Limited.

NOTE 27. DEED OF CROSS GUARANTEE

The Company and certain wholly owned controlled entities are parties to a deed of cross guarantee under which each Company guarantees the debts of the others. By entering into the deed, the controlled entities have been relieved from the requirements to prepare a financial report and directors reports under class order 2016/785 issue by the Australian Securities and Investments Commission.

The controlled entities subject to the Deed are:

Alpha West Holdings Pty Limited
Alphawest Pty Limited
Alphawest Services Pty Ltd
Amaysim Mobile Pty Limited
Eastpoint IP Pty Limited
Ensyst Pty Limited
Optus Administration Pty Limited
Optus ADSL Pty Limited
Optus Billing Services Pty Limited
Optus C1 Satellite Pty Limited
Optus Content Pty Limited
Optus Data Centres Pty Limited
Optus Finance Pty Limited
Optus Fixed Infrastructure Pty Limited
Optus Internet Pty Limited
Optus Mobile Investments Pty Limited
Optus Mobile Migrations Pty Limited
Optus Mobile Pty Limited
Optus Networks Pty Limited
Optus Retailco Pty Limited
Optus Satellite Network Pty Limited
Optus Satellite Pty Limited
Optus Smart Space Pty Limited
Optus Space Systems Pty Limited
Optus Systems Pty Limited
Optus Vision Pty Limited
Optus Wholesale Pty Limited
Prepaid Services Pty Limited
Reef Networks Pty Ltd
Sibalo Pty Limited
Ue Access Pty Limited
Uecomm Operations Pty Limited
Uecomm Pty Limited
Vaya Communications Pty Limited
Vaya Pty Limited
Vividwireless Group Ltd

Below is a condensed consolidated statement of comprehensive income for the financial year ended 31 March 2024 for the closed group comprising the Company and those subsidiaries that are a party to the Deed, after eliminating all transactions between those parties.

	2024 $m	2023 $m
Total revenue and other income	**8,204**	**8,178**
Expenses	(6,804)	(6,049)
Depreciation and amortisation	(1,817)	(1,804)
Finance costs	(260)	(213)
Loss before income tax expense	**(677)**	**(112)**
Income tax credit	196	30
Loss after tax	**(481)**	**(82)**
Other comprehensive income	**4**	**24**
Total comprehensive loss	**(477)**	**(58)**

NOTE 27. DEED OF CROSS GUARANTEE (continued)

A consolidated statement of financial position as at 31 March 2024 for the closed group comprising the Company and those subsidiaries that are a party to the Deed, after eliminating all transactions between those parties, is set out below:

	2024 $m	2023 $m
Statement of financial position		
Current assets		
Cash and cash equivalents	51	98
Trade and other receivables	3,649	1,562
Inventories	163	205
Derivative financial instruments	15	21
Other current assets	345	368
Total current assets	**4,223**	**2,254**
Non-current assets		
Trade and other receivables	2,907	4,610
Investments in joint venture entities	17	21
Property, plant and equipment	7,582	7,879
Right-of-use assets	2,009	2,052
Telecommunication licences	976	976
Intangible assets	1,975	2,058
Derivative financial instruments	45	39
Deferred tax assets	13	-
Other non-current assets	267	238
Total non-current assets	**15,791**	**17,873**
Total assets	**20,014**	**20,127**
Current liabilities		
Trade and other payables	2,994	3,020
Borrowings	471	961
Derivative financial instruments	3	5
Provisions	263	252
Total current liabilities	**3,731**	**4,238**
Non-current liabilities		
Trade and other payables	297	333
Borrowings	6,149	5,006
Deferred tax liabilities	-	153
Derivative financial instruments	77	112
Provisions	56	61
Total non-current liabilities	**6,579**	**5,665**
Total liabilities	**10,310**	**9,903**
Net assets	**9,704**	**10,224**
Shareholders' equity		
Contributed equity	5,317	5,317
Reserves	8	3
Retained profits	4,379	4,904
Total equity	**9,704**	**10,224**

NOTE 28. PARENT ENTITY

	2024 $m	2023 $m
Assets		
Current assets	391	391
Non-current assets	852	852
Total assets	1,243	1,243
Liabilities		
Current liabilities	50	50
Total liabilities	50	50
Net assets	1,193	1,193
Equity		
Issued capital	5,317	5,317
Accumulated losses	(4,124)	(4,124)
Total equity	1,193	1,193
Profit for the year (dividend income)	-	3
Total comprehensive income for the year	-	3

The Company did not pay a dividend to its sole shareholder during the year (2023 nil). No other dividends have been paid or declared by the Company during or since the end year.

The company has no contingent liabilities as at 31 March 2024 (2023 nil).

NOTE 29. EVENTS SUBSEQUENT TO REPORTING DATE

Financing arrangements

On 19 June 2024, Singapore Telecom Australia Investments Pty Limited (STAI) (the holding company of Singtel Optus Pty Limited) partially settled the loan owing to the Group. The receipt of $1,476 million applied against the loan receivable from STAI (refer to Note 6) was in turn utilised to fund a mobile spectrum payment obligation paid to the Australian Communications and Media Authority (ACMA) on the 24 June 2024.

Legal proceedings

The ACMA filed proceedings in the Federal Court of Australia against Optus Mobile Pty Limited ("Optus Mobile") in May 2024 in relation to the cyber attack in September 2022. The ACMA alleges a breach of the Australian Telecommunications (Interception and Access) Act 1979 (Cth) on the basis that Optus Mobile failed to protect the confidentiality of personally identifiable information of its customers from unauthorised interference or unauthorized access. Optus Mobile intends to defend these proceedings.

Commercial agreements

In April 2024, the Group signed an agreement with TPG Telecom Limited to create a regional Multi-Operator Core Network (MOCN). The Group expects to receive total service fees of approximately $1.6 billion over the 11-year term of the agreement with incremental cash flows of approximately $900 million expected over the same period.

In June 2024 Services Australia signed a contract with Optus Networks Pty Limited (wholly owned subsidiary of the Group) to deliver customer contact management services, including contact centre services, fixed voice services, and operational and support services. The initial term of the contract is 6 years, after which Services Australia may exercise extension options.

There have been no other events subsequent to the financial year up to the date of this report that may significantly affect the Company's operations, results or state of affairs in future financial years.

DIRECTORS' DECLARATION

1. In the opinion of the directors of Singtel Optus Pty Limited:

   (a) the financial statements and notes are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the financial position of the Group as at 31 March 2024 and of its performance, as represented by the results of its operations and cash flows, for the financial year ended on that date;

   (ii) complying with Australian Accounting Standards and the Corporations Regulations; and

   (iii) complying with International Financial Reporting Standards, as stated in Note 2 to the financial statements; and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. There are reasonable grounds to believe that the Company and the subsidiaries identified in Note 27 will be able to meet any obligations or liabilities to which they are or may become subject by virtue of the Deed of Cross Guarantee between the Company and those subsidiaries pursuant to in ASIC Corporations (Wholly owned Companies) Instrument 2016/785 dated 24 March 2016 and individual order under subsection 340(1) of the Corporations Act 2001 dated 28 March 2007.

Signed in accordance with a resolution of the directors made pursuant to s248A of the Corporations Act 2001:

Michael Venter
Director
Sydney

31 July 2024

KPMG

Independent Auditor's Report

To the shareholder of Singtel Optus Pty Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Singtel Optus Pty Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group***'s financial position as at 31 March 2024 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 31 March 2024
- Consolidated statement of profit or loss, Consolidated statement of other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including material accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG

Other Information

Other Information is financial and non-financial information in Singtel Optus Pty Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

KPMG

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our Auditor's Report.

KPMG

KPMG

Kevin Leighton

Partner

Sydney

31 July 2024

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

SINGTEL OPTUS PTY LIMITED

ACN 052 833 208

ANNUAL REPORT

31 MARCH 2023

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DIRECTORS' REPORT

The directors present their report on the consolidated entity ("Optus", the "Group"), consisting of Singtel Optus Pty Limited (the "Company", "SOPL") and its controlled entities, for the financial year ended 31 March 2023 (the "financial year").

Directors

The directors in office at any time during or since the end of the financial year are:

- Paul Dominic O'Sullivan;
- Robin Kelly Bayer;
- Lim Cheng Cheng and
- Yuen Kuan Moon.

Principal activities

The principal activity of the Group during the financial year was the provision of telecommunications services principally within Australia. There was no significant change in the nature of that activity during the financial year.

Review of operations

The Group had a loss before tax from ordinary activities of $105 million (2022: profit before tax of $118 million). The loss was primarily due to a cyber attack (see below) and the associated provision for associated costs. Total revenue and other income for the year increased by 3% to $8,178 million (2022: $7,953 million).

After an income tax credit of $26 million (2022: expense of $1 million), the net loss amounted to $79 million (2022: net profit of $117 million).

Cash capital expenditure for the year was $1,499 million (2022: $1,568 million). The ratio of cash capital expenditure to total revenue was 18.3% (2022: 19.7%).

Changes in state of affairs

Cyber Attack

During September 2022 Optus experienced a cyber attack that resulted in a data breach, that compromised certain personal information of some current and former customers, but did not impact the operation of Optus' systems or its telecommunications network or services.

The cyber attack was reported to the relevant Australian authorities and is the subject of several ongoing regulatory investigations. At this stage, the outcomes of these matters are not determinable.

Sale of Optus Insurance

On 29 July 2022 the company sold its insurance business Optus Insurance Services Pty Ltd (OIS) to Likewize Olive Intermediate Holdings Pty Ltd (Likewize) with a view to bring existing insurance products to a close, in favour of a new upgrade and replacement product.

The full consideration for the sale of the 100% equity shares in OIS has been received from Likewize and the gain on the sale was recognised as other income.

In the opinion of the directors, other than the matters described above there were no significant changes in the state of affairs of the Group during the financial year.

Environmental regulations

Optus' operations are subject to environmental regulations under both Commonwealth and State legislation. In particular, Optus is subject to the requirements of the Telecommunications Act 1997 and Telecommunications Code of Practice 2018, and in certain circumstances, Optus may also be subject to a range of State and Territory planning and environmental laws.

Optus has established an Environmental Management System ("EMS") to ensure compliance with current regulations and any new regulations enacted. It identifies the criteria for environmental assessment and the performance measures to be applied to those criteria. The EMS outlines pre-construction assessment procedures and construction environmental management plan requirements in addition to post-construction auditing and monitoring.

A process of initial assessment, environmental review and construction supervision, with subsequent and continued environmental auditing is in place to ensure the Company fully meets its obligations under the current legislation. After making due inquiries, the directors are not aware of any material breaches of environmental regulations during the financial year.

Dividends

The Company did not pay or declare a dividend to its sole shareholder (Singapore Telecom Australia Investments Pty Limited) in the year ended 31 March 2023 (2022: nil). No other dividends have been paid or declared by the Company during or since the end of the financial year.

Subsequent events

Financing arrangements

Subsequent to year end, on 12 April 2023, Optus through its wholly owned subsidiary, Optus Finance Pty Limited (Optus Finance), issued an AUD 100 million 5-year fixed rate Sustainability-Linked Bond (SLB). The Notes will mature on 12 April 2028 and carry a coupon of 4.577%.

On 21 April 2023, a class action was filed against Optus, which is further detailed in Note 21 of the consolidated financial statements.

Optus Finance Pty Limited (Optus Finance), has priced HKD 1.5 billion 10-year fixed rate Notes which have been issued on 7 June 2023. The fixed rate Notes will be denominated in Hong Kong dollars, will carry a coupon of 4.635% per annum and will be drawn down under Optus Finance's EUR3 billion Euro Medium Term Note Programme. The Notes will mature on 7 June 2033.

In July 2023, Optus entered into a committed AUD 300m Bilateral Committed Revolving Facility with DBS maturing in March 2028. This will be subject to a negative pledge that requires the Company and other controlled entities to maintain certain financial ratios.

There have been no other events subsequent to the financial year up to the date of this report that may significantly affect the entity's operations, results or state of affairs in future financial years.

Likely developments

Comments on likely developments in the operations and expected results of Optus are included in the public announcements of Singapore Telecommunications Limited, the intermediate parent entity, and other media releases to the Australian market.

In the opinion of the directors, disclosure of any further information on likely developments in operations would be prejudicial to the interests of the Group.

Options

There are no unissued shares or interests under option as at the date of this report, and there were no shares or interests issued, during or since the end of the financial year, as a result of the exercise of an option over unissued shares or interests.

Officers' indemnities and insurance

The Company's constitution provides for the Company, to the extent permitted by law, to indemnify every person who is or has been a director, secretary or executive officer of the Company against any liability incurred by that person as an officer of the Company, unless the liability arises out of conduct that involved a lack of good faith or was contrary to the Company's expressed instructions.

The constitution also provides that, to the extent that any director or officer is not indemnified by any director and officer liability insurance, the Company indemnifies every director and officer against any liability for costs and expenses incurred by that person in their capacity as a director or officer of the Company:

a) in defending any proceedings in which judgement is given in favour of or results in the acquittal of the person; or
b) the Court grants relief to the person in connection with an application made under the Corporations Law.

The Company has previously entered into deeds of indemnity on the same terms as provided by the constitution with a number of former directors of the Company and their alternates.

Under the terms of the deeds of indemnity, and to the extent permitted by law and notwithstanding any changes to the constitution, the Company must, for a period of seven years after the director ceased to hold office, maintain in full force and effect and pay the premium on a directors' and officers' policy of insurance for the director that is on terms no less generous than those terms applying at the time the director left office or, if there is no policy, on terms of such policies typically maintained by other companies similar to the Company.

During the financial year, a controlled entity paid insurance premiums in respect of contracts insuring all directors and executive officers of the Company and its controlled entities against a liability arising as a result of work performed in their capacity as directors or officers of the Company and its controlled entities.

The names of the directors of the Company that are covered by these insurance policies are detailed on page 2 of this report.

The insurance policies prohibit disclosure of the premiums paid in respect of those policies, and the nature of the liabilities insured by the policies.

Since the end of the previous financial year, the Group has not indemnified or made a relevant agreement for indemnifying against a liability towards the auditor of the Group.

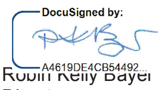
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instruments 2016/191 dated 24 March 2016. In accordance with that Corporations Instrument amounts in the directors' report and the financial report have been rounded off to the nearest million dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors made pursuant to s298 (2) of the Corporations Act 2001.



Robin Kelly Bayer
Director
Sydney

31 July 2023

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Singtel Optus Pty Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Singtel Optus Pty Limited for the financial year ended 31 March 2023 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Kevin Leighton

Partner

Sydney

31 July 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	31 March 2023 $m	31 March 2022 $m
Operating revenue	4	7,949	7,733
Other income	4	229	220
Total revenue and other income	4	**8,178**	**7,953**
Expenses	4	(6,266)	(5,818)
Depreciation and amortisation	4	(1,804)	(1,820)
Finance costs	4	(213)	(197)
(Loss) / profit before income tax expense		**(105)**	**118**
Income tax credit / (expense)	5	26	(1)
(Loss) / profit after tax		**(79)**	**117**

The consolidated statement of profit or loss is to be read in conjunction with the notes to the consolidated financial statements as set out on pages 10 to 54.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Notes	31 March 2023 $m	31 March 2022 $m
(Loss) / profit after tax		**(79)**	**117**
Other comprehensive income / (loss) Items that may be reclassified to the income statement in subsequent years:			
Cash flow hedges			
-Fair value changes during the year – gross		113	(12)
-Fair value changes during the year - tax impact		(34)	4
-Fair value changes during the year - net of tax		79	(8)
-Fair value changes transferred to income statement – gross		(79)	25
-Fair value changes transferred to income statement - tax impact		24	(8)
-Fair value changes transferred to income statement - net of tax		(55)	17
Total other comprehensive income		24	9
Total comprehensive (loss) / profit for the year		**(55)**	**126**

The consolidated statement of other comprehensive income is to be read in conjunction with the notes to the consolidated financial statements set out on pages 10 to 54.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 March 2023 $m	31 March 2022 $m
Current assets			
Cash and cash equivalents		98	726
Receivables and contract assets	6	1,661	1,695
Inventories	7	205	137
Derivative Financial Instruments	20	21	-
Other assets	8	368	356
Assets held for sale	12	-	38
Total current assets		**2,353**	**2,952**
Non-current assets			
Receivables and contract assets	6	4,659	4,406
Investments in joint venture entities	23	21	21
Property, plant and equipment	9	7,879	7,513
Right-of-use assets	10	2,052	1,995
Telecommunication licences		976	976
Intangible assets	11	2,059	2,229
Derivative financial instruments	20	39	20
Other assets	8	232	232
Total non-current assets		**17,917**	**17,392**
Total assets		**20,270**	**20,344**
Current liabilities			
Payables and contract liabilities	13	3,124	3,258
Borrowings	14	961	1,240
Derivative financial instruments	20	5	14
Provisions	16	252	119
Liabilities held for sale	12	-	7
Total current liabilities		**4,342**	**4,638**
Non-current liabilities			
Payables and contract liabilities	13	333	196
Borrowings	14	5,006	4,791
Deferred tax liabilities	5	91	104
Derivative financial instruments	20	112	129
Provisions	16	61	106
Total non-current liabilities		**5,603**	**5,326**
Total liabilities		**9,945**	**9,964**
Net assets		**10,325**	**10,380**
Equity			
Contributed equity	17	5,317	5,317
Cash flow hedge reserve		4	(20)
Retained profits		5,004	5,083
Total equity		**10,325**	**10,380**

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated financial statements set out on pages 10 to 54.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Fully paid ordinary shares (Note 17) $m	Cashflow hedge reserves (Note 18) $m	Retained profits $m	Total $m
Balance as of 1 April 2021	5,317	(29)	4,966	10,254
Profit after tax	-	-	117	117
Other comprehensive income for the year	-	9	-	9
Total comprehensive income for the year	**-**	**9**	**117**	**126**
Distributions to owners				
Dividends to equity holders	-	-	-	-
	-	**-**	**-**	**-**
Balance as of 31 March 2022	**5,317**	**(20)**	**5,083**	**10,380**
Balance as of 1 April 2022	5,317	(20)	5,083	10,380
(Loss) after tax	-	-	(79)	(79)
Other comprehensive income for the year	-	24	-	24
Total comprehensive income for the year	**-**	**24**	**(79)**	**(55)**
Distributions to owners				
Dividends to equity holders	-	-	-	-
	-	**-**	**-**	**-**
Balance as of 31 March 2023	**5,317**	**4**	**5,004**	**10,325**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial statements as set out on pages 10 to 54.

CONSOLIDATED STATEMENT OF CASH FLOWS

	2023 $m	2022 $m
Cash flows from operating activities		
(Loss) / profit before tax	(105)	118
Adjustments for:		
Depreciation and amortisation	1,804	1,820
Net finance costs	212	197
Change in receivables and contract assets	(43)	147
Change in current inventories	(68)	(1)
Change in other current assets	(12)	(4)
Change in other non-current assets	-	5
Change in payables and contract liabilities	(9)	56
Change in provisions	88	9
Income tax refund	4	23
Net cash inflow from operating activities	**1,871**	**2,370**
Cash flows from investing activities		
Interest received	5	1
Payment for property, plant and equipment	(1,499)	(1,568)
Disposal in subsidiaries	(1)	-
Proceeds from sale and lease back of assets	-	638
Advances made to parent entity	(177)	(97)
Payment for joint ventures	-	(16)
Payment for intangible assets	(106)	(145)
Net cash used in investing activities	**(1,778)**	**(1,187)**
Cash flows from financing activities		
Proceeds from borrowings	956	786
Repayments of borrowings	(339)	(1,926)
Proceeds from bond issue	-	299
Repayment of bonds	(808)	-
Proceeds for swap settlement on bond redemption	9	-
Payment of lease liabilities	(318)	(325)
Payment of interest on lease liabilities	(121)	(111)
Net interest paid on borrowings and swaps	(96)	(90)
Repayment of Indara Corporation Pty Ltd (formerly known as Australian Tower Network Pty Ltd) borrowing	-	482
Proceeds from sale and lease back of assets (additional financing)	-	323
Other	(4)	(1)
Net cash used in financing activities	**(721)**	**(563)**
Net (decrease) / increase in cash and cash equivalents	**(628)**	**620**
Cash and cash equivalents at the beginning of the financial year	726	106
Cash and cash equivalents at the end of the financial year	**98**	**726**

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated financial statements as set out on pages 10 to 54.

NOTE 1. CORPORATE INFORMATION

Singtel Optus Pty Limited is a private Company limited by shares. The Company is incorporated and domiciled in Australia and its registered office and principal place of business is 1 Lyonpark Road, Macquarie Park, New South Wales, Australia.

The Company's parent entity is Singapore Telecom Australia Investments Pty Limited, a wholly owned subsidiary of Singapore Telecommunications Limited ("Singtel") (incorporated in Singapore). The ultimate parent entity is Temasek Holdings (Private) Limited (incorporated in Singapore).

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial report is a general-purpose financial report which has been prepared on a going concern basis in accordance with Australian Accounting Standards, Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

The financial statements were approved by the Board of Directors on 31 July 2023.

The financial report includes the consolidated financial statements of Singtel Optus Pty Limited and its controlled entities.

The Company is a for profit company. All amounts are presented in Australian dollars.

Going Concern
The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern, whilst maximising the return to stakeholders through the optimisation of debt and equity. The Group's overall strategy remains unchanged from the previous financial year.

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realise it assets and discharge its liabilities in the normal course of business. In the year ended 31 March 2023, the Company experienced a cyber attack, and booked a provision of $140m to cover the associated costs, which contributed to the net loss after tax of $79m. The Company has net current liabilities, and management notes that liabilities include deferred revenue which does not require a cash outflow; the remaining liabilities will be settled using cashflow from operations.

Note 21 details Contingencies and Commitments of $1.5bn commitment due in June 2024. There are a variety of options available to fund this commitment, which include bond issuance, bank funding, operating cashflow as well as capital recycling within the Group. No information suggests that the funding required will not be obtained to meet this commitment, and the Directors therefore confirm that the going concern basis on which the financial statements have been prepared is appropriate.

Statement of compliance
Compliance with Australian Accounting Standards ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board.

Historical cost convention
This financial report has been prepared under the historical cost convention, except where otherwise stated.

Critical accounting estimates
The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Rounding
The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instruments 2016/191 dated 24 March 2016. In accordance with that Corporations instrument, amounts in the financial report have been rounded off to the nearest million dollars, unless otherwise stated.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Principles of consolidation

The consolidated accounts of the Group include the financial statements of the Company and its controlled entities.

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company has power over the entity, is exposed to, or has right to, variable return from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Where an entity either began or ceased to be controlled during the financial year, the results are included only from the date control commenced or up to the date control ceased.

Intercompany transactions, balances and unrealised gains and losses resulting from transactions with or between controlled entities are eliminated in full on consolidation. Investments in subsidiaries are accounted for at cost in the individual financial statements of the Company.

2.3 Operating revenue

Revenue is recognised when the Group satisfies a performance obligation by transferring control of a promised good or service to the customer. It is measured based on the amount of the transaction price allocated to the satisfied performance obligation, and are net of tax, rebates and discounts within the Group.

Infocomm technology projects (“ICT”) revenue is recognised over time on percentage of completion method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs as it depicts the Group’s effort in satisfying the performance obligation to transfer control, while invoicing is typically based on milestones. A contract asset is recognised for work performed. Any amount previously recognised as a contract asset is transferred to trade receivable upon invoicing to the customer. If the milestone payment exceeds the revenue recognised to date, then the Group recognises a contract liability for the difference.

When the Group has control of goods or services prior to delivery to a customer, the Group is the principal in the sale to the customer. If another party has control of goods and services prior to transfer to a customer, then the Group is acting as an agent for the other party and revenue is recognised net of any related payments. Revenue includes the gross income received and receivable from revenue sharing arrangements entered into with overseas telecommunication companies in respect of traffic exchanged.

For prepaid cards which have been sold, revenue is recognised based on usage. A contract liability is recognised for advance payments received from customers where services have not been rendered as at the end of the reporting period. Expenses directly attributable to the unearned revenue are deferred until the revenue is recognised.

Revenue from the sale of equipment (primarily handsets and accessories) is recognised upon the transfer of control to the customer or third-party dealer which generally coincides with delivery and acceptance of the equipment sold. Revenue from service contracts are recognised over the contract period as control passes to the customers as services are provided. Service revenue is also recognised based on usage (e.g. minutes of traffic/ bytes of data) and includes revenue from interconnection / roaming charges for usage of the Company’s network by other operators for voice, data, messaging and signalling services.

Contracts with customers generally do not include a material right or financing component. In cases where material rights are granted, a portion of the transaction price is deferred as a contract liability and is not recognised as revenue until this additional performance obligation has been satisfied or has lapsed. Incentives given to customers are recognised as a reduction from revenue in accordance with the specific terms and conditions of each contract. Non-refundable, upfront service activation and setup fees associated with service arrangements are deferred and recognised over the associated service contract period or customer life.

Equipment and services deliverable under bundled telecommunication contracts are identified as separate performance obligations to the extent that the customer can benefit from them on their own. The transaction price is allocated between equipment and services based on their relative standalone selling prices. The standalone selling prices are determined based on the list prices at which the Group sells the standalone equipment and for service-only contracts. Where standalone selling prices are not directly observable, estimation techniques are used. Services rendered beyond contracts are treated as separate contracts.

2.4 Other income

Other income consists of gains and income from activities not relating to the primary operations of the group. Income from service and network arrangements in terms of the provision of products, including transmission capacity as well as sublease income is recognised as other income.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Foreign currency

Functional and presentation currency
Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in Australian dollars, which is the Group’s functional and presentation currency.

Transactions
Foreign currency transactions are translated into Australian dollars at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges and other operations held at cost.

Translation of foreign joint ventures
Assets and liabilities of overseas joint ventures are translated at the rates of exchange at reporting date. Income and expenses are translated at a weighted average rate for the year. Exchange differences arising on translation of the net investment in foreign joint venture entities, and of the financial instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

2.6 Borrowing costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in arranging borrowings, and lease finance charges. Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets that generally take more than one year to get ready for their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of assets.

2.7 Income tax

The Group uses the balance sheet method of tax effect accounting. Income tax expense (or income) for the period is the tax payable (or receivable) on the current period's taxable loss (or income) adjusted by changes in deferred tax assets and liabilities attributable to amounts recognised as assets or liabilities, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the tax bases of those assets and liabilities, and for unused tax losses. The tax rates expected to apply when the assets are recovered or liabilities are settled, based on the tax rates which are enacted or substantively enacted for each jurisdiction, are applied to the cumulative amounts of deductible and assessable temporary differences to measure the deferred tax asset or liability.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation
With effect from 1 July 2002, the Company's parent entity, Singapore Telecom Australia Investments Pty Limited (the "Head Entity"), elected to consolidate the consolidated Group, comprised of the Company and its wholly owned controlled entities, in accordance with the Income Tax Assessment Act 1997.

The Company is a wholly owned subsidiary in a tax-consolidated group with Singapore Telecom Australia Investments Pty Limited as the head entity. The implementation date of the tax consolidation system for the tax-consolidated group was 1 July 2002.
Current tax expense (income), deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the ‘separate taxpayer within group' approach. Deferred tax assets and deferred tax liabilities are measured by reference to the carrying amounts of the assets and liabilities in the Company's balance sheet and their tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the Company are assumed by the head entity of the tax-consolidated group and are recognised as amounts payable (receivable) to other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below) Any difference between these amounts is recognised by the Company as an equity contribution from or distribution to the head entity.

The Company recognises deferred tax assets arising from unused tax losses to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the assets can be utilised. The Company assesses the recovery of its unused tax losses and tax credits only in the period in which they arise, and before assumption by the head entity, in accordance with AAS3 112 applied in the context of the tax-consolidated group. Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability are recognised by the head entity only.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Income tax (continued)

Nature of tax funding arrangement and tax sharing agreements
The Company, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability (asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the Company recognising an inter-entity payable (receivable) equal in amount to the tax liability (asset) assumed. The inter-entity payable (receivable) is at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The Company, in conjunction with other member of the tax-consolidated group, has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

2.8 Cash and cash equivalents

Cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity and are readily convertible to cash on hand and are subject to insignificant risk of changes in value.

2.9 Contract Assets

Where revenue recognised in respect of a customer contract exceeds the amount received or receivable from a customer, a contract asset is recognised. Contract assets arise from bundled telecommunications contracts where the control of equipment passes to the customer at the point of delivery and acceptance of equipment however, it is invoiced with monthly bundled services, which are delivered over time. They also arise from infocomm technology contracts where performance obligations are delivered over time however, invoicing is as per contract terms i.e. based on milestone. Contract assets are transferred to trade receivables when the consideration for performance obligations is billed. Contract assets are subject to impairment review for credit risk in accordance with the expected loss model.

2.10 Contract Costs

Contract costs such as sales commission directly attributed to acquiring a customer's contract are capitalised in the statement of financial position and amortised as operating expenses over the contract period or expected customer relationship period if the amortisation period is one year or less, the incremental costs of obtaining a contract is recognised as an expense when incurred. Capitalised contract costs are included in "other assets" depending on the period over which the economic benefits from these assets are expected to be received.

2.11 Receivables

Trade and other receivables, including contract assets are initially recognised at fair values and subsequently measured at amortised cost using the effective interest method, less an allowance for expected credit loss ("ECL").

The Group applied the 'simplified approach' for determining the allowance for ECL, where lifetime ECL are recognised from initial recognition of the receivables and contract assets. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of the receivable. When determining the allowance for ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information based on the Group's historical experience and forward-looking information as applicable. Loss events include financial difficulty or bankruptcy of the debtor, significant delay in payments and breaches of contracts.

Trade and other receivables are written off against the allowance for ECL when there is no reasonable expectation of recovery. Subsequent recoveries of amounts previously written off are recognised in the income statement.

2.12 Inventories

Finished goods include handsets, devices and accessories and are stated at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at the statement of financial position date using the weighted average cost. Costs comprise of purchase price and expenditure that is directly attributable to the acquisition of the handsets after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business and the estimated costs necessary to make the sale.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Impairment of assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that were previously impaired are reviewed for possible reversal of the impairment at each reporting date.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 an asset's fair value less costs to sell and value-in-use.

In assessing value-in-use, the estimated future cash flows are discounted to their present value at a discount rate reflecting the relevant weighted average cost of capital and asset specific risks.

2.14 Investments in subsidiaries

Investments in controlled entities are carried at the lower of cost and recoverable amount. Dividends and distributions are brought to account in the income statement of the Company when they are declared by the controlled entities.

2.15 Joint arrangements

Investments in joint arrangements are classified as either joint ventures or joint operations. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint Ventures
A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. 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 control.

In the consolidated financial statements, investments in joint ventures are accounted for using equity accounting principles. Investments in joint ventures are carried at the lower of the equity accounted amount and recoverable amount.

The Group's share of a joint venture's net profit or loss after tax is recognised in the consolidated income statement. Other movements in reserves are recognised directly in consolidated reserves. Adjustments are made, where practicable, to the profit or loss and the reserves of joint ventures to achieve consistency with the Group's accounting policies, and to eliminate unrealised profits and losses on transactions between the Group and joint ventures.

Joint operations
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. 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 control.

The Group's interest in joint operations is brought to account by including its interest in the following amounts in the appropriate categories in the consolidated statement of financial position and consolidated statement of profit or loss:

- Each of the individual asset categories employed in the joint operations.
- Liabilities incurred by the Group in relation to the joint operations and the liabilities for which it is jointly or severally liable; and
- Revenue derived from, and expenses incurred in relation to the joint operations.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Property, plant and equipment

All classes of property, plant and equipment are stated at cost. An asset's carrying value is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Items of property, plant and equipment, including buildings and Leasehold improvements but excluding freehold land, are depreciated or amortised using the straight-line method over their estimated useful lives to an estimated residual value. The depreciation rates used for each asset class, for the current and previous financial years, are as follows:

Freehold buildings	5 to 40 years
Leasehold improvements	Shorter of 25 years or lease term
Plant and equipment	2 to 25 years

These useful lives are reviewed annually. They are estimated based on the period of time over which the future economic benefits embodied in the depreciable assets are expected to be consumed by the Group.

Assets are depreciated or amortised from the date the asset is available for use, in respect of internally constructed assets from the month the asset is completed and held ready for use.

Capital work-in-progress is stated at cost and not depreciated. The costs of assets constructed or internally generated by the Group include the cost of materials and direct labour. Directly attributable overhead and other incidental costs are also capitalised to the asset. Borrowing costs are capitalised to qualifying assets. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

2.17 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lessee accounting
The Group is a lessee mainly for mobile base stations, central offices, properties and other network related assets.
At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group implements a single accounting model where lessees recognise right-of-use assets and lease liabilities for all leases. The Group accounts for short-term leases, i.e. leases with terms of 12 months or less, as well as low-valued assets as operating expenses in the income statement over the lease term.

A right-of-use asset and a lease liability are recognised at commencement date of the contract for all leases conveying the right to control the use of identified assets for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

Renewal and termination options exercisable by the Group are included in lease terms across the Group if the Group is reasonably certain that they are to be extended (or not terminated). The Group has considered renewal and termination options based on the economic benefits derived.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

After the commencement date, the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

Depreciation is calculated using the straight-line method over the shorter of the asset's useful life or the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the Group's incremental borrowing rate or the rate implicit in the lease.

After the commencement date the Group measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability.
- reducing the carrying amount to reflect lease payments made; and
- re-measuring the carrying amount to reflect any reassessment or lease modifications.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-to-use assets and lease liabilities for leases of low-value and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Leases (continued)

Lessor accounting
The Group is a lessor mainly for property.

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for a major part of the economic life of the asset.

Finance leases are leases of assets where substantially all the risks and rewards incidental to ownership of the assets are transferred by the Group to the lessees. Receivables under finance leases are presented in the statement of financial position at an amount equal to the net investment in the leases and the leased assets are derecognised. Finance income is allocated using a constant periodic rate of return on the net investment over the lease term.

Operating leases are leases where the Group retains substantially all the risks and rewards of ownership of the assets. Income from operating leases is recognised on a straight-line basis over the lease terms as the entitlement to the fees accrues. The leased assets are included in the statement of financial position as property, plant and equipment.

Intermediate lessor
The Group as an intermediate lessor, accounts for a head lease and a sublease as two separate contracts. The sublease transaction is accounted as either finance lease or operating lease by reference to the right-of-use asset arising from the head lease. Leasing transactions with customers are accounted as operating or finance leases by reference to the head lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other' income.

Sale and Leaseback
Sale according to AASB 15
If the sale qualifies as a sale according to AASB 15 then:
(i) de-recognise the underlying asset; and
(ii) recognise a right-of-use asset equal to the retained portion of the net carrying amount of the asset.

Sale not according to AASB 15
If the sale does not qualify as a sale according to AASB 15, the goods transferred remain on balance sheet and a financial liability equal to the disposal price (received from the buyer-lessor) is recognised.

The Group classifies cash flows relating to the right transferred as investing activities and those relating to the rights retained as financing activities.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Intangible assets

Goodwill
Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of identifiable net assets, including identifiable intangible assets and contingent liabilities, at the date of acquisition.

Goodwill is stated at cost less accumulated impairment losses. The unamortised balance of goodwill is tested for impairment annually or more frequently, if events or changes in circumstances indicate that it might be impaired.

Telecommunication licences
Telecommunication licences are carried at cost. The licences were originally granted to the Group 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. The cancellation conditions are such that the directors believe that cancellation is highly unlikely. The directors believe that there were inherent benefits of the licences granted in 1991 that are unique to the Group as the second licence carrier under the Federal Government's deregulation policy. These benefits continue post deregulation of the telecommunications industry and are not available to other new licence holders since 1 July 1997. Accordingly, the directors believe that the lives of these assets are indefinite.

As a result of the adoption of the revised accounting standard AASB 1020 Income Taxes in 2002, the consolidated entity has recognised an additional deferred tax liability of $292.9 million. Under the revised standard, this liability, related to the telecommunication licences, existed at the date of acquisition of the licences. In consequence, the carrying amount of the licence has been increased by that amount, refer to Note 5.

Telecommunication licences are not amortised and are reviewed for impairment on at least an annual basis.

Spectrum licences
Digital mobile spectrum licence fees are carried at cost and amortised on a straight-line basis over the shorter of the licence term and the period of expected benefits, which range from 1 year to 18 years. Amortisation commences when the spectrum, and associated plant and equipment, are completed and held ready for use.

Deferred expenditure
Deferred expenditure, primarily representing co-location access charges, is stated at cost less accumulated amortisation and accumulated impairment losses. The amortisation is over 20 years.

Software-as-a-Service (SaaS) arrangements
SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred for SaaS arrangements are expensed as incurred.

Brand name
Brand names acquired in a business combination are initially recognised at fair value. Brand names have an indefinite useful life as there is no foreseeable limit to the period over which it is expected to generate cash flows.

Subscriber relationships
Subscriber relationships acquired as part of a business combination are initially measured at fair value. They are subsequently measured at cost less accumulated amortisation and any impairment losses. Amortisation is calculated based on the average tenure of the subscriber relationship with the Group.

2.19 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss Is allocated to inventories, financial assets, deferred tax assets, or employee benefit assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in the profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Contract Liabilities

Where the amount received or receivable from a customer exceeds the revenue recognised for a contract, a contract liability is recognised. Contract liabilities or advance billings are recognised as revenues when the Group transfers control of the related goods or services to the customer. Contract liabilities arise from telecommunication service contracts and prepaid services where the customer makes payment prior to control passing. They also arise from contracts where invoicing occurs prior to the performance obligations being delivered. Contract liabilities are transferred to revenue when control of the goods and or services are transferred to the customer.

2.21 Payables

Trade and other payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

2.22 Borrowings

Bank borrowings and bonds are initially recognised at fair value, net of transaction costs incurred. These are subsequently measured at amortised cost using the effective interest method.

2.23 Employee entitlements

Wages and salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long service leave
Liability for long service leave is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bond rates with terms to maturity and currency that match, as closely as possible, to the estimated future cash outflows.

Superannuation fund
The Group contributes to defined contribution superannuation funds. These contributions include superannuation guarantee contributions and additional contributions made under employee remuneration arrangements. Contributions are charged against the income statement as they are incurred.

Equity-based benefits
The Group's parent, Singapore Telecommunications Limited (Singtel), has made awards to certain employees under its Share Plans (“Plans”). Participants in the Plans will receive fully paid ordinary shares of Singtel free of charge, the equivalent in cash, or combinations thereof, provided that certain prescribed performance targets or vesting conditions are met within a prescribed performance period. The performance period for the awards is three - five years. At the end of the performance period, Singtel will determine the number of Singtel shares to be allocated to each participant or category of participants based on the level of attainment of the performance targets or vesting conditions. Awards under the Plans will lapse if the employee ceases employment during the vesting period of three - five years. The Group expects to pay for shares to be acquired and transferred to employees in satisfaction of these awards.

Where the Group grants equity instruments of Singtel directly to its employees, the Group has accounted for the arrangement as cash-settled in its own financial statements. The fair value of cash-settled awards is initially measured at grant date, taking into account both market and non-market vesting conditions. The fair value is recognised as an employee benefit expense with a corresponding increase in liabilities. The fair value is then re-measured at each reporting date, with changes in the liability also recognised as an employee benefit expense.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured to their fair values at each reporting date. Details of balances are included in Note 20.

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 the fair value of a derivative financial instrument are recognised immediately in the income statement unless they qualify for hedge accounting.

Hedge accounting
At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at inception and ongoing, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument.
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of the hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward currency contract (i.e. including the forwards elements) as the hedging instrument for all its hedging relationships involving forward currency contracts.

Fair value hedge
Derivative financial instruments that qualify for fair value hedge accounting are initially recognised at fair value on the date that the contract is entered into. Changes in fair value of derivatives are recorded in the income statement together with any changes in the fair value of the hedged items that are attributable to the hedged risks.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised in the income statement from that date.

Cash flow hedge
The effective portion of changes in the fair value of the derivative financial instruments that qualify as cash flow hedges are recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in the cash flow hedge reserve are transferred to the income statement in the periods when the hedged items affect the income statement.

However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gain or loss previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect 'Other Comprehensive Income'. Furthermore, if the Group expects some or all the loss accumulated in "Other Comprehensive Income' will not be recovered in the future, that amount is immediately reclassified to the income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is 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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Fair Value Estimation of Financial Instruments

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

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

Bank balances, receivables and payables, current borrowings
The carrying amounts approximate fair values due to the relatively short maturity of these instruments.

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 are 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.

2.26 Goods and services tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax (“GST”), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (“ATO”). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the GST amount included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities that are recoverable from, or payable to, the ATO are classified as operating cash flows.

2.27 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the statement of financial position date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Onerous contracts
Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 Provisions (continued)

Restructurings
Provisions are recognised when the Group has developed a detailed formal plan for the restructuring and has either:

- entered into formal contracts to carry out the restructuring; or
- raised a valid expectation in those affected by the restructuring that the restructuring will occur.

Contingencies
A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and for which fair values can be reliably determined.

2.28 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquisition over the fair value of the net identifiable assets acquired is recorded as goodwill.

2.29 Parent entity financial information

The financial information for the parent entity, SOPL, disclosed in Note 29 has been prepared on the same basis as the consolidated financial statements.

2.30 New accounting standards and interpretations

Management considered all new accounting standards, interpretations and amendments. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Accounting Standards and Interpretations issued but not yet effective
Australian Accounting Standards and Interpretations that are issued, but are not yet effective, up to the date of issuance of the Group's financial statements are not expected to have a significant impact on the preparation of the Group's financial statements. The Group intends to adopt these standards, as applicable, when they become effective.

New, revised or amended Accounting Standards and Interpretations
A number of new standards are effective from 1 January 2023. These standards do not have a material impact to the Group's financial statements.

NOTE 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The following are the critical accounting estimates and judgements that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

3.1 Expected credit loss of receivables and contract assets

At each reporting date, the Group assesses whether receivables and contract assets are credit impaired. Probability of default constitutes a key input in measuring the ECL. It is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The exposure to credit risk for receivables and contract assets is disclosed in Note 6.

3.2 Impairment of goodwill and intangibles

In accordance with the accounting policy in relation to intangible assets, goodwill and intangible assets with indefinite life are subject to an annual impairment review. In making this impairment assessment, the Group evaluates the value-in-use using cash flow projections which have been discounted at an appropriate rate. These calculations require the use of assumptions.

Forecasts of future cash flows are based on the Group's estimates using historical industry trends, general market and economic conditions, changes in technology and other available information. Refer to Note 11 for details of the key assumptions.

3.3 Estimated useful lives of property, plant and equipment and intangibles

The Group reviews annually the estimated useful lives of property, plant and equipment and intangibles based on factors such as business plans and strategies, expected levels 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 referred to above. A reduction in the estimated useful lives would decrease the carrying value of property, plant and equipment or intangibles.

3.4 Revenue recognition

The application of AASB 15 requires the Group to exercise judgement in identifying distinct or non-distinct performance obligations. For bundled telecommunications contracts, the Group is required to estimate the standalone selling prices of performance obligations, which materially impacts the allocation of revenue between performance obligations. Where the Group does not sell equivalent goods or services in similar circumstances on a standalone basis, it is necessary to estimate the standalone selling price. Changes in estimates of standalone selling prices can significantly influence the allocation of the transaction price between performance obligations. When estimating the standalone selling price, the Group maximises the use of observable inputs.

The assessment of whether the Group presents operating revenue as the principal, or net after deduction of costs as an agent, is a matter of judgement which requires an analysis of both the legal form and the substance of contracts. Depending on the conclusion reached, there may be differences in the amounts of revenues and expenses, though there is no impact on profit.

Contract costs are amortised over the contract period or the expected customer relationship period.

The accounting policies for revenue recognition are stated in Note 2.

3.5 Leases

Key assumptions include lease terms and discount rates on the lease payments.

In determining the lease term, the Group considers all relevant facts and circumstances that create an economic incentive for the Group to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the Group is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

The lease payments are discounted using the rate implicit in the lease or the Group's incremental borrowing rate. This requires the Group to estimate the rate of interest that it would have to pay to borrow the funds to obtain a similar asset over a similar term.

Changes in these assumptions may significantly impact the measurement of the lease liabilities.

The accounting policies for leases are stated in Note 2.

NOTE 4. INCOME STATEMENT

	2023 $m	2022 $m
(Loss) / Profit before income tax has been arrived at after including:		
Operating revenue		
Equipment revenue	1,600	1,451
Service revenue	5,551	5,417
Infocomm and Technology ("ICT") revenue	570	549
Interconnect revenue	207	225
Handset operating lease revenue	-	14
Handset Insurance revenue	21	77
	7,949	7,733
Other income		
Income from service and network arrangements	104	103
Interest received or due and receivable	5	1
Other	120	116
	229	220
Total revenue and other income	**8,178**	**7,953**
Revenue recognised in the reporting periods that was included in the contract liabilities balance at the beginning of the year.	424	389
Contracts with consumers typically range from a month to 3 years, and contracts with enterprises typically range from 1 to 3 years.		
Expenses		
Expenses from ordinary activities classified by nature are:		
Traffic expenses	1,173	1,227
Selling & administrative expenses	1,115	1,134
Amortisation of contract costs	116	104
Employee benefit expenses	1,207	1,162
Capitalisation of costs	(201)	(185)
Cost of equipment sold	1,487	1,351
Other direct cost	842	756
Repair and maintenance expenses	264	246
Lease expenses for short term leases	1	2
Lease expenses for low-value leases	2	3
Costs related to cyber attack	140	-
Disposal of goodwill	-	23
Others	120	(5)
	6,266	5,818
Depreciation and amortisation		
Depreciation of:		
Freehold buildings	17	14
Plant and equipment	1,239	1,270
Leasehold improvements	9	11
Right-of-use assets	307	295
Amortisation of:		
Deferred expenditure and subscriber relationship	48	50
Spectrum and other licences	184	180
	1,804	1,820

NOTE 4. INCOME STATEMENT (continued)

	Notes	2023 $m	2022 $m
Net finance costs			
Interest paid or due and payable:			
Bonds and borrowings		88	85
Lease liabilities		121	110
Unwinding of discounts		4	2
Total finance costs		213	197
Others			
(Loss) / profit before income tax includes the following specific expenses:			
Impairment of trade receivables and contract assets			
Amount provided		84	86
Bad debts recovered		(16)	(13)
Net expense for impairment of receivables and contract assets	6	68	73
Net expense from movements in other provisions:			
Employee entitlements		111	122
Inventories		(1)	(7)
Other		(4)	(2)
Total net expense from movements in other provisions		106	113

NOTE 5. INCOME TAX

	2023 $m	2022 $m
Income tax (credit) / expense		
Income tax (credit) / expense on (loss) / profit from ordinary activities before income tax calculated at 30% (2022: 30%).	(31)	35
Tax effect of amounts which are not deductible / (assessable) in calculating taxable income:		
Research and development claims	(2)	(2)
Share of joint ventures' tax	-	1
Disposal of network assets to Indara Corporation Pty Ltd (formerly known as Australian Tower Network Pty Ltd)	-	(37)
Other non-deductible items	3	6
*Prior year over provision / (under) provision	4	(2)
Income tax (credit) / expense relating to ordinary activities	(26)	1
Income tax (credit) / expense comprises:		
Current income tax (credit) / expense	30	(18)
Deferred tax (credit) / expense	(56)	19
	(26)	1
*Adjustments in respect of prior years:		
Current income tax (credit) / expense	(43)	(43)
Deferred tax expense	47	43
	4	-

NOTE 5. INCOME TAX (continued)

	2023 $m	2022 $m
Deferred tax assets		
The balance of this asset comprises temporary differences attributable to:		
Liabilities not currently deductible	335	243
Cash flow hedges	-	57
Tax loss	62	92
Other	11	2
	408	394
Set-off of deferred tax liabilities	(408)	(394)
Net deferred tax asset	-	-
Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Telecommunications licences	293	294
Deferred expenditure	76	69
Cash flow hedges	2	-
Brand and subscriber relationships	-	18
Leases	53	58
Property, plant, and equipment	75	59
	499	498
Set-off against deferred tax assets	(408)	(394)
	91	104

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:

Deferred tax liabilities	2023 $m	2022 $m
Balance in beginning of the year	(104)	(73)
Charged to income statement	56	(61)
Charged to other comprehensive income	(10)	(4)
Payment from ATO	(4)	(23)
Tax loss	(30)	59
Others	1	(2)
Balance as at 31 March	(91)	(104)

Tax consolidation

With effect from 1 July 2002, the Group's parent entity, Singapore Telecom Australia Investments Pty Limited (the "Head Entity") and its wholly owned Australian controlled entities, have implemented the tax consolidation legislation. The relevant accounting policy is set out in Note 2.

NOTE 6. RECEIVABLES AND CONTRACT ASSETS

	2023 $m	2022 $m
Current		
Trade receivables	515	584
Contract assets	1,168	1,139
	1,683	1,723
Less allowance for ECL	(110)	(123)
	1,573	1,600
Finance lease receivable (i)	-	2
Other receivables	88	93
	1,661	**1,695**
Non-current		
Contract assets	804	729
Less allowance for ECL	(9)	(9)
	795	720
Due from parent (ii)	3,864	3,686
	4,659	**4,406**

(i) The finance lease receivables mature within 1 year.

(ii) The Group has an at call non-interest-bearing loan to its parent entity. Whilst the loan is at call, it has been disclosed as non-current as the company has no intention to call upon the loan in the 12 months from signing of the financial statements.

Trade receivables are non-interest bearing and are generally on 30-day terms, while balances due from carriers are 60-day terms. 120-day terms relate mainly to Device Repayment Plans. There was no significant change in contract assets during this year.

The age analysis of the trade receivable and contract assets (before allowance for expected credit loss) was as follows:

	2023 $m	2022 $m
Less than 60 days	843	861
61 to 120 days	317	257
More than 120 days	1,327	1,334
Balance as at 31 March	2,487	2,452

The movements in the allowance for expected credit losses of trade receivables and contract assets were as follows:

	2023 $m	2022 $m
Balance as at 1 April	132	164
Allowance for impairment	68	73
Utilisation of allowance for impairment	(81)	(105)
Balance as at 31 March	119	132

NOTE 6. RECEIVABLES AND CONTRACT ASSETS (continued)

The maximum exposure to credit risk for trade receivables and contract assets was as follows:

	2023 $m	2022 $m
Individuals	1,806	1,717
Business	681	735
Balance as at 31 March	2,487	2,452

The expected credit losses for debts which are collectively assessed are estimated based on a provision matrix by reference to historical credit loss experience of the different segments, adjusted as appropriate to reflect current conditions and estimates of future economic conditions as applicable. The expected credit losses for debts which are individually assessed are based on an analysis of the debtor's current financial position and are adjusted for factors that are specific to the debtors.

NOTE 7. INVENTORIES

	2023 $m	2022 $m
Finished goods - at cost	223	152
Provision for obsolescence	(18)	(15)
	205	137

In 2023, inventories of $1,487 million (2022: $1,351 million) were recognised as an expense during the year and included in Expenses.

NOTE 8. OTHER ASSETS

	2023 $m	2022 $m
Current		
Prepayments	258	266
Contract costs	110	90
	368	356
Non-current		
Prepayments	74	76
Contract costs	158	156
	232	232

Reconciliations of the carrying amount of contract costs at the beginning and end of the current financial year are set out below:

	2023 $m	2022 $m
Year ended 31 March		
Opening net book amount	246	234
Additions	138	116
Amortisation charge	(116)	(104)
Closing net book amount	268	246

NOTE 9. PROPERTY, PLANT AND EQUIPMENT

	2023 $m	2022 $m
Freehold land and buildings:		
At cost	513	439
Accumulated depreciation	(335)	(318)
Total freehold land and buildings	178	121
Leasehold improvements:		
At cost	188	188
Accumulated depreciation	(161)	(156)
Total leasehold improvements	27	32
Plant and equipment:		
At cost	25,339	24,197
Accumulated depreciation and impairment	(18,913)	(17,674)
Total plant and equipment	6,426	6,523
Capital works in progress:		
At cost	1,248	837
Total capital works in progress	1,248	837
Total net carrying amount of property, plant and equipment	**7,879**	**7,513**

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

	Notes	2023 $m	2022 $m
Freehold land and buildings:			
Carrying amount at the beginning of the financial year		121	116
Additions		74	19
Depreciation expense	4	(17)	(14)
Carrying amount at the end of the financial year		178	121
Leasehold improvements:			
Carrying amount at the beginning of the financial year		32	42
Additions		4	1
Depreciation expense	4	(9)	(11)
Carrying amount at the end of the financial year		27	32
Plant and equipment:			
Carrying amount at the beginning of the financial year		6,523	6,551
Additions		1,149	1,242
Depreciation expense	4	(1,239)	(1,270)
Disposals		(7)	-
Carrying amount at the end of the financial year		6,426	6,523
Capital works in progress:			
Carrying amount at the beginning of the financial year		837	733
Additions less transfers to other categories		411	104
Carrying amount at the end of the financial year		1,248	837

NOTE 10. RIGHT-OF-USE ASSETS

	Mobile base stations / Central offices $m	Properties $m	Others $m	Total $m
Cost				
Balance as at 1 April 2022	2,350	339	14	2,703
Additions	283	92	6	381
Right-of-use assets deactivation	(39)	(55)	(4)	(98)
Balance as at 31 March 2023	**2,594**	**376**	**16**	**2,986**
Accumulated depreciation				
Balance as at 1 April 2022	(493)	(204)	(12)	(709)
Depreciation charge for the year	(257)	(48)	(2)	(307)
Right-of-use assets deactivation	25	55	2	82
Balance as at 31 March 2023	**(725)**	**(197)**	**(12)**	**(934)**
Total net carrying amount as at 31 March 2023	**1,869**	**179**	**4**	**2,052**

	Mobile base stations / Central offices $m	Properties $m	Others $m	Total $m
Cost				
Balance as at 1 April 2021	1,325	326	13	1,664
Additions	1,112	19	2	1,133
Right-of-use assets deactivation	(87)	(6)	(1)	(94)
Balance as at 31 March 2022	**2,350**	**339**	**14**	**2,703**
Accumulated depreciation				
Balance as at 1 April 2021	(323)	(174)	(9)	(506)
Depreciation charge for the year	(256)	(35)	(4)	(295)
Right-of-use assets deactivation	87	5	1	93
Balance as at 31 March 2022	**(492)**	**(204)**	**(12)**	**(708)**
Total net carrying amount as at 31 March 2022	**1,858**	**135**	**2**	**1,995**

NOTE 11. INTANGIBLE ASSETS

	31 March 2023 $m	31 March 2022 $m
Goodwill - at cost	352	352
Accumulated impairment	(4)	(4)
	348	348
Spectrum and other licences - at cost	2,218	2,170
Accumulated amortisation	(998)	(814)
	1,220	1,356
Deferred expenditure - at cost	701	687
Accumulated amortisation	(243)	(207)
	458	480
Subscriber relationship – at cost	37	37
Accumulated amortisation	(27)	(15)
	10	22
Brand – at cost	23	23
Accumulated amortisation	-	-
	23	23
Total intangible assets	**2,059**	**2,229**

NOTE 11. INTANGIBLE ASSETS (continued)

Consolidated	Notes	Goodwill	Spectrum and other licences	Deferred expenditure	Subscriber relationship	Brand	Total
Year ended 31 March 2023							
Opening net book amount		348	1,356	480	22	23	2,229
Additions		-	48	14	-	-	62
Amortisation charge	4	-	(184)	(36)	(12)	-	(232)
Closing net book amount		348	1,220	458	10	23	2,059
Year ended 31 March 2022							
Opening net book amount		371	1,276	443	37	23	2,150
Additions		-	260	72	-	-	332
Amortisation charge	4	-	(180)	(35)	(15)	-	(230)
Disposal of subsidiaries		(23)	-	-	-	-	(23)
Closing net book amount		348	1,356	480	22	23	2,229

Impairment testing

The carrying value of goodwill and intangible assets with indefinite lives (telecommunication licenses) was assessed for impairment during the financial year. Telecommunications operations of the Group were assessed to be a single cash generating unit ("CGU") for the purpose of this review, as the generation of the Group's core revenue streams are heavily reliant on the use of integrated and interdependent customer access and transmission networks throughout Australia.

The recoverable amount of the Singtel Optus CGU has been determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets (including growth rates, operating margins, capital expenditure and discount rates) approved by management covering a 7-year period which appropriately reflects the network investment cycle of the group.

Cash flows beyond the budget period are extrapolated using the estimated growth rates stated below. The terminal growth rates do not exceed the long-term average growth rates for the country and industry in which the Group operates.

	Terminal growth rate		Pre-tax discount rate	
	2023	2022	2023	2022
Singtel Optus CGU	2.75%	2.75%	9.1%	8.0%

As at 31 March 2023, no impairment charge was required for goodwill arising from acquisition of subsidiaries and intangible assets with indefinite lives (telecommunication licenses), with any reasonably possible change to the key assumptions applied not likely to cause the recoverable values to be below their carrying values.

NOTE 12. DISPOSAL GROUP HELD FOR SALE

	2023 $m	2022 $m
Assets directly associated with subsidiary held for sale		
Cash and Cash Equivalents	-	38
	-	**38**
Liabilities directly associated with subsidiary held for sale		
Trade and Other Payables	-	1
Unearned Premiums	-	3
Outstanding Claims	-	3
	-	**7**

On 21 December 2021, Optus entered into an agreement to sell 100% of the shares in Optus Insurance Services Pty Limited ("OIS") to Likewize for a total consideration of $35 million.

The sale of OIS concluded on 29 July 2022 and on this date, control was transferred to Likewize and a gain of $4 million was recognised in other income.

NOTE 13. PAYABLES AND CONTRACT LIABILITIES

	2023 $m	2022 $m
Current		
Trade payables (i)	1,240	1,323
Other payables and accruals (ii)	272	323
Contract liabilities (iii)	508	424
Performance share plan	6	7
Other financial liabilities (iv)	1,098	1,181
	3,124	3,258
Non-current		
Trade payables (i)	90	136
Other payables and accruals (ii)	56	53
Contract liabilities (iii)	174	1
Performance share plan	13	6
	333	196

(i) The trade payables are non-interest bearing and are generally settled on 30 to 60 days terms.

(ii) Other payables and accruals include the interest payable on borrowings. These are settled on a half-yearly basis except for interest payable on certain bonds and syndicated loan facilities which are settled on a quarterly basis. The total interest payable on the borrowings at year end was $18 million (2022: $20 million).

(iii) Contract liabilities include advance billings, unearned revenue, receipt from Likewize and NBN migration payments. The increase is due to deferred revenue as a result of increased cash receipts from customers and long-term commercial agreement with Likewize.

(iv) The other financial liabilities relate to handsets and network investments, where vendor terms are up to 364 days.

NOTE 14. BORROWINGS

	2023 $m	2022 $m
Current		
Lease liabilities (i)	439	427
Notes payable - unsecured (ii)	500	798
Short-term related party facilities - unsecured (iii)	-	1
Short-term other borrowings – unsecured (iv)	22	14
	961	1,240
Non-current		
Lease liabilities (i)	2,486	2,412
Medium-term bank facilities - unsecured (v)	600	-
Notes payable - unsecured (ii)	1,894	2,363
Long-term other borrowings – unsecured (iv)	26	16
	5,006	4,791

(i) The incremental borrowing rate per annum for the Company at the end of the reporting period was 4.83%.

(ii) Unsecured notes payable denominated in Euro and Australian dollars have been issued by a controlled entity and guaranteed by the Company and certain controlled entities. The notes are subject to a negative pledge that requires the Company and other controlled entities to maintain certain financial ratios. The value of these notes includes a fair value hedge gain adjustment of $62 million (2022: $21 million gain adjustment).

(iii) The Company has a short term uncommitted related party facility. The facility is denominated in Australian dollars and no outstanding balance as at 31 March 2023.

(iv) The Company has a 3-year uncommitted third-party facility. The facility is denominated in Australian dollars and subject to fixed interest rates up to 2.75% per annum on drawn amounts.

(v) These borrowings are provided under a syndicated bank facility and are denominated in Australian dollars. It is governed by a negative pledge and facility documents, which amongst other things require the Company and other controlled entities to maintain certain financial ratios. In April 2022, the Group entered into a $1.4 billion Sustainability Linked Loan (SLL) which will expire on 24 April 2025. This new SLL for $1.4 billion replaced the $1.0 billion and $0.4 billion facilities, which expired in May 2022 and in April 2022, respectively.

The maturity periods of the lease liabilities at the end of the reporting period were as follows:

	2023 $m Discounted	2023 $m Undiscounted	2022 $m Discounted	2022 $m Undiscounted
Less than one year	439	537	427	531
Between one and two years	312	404	285	382
Between two and five years	886	1,123	668	839
Over five years	1,288	2,575	1,459	1,947
	2,925	4,639	2,839	3,699

NOTE 14. BORROWINGS (continued)

	2023 $m	2022 $m
Carrying amount of lease liability at the beginning of the financial year	2,839	1,255
Additions	381	1,871
Interest	121	111
Repayments	(318)	(325)
Disposals	(98)	(73)
Carrying amount of lease liability at the end of the financial year	2,925	2,839

Reconciliation of liabilities from financing activities are set out below:

	Bonds	Bank Loans	Other Borrowings	Lease Liabilities	Interest Payables	Derivative Financial Instruments
As of April 2022	3,161	-	31	2,839	20	143
Financing Cash Flows	(808)	600	17	(318)	(96)	5
Non-cash changes:						
Fair Value Adjustments	42	-	-	-	-	(68)
Amortisation of Bonds discount	(2)	-	-	-	-	-
FX Movements	-	-	-	-	-	37
Additions of lease liabilities	-	-	-	283	-	-
Interest expense	-	-	-	121	94	-
As of 31 March 2023	2,393	600	48	2,925	18	117

	2023 $m	2022 $m
Principal amounts and repayment dates are:		
200 million Australian dollars due 17 June 2022	-	199
50 million Australian dollars due 17 June 2022	-	50
400 million Australian dollars due 23 August 2022	-	400
150 million Singapore dollars due 29 September 2022	-	149
500 million Australian dollars due 6 September 2023	500	499
350 million Australian dollars due 1 July 2025	349	349
500 million Euro due 20 June 2029	497	721
500 million Australian dollars due 1 July 2030	750	496
300 million Australian dollars – Sustainability-linked bond due 24 Nov 2028	298	298
	2,394	3,161
Disclosed as:		
Current	500	798
Non-current	1,894	2,363

The weighted average interest rate for bonds is 3.1% (2022: 2.4%) and bank borrowings is 4.2% (2022: nil).

NOTE 15. FINANCING ARRANGEMENTS

At reporting date, the Group had access to the following committed lines of credit:

	2023 $m	2022 $m
Total facilities available at reporting date:		
Short-term bank facilities (less than 1 year)	-	1,400
Medium-term bank facilities (1 year to 3 years)	1,400	-
Other borrowings	48	30
	1,448	1,430
Facilities utilised at reporting date:		
Medium-term bank facilities (1 year to 3 years)	600	-
Other borrowings	48	30
	648	30
Facilities not utilised at reporting date:		
Short-term bank facilities (less than 1 year)	-	1,400
Medium-term bank facilities (1 year to 3 years)	800	-
	800	1,400

NOTE 16. PROVISIONS

		2023 $m	2022 $m
Current			
Employee entitlements	19	165	114
Other (i)		87	5
		252	119
Non-current			
Employee entitlements	19	31	80
Other (i)		30	26
		61	106

(i) Other current and non-current provisions primarily represent cyber provision and asset retirement obligations for corporate properties respectively. The cyber provision has been estimated based on the most recent available indication or future economic resources required, taking into account expenses settled in the current year. The group expects the provision to be settled over the next year.

Reconciliations of the carrying amount of other provisions at the beginning and end of the current financial year are set out below:

	2023 $m	2022 $m
Other provisions (Current and non-current)		
Carrying amount at the beginning of the financial year	31	46
Additional provision made	89	2
Others	(3)	(17)
Carrying amount at the end of the financial year	117	31

NOTE 17. CONTRIBUTED EQUITY

Issued and paid-up capital

	2023 $m	2022 $m
3,795,254,335 (31 March 2022: 3,795,254,335)		
Fully paid ordinary shares	5,317	5,317

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. At a shareholders' meeting, every holder of ordinary shares present in person or by proxy is entitled to one vote on a show of hands, and upon a poll, each share is entitled to one vote.

There have been no changes in share capital during the year.

The Company did not pay a dividend to its parent entity during the year (2022: nil).

Changes to the Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and its issued shares do not have a par value.

NOTE 18. RESERVES

Nature and purpose of reserves as disclosed in the statement of changes in equity

The cash flow hedge reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, net of tax, as described in Note 2. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

NOTE 19. EMPLOYEE ENTITLEMENTS

	Note	2023 $m	2022 $m
Aggregate employee entitlements			
Current long service leave and other provision	16	165	114
Non-current long service leave and other provision	16	31	80
		196	194
Number of Employees			
Number of employees at year end		6,976	6,704
Superannuation fund			
The Group contributes to employee defined contribution superannuation funds.			
Contributions to the funds during the financial year		95	88

Equity based employee benefits

During the current or previous financial year, the Group did not provide to employees any equity-based instruments (such as share options or performance rights) based on equities of the Company or its controlled entities, nor were there any such instruments outstanding at the beginning or end of the financial year.

The Group's expense arises under the equity-based compensation plans of its parent, Singapore Telecommunications Limited which are described in Note 2.

	2023 $m	2022 $m
This expense amounted to:	8	7

NOTE 20. FINANCIAL RISK MANAGEMENT

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: interest rate risk, foreign exchange risk, credit risk and liquidity risk. The group's overall risk management seeks to minimise potential adverse effects of these risks on the financial performance of the Group.

The Group has established risk management policies, guidelines and control procedures to manage its exposure to financial risks. Hedging transactions are determined in the light of commercial commitments and are reviewed regularly.

The Group uses financial instruments, including foreign exchange contracts, cross currency swaps and interest rate swaps in its management of exchange rate and interest rate exposures. Financial instruments are used only to hedge underlying commercial exposures and are not held for speculative purposes.

Derivative financial instruments	2023 $m	2022 $m
Balance as at 1 April	(123)	(81)
Fair value gains:		
- included in income statement:		
Hedge ineffectiveness	(1)	1
Fair value hedge movements	41	(56)
- included in the balance sheet:		
Cash flow hedge reserve	35	13
Payment for swap settlement	(9)	-
Balance as at 31 March	(57)	(123)

Derivative financial instruments	2023 $m	2022 $m
Current asset	21	-
Non-current asset	39	20
Current liabilities	(5)	(14)
Non-current liability	(112)	(129)
	(57)	(123)

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 2024, 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 14.

Fair value estimation

Optus bonds which are currently on issue and offered solely to wholesale investors total $694 million (2022: $703 million). They mature by year 2030 and no other financial assets or liabilities are traded on the exchange markets. It is calculated as the present value of the estimated future cash flows, discounted using interest rates based on a zero-coupon yield curve at the reporting date.

NOTE 20. FINANCIAL RISK MANAGEMENT (continued)

Hedging activities

The hedge accounting policy of the Group is described in Note 2 and the Group has entered into the following derivative financial instruments to hedge its risks:

- Cross-currency interest rate swaps with dual designation as fair value hedges for interest rate risk and cash flow hedges for currency risk, arising from the Group's issue of foreign currency denominated debt instruments.

  These cross-currency interest rate swaps involve the exchange of principal and fixed interest receipts in the foreign currency of the Group's debt instruments, for principal and floating (as well as fixed) interest payments in the Group's Australian dollar functional currency.

- Interest rate swap contracts that are cash flow hedges for Australian interest rate risk. These contracts involve the exchange of Australian floating interest receipts for fixed interest payments. These are in line with the Group's interest rate risk management policy of maintaining a mix of floating and fixed rate debt.

- Forward foreign exchange contracts, all of which are designated as cash flow hedges, for the Group's exposure to currency risks arising from forecast or committed expenditure and receipts denominated in foreign currencies.

The fair values of the derivative financial instruments are as follows:

31 March 2023	Nominal amounts $m	Fair values $m	
		Assets	Liabilities
Fair value hedges			
Cross currency swaps	402	-	68
Cash flow hedges			
Cross currency swaps	415	-	42
Interest rate swaps	572	18	2
Forward foreign exchange contracts	813	42	5
		60	117

31 March 2022	Nominal amounts $m	Fair values $m	
		Assets	Liabilities
Fair value hedges			
Cross currency swaps	402	-	20
Cash flow hedges			
Cross currency swaps	564	4	87
Interest rate swaps	170	15	-
Forward foreign exchange contracts	996	1	35
		20	142

NOTE 20. FINANCIAL RISK MANAGEMENT (continued)

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 2024, 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 14.

As at 31 March 2023 and 2022, the details of the outstanding derivative financial instruments were as follows:

	2023 $m	2022 $m
Interest rate swaps		
Notional principal		
(AUD$ million equivalent)	572	170
Fixed Interest rates	1.57% -3.59%	1.58%
Floating Interest rates	BBSW3M	BBSW3M
Cross Currency swaps		
Notional principal		
(AUD$ million equivalent)	817	966
Fixed Interest rates	1.53% - 3.11%	4.08%
Floating Interest rates	BBSW3M + 1.54%	BBSW3M + 1.54%
Forward foreign exchange contracts		
Notional principal		
(AUD$ million equivalent)	813	996

The interest rate swaps entered into by the Group are re-priced every six-months.

Hedge ineffectiveness across all hedge relationships was $0.8 million (2022: ($1 million)) and was recorded in the Income Statement. Hedge ineffectiveness arose due to changes in the fair value of the hedging instrument exceeding the change in fair value of the hedged item. The Group did not discontinue hedge accounting for any relationships and had no reclassifications from the cash flow hedge reserve to the Income Statement during the 2023 financial year.

Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the previous financial year.

The capital structure of the Group consists of net debt (borrowings as detailed in Notes 14 and 15 offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves and retained earnings).

Interest rate risk

The Group's objective is to minimise interest expense consistent with maintaining an acceptable level of exposure to the risk of interest rate fluctuations. In order to achieve this objective, the Group targets a mix of fixed and floating rate debt. To obtain this mix in a cost-efficient manner the Group primarily uses cross currency and interest rate swaps that have the effect of converting specific debt obligations of the Group from a variable to a fixed rate of interest and change the currency of the debt, or vice versa, as required.

As at 31 March 2023, 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 $0.125 million (2022: $1.4 million).

The critical terms of the interest rate swaps, and their corresponding hedged bonds are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swaps and the value of the corresponding hedged bonds will systematically change in opposite direction in response to movement in the underlying interest rates.

The main source of hedge ineffectiveness in these hedging relationships is the effect of counterparty and the Group's own credit risk on the fair value of the interest rate swaps, which is not reflected in the fair value of the hedge items attributable to changes in interest rates. No other sources of ineffectiveness emerged from this hedging relationship.

NOTE 20. FINANCIAL RISK MANAGEMENT (continued)

Foreign exchange risk

The Group maintains a policy to minimise the adverse impact of movements in foreign exchange rates on the Group's cash flows.

The Group has borrowings denominated in foreign currencies that have primarily been hedged into the functional currency of the Group using cross currency swaps in order to reduce the foreign currency exposure on these borrowings. As the hedges are perfect, any changes in the fair value of the cross-currency swaps have minimal impact on profit and equity.

Foreign exchange contracts are predominantly used to hedge the foreign exchange risk associated with the purchase and sale of goods and services denominated in foreign currencies and the resulting foreign currency denominated assets and liabilities.

The critical terms (i.e. the notional amount, life and underlying) of the derivative financial instruments and their corresponding hedged items are the same. The Group performs a qualitative assessment of effectiveness, and it is expected that derivative financial instruments and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying exchange rates.

The main source of hedge ineffectiveness in these hedging relationships is the effect of counterparty and the Group's own credit risk on the fair value of the derivative financial instruments, which is not reflected in the fair value of the hedged items attributable to changes in foreign currency rates. No other sources of ineffectiveness emerged from these hedging relationships.

As at 31 March 2023, assuming the Australian dollar appreciated 10% against the United States Dollar, with all other variables held constant, pre-tax equity would decrease by $63 million (2022: $78 million). Conversely, if the Australian dollar depreciated 10% against the United States Dollar, with all other variables held constant, pre-tax equity would increase by $82 million (2022: $91 million).

All hedge relationships remain intact and there is no hedge relationship in which hedge accounting is no longer applied.

Credit risk

The Group has no significant concentration of credit risk from trade receivables and contract assets due to its diverse customer base. Credit risk is managed through the application of credit assessments and approvals. Where applicable the Group obtains credit insurance. In addition, the Group has policies and procedures in place to monitor trade receivables and contract assets on an ongoing basis.

The carrying value amount reflected in Note 6 represents the Group's maximum exposure to credit risk for trade receivables and contract assets.

The Group has cash investments and other financial instruments such as forward foreign exchange contracts, cross currency swaps and interest rate derivative hedges with major financial institutions. The Group has policies in place to monitor the credit ratings of these counterparties on an ongoing basis.

The Group has policies in place that limit the financial exposure to any one financial institution and does not have a significant exposure to any individual counterparty.

NOTE 20. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

The Group manages liquidity risk by monitoring and maintaining the level of cash equivalents and financing facilities considered adequate by management to fund the operations as well as mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the business, the Group aims at maintaining flexibility in funding by keeping a number of committed credit facilities available.

The expected undiscounted contractual cash flows of the borrowings for the Group, including the effects of hedging as at 31 March 2023 and 2022, are set out below. These amounts do not reflect the carrying amounts in the statement of financial position.

	Less Than 1 year $m	Between 1 and 2 years $m	Between 2 and 5 years $m	Over 5 years $m	Total $m
As at 31 March 2023					
Net-settled interest rate swaps	3	2	7	7	19
Cross currency interest rate swaps (gross settled):					
Inflow	8	8	24	831	871
(Outflow)	(37)	(35)	(108)	(865)	(1045)
	(26)	(25)	(77)	(27)	(155)
Borrowings:					
Bonds	(542)	(34)	(438)	(2,508)	(3,522)
Unsecured bank loans	-	-	(602)	-	(602)
Others	(23)	(18)	(8)	-	(49)
	(565)	(52)	(1,048)	(2,508)	(4,173)
Foreign exchange contract in a liability position	(5)	(1)	-	-	(6)
Other financial liabilities	(1,098)	-	-	-	(1,098)
	(1,694)	(78)	(1,125)	(2,535)	(5,432)
As at 31 March 2022					
Net-settled interest rate swaps	(1)	3	9	6	17
Cross currency interest rate swaps (gross settled):					
Inflow	10	7	22	22	61
(Outflow)	(26)	(34)	(107)	(78)	(245)
	(17)	(24)	(76)	(50)	(167)
Borrowings:					
Bonds	(862)	(541)	(442)	(1,698)	(3,543)
Unsecured bank loans	-	-	-	-	-
Others	(14)	(16)	-	-	(30)
	(876)	(557)	(442)	(1,698)	(3,573)
Other financial liabilities	(1,181)	-	-	-	(1,181)
	(2,074)	(581)	(518)	(1,748)	(4,921)

NOTE 20. FINANCIAL RISK MANAGEMENT (continued)

Net fair value of financial assets and liabilities

The carrying amounts and fair values of the Group's financial assets and liabilities at reporting date are:

	Carrying amount		Net Fair value	
	31 March 2023 $m	31 March 2022 $m	31 March 2023 $m	31 March 2022 $m
Financial assets				
Cash	98	726	98	726
Receivables and contract assets	2,456	2,415	2,491	2,415
Derivative financial instruments	60	20	60	20
Due from parent	3,864	3,686	3,864	3,686
	6,478	6,847	6,513	6,847
Financial liabilities				
Payables and contract liabilities	3,457	3,454	3,457	3,454
Derivative financial instruments	117	143	117	143
Bank borrowings (incl. related party)	600	1	600	1
Other borrowings – unsecured	48	30	48	30
Domestic notes payable	1,644	2,292	1,516	2,292
Foreign currency notes payable	750	869	694	869
Lease liabilities	2,925	2,839	2,925	2,839
	9,541	9,628	9,357	9,628

Fair Value Measurements

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 -

- quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**).
- 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 and credit margins at inception of contract) (**Level 2**); and
- derived from valuation techniques that include inputs for the asset or liability which are not based on observable market data (unobservable inputs) (**Level 3**).

31 March 2023	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Derivative financial instruments	-	18	-	18
- Forward foreign exchange contract	-	42	-	42
	-	60	-	60
Financial liabilities				
Derivative financial instruments				
- Interest rate swaps	-	(2)	-	(2)
- Cross currency swaps	-	(110)	-	(110)
- Forward foreign exchange contract	-	(5)	-	(5)
	-	(117)	-	(117)

NOTE 20. FINANCIAL RISK MANAGEMENT (continued)

31 March 2022	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Derivative financial instruments	-	19	-	19
- Forward foreign exchange contract	-	1	-	1
	-	20	-	20
Financial liabilities				
Derivative financial instruments				
- Interest rate swaps	-	(108)	-	(108)
- Cross currency swaps	-	(35)	-	(35)
- Forward foreign exchange contract	-	-	-	-
	-	(143)	-	(143)

Financial assets and liabilities not measured at fair value (but with fair value disclosed)

	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
	$m	$m	$m	$m	
As at 31 March 2023:					
Financial liabilities					
- Bonds	2,394	694	1,516	-	2,210
	2,394	694	1,516	-	2,210
As at 31 March 2022:					
Financial liabilities					
- Bonds	3,161	852	2,170	-	3,022
	3,161	852	2,170	-	3,022

NOTE 21. CONTINGENCIES AND COMMITMENTS

Guarantees

During the year, the Group requested banks and financial institutions, in the ordinary course of business, to issue bank guarantees and performance bonds on its behalf. The amounts outstanding at reporting date amount to $149 million (2022: $152 million).

Legal proceedings and claims

The Group is in dispute with third parties regarding certain transactions and/or representations arising out of the ordinary course of business. Some of these disputes involve legal proceedings relating to the contractual obligations of the parties and/ or representations made, including the amounts payable by the consolidated entities under the contracts and claims against the Group for compensation for alleged breach of contract, and/ or representations and/or laws. Optus is vigorously defending all these claims and considers any outflow of economic benefit is not probable and accordingly no provision has been made as at 31 March 2023.

Optus has reported a cyber attack that resulted in a data breach that compromised certain personal information of some current and former customers but did not impact the operation of Optus' systems or its telecommunications network or services. The cyber attack was reported to the relevant Australian authorities and is the subject of several ongoing regulatory investigations. These investigations could give rise to regulatory actions, penalties, potential claims and/or litigation. At this stage, the outcomes of these matters are not determinable. Subsequent to the financial year end, a class action was filed against certain companies in the consolidated group, which Optus will vigorously defend. At this stage, the outcomes of the class action are not determinable.

Commitments

	2023 $m	2022 $m
Operating expenditure commitments		
Committed but not provided for and payable:		
Not later than one year	206	183
Later than one year but not later than five years	490	623
Later than five years	18	18
	714	824
Capital expenditure commitments		
Committed but not provided for and payable:		
Not later than one year	463	157
Later than one year but not later than five years	36	167
Later than five years	-	-
	499	324
Intangibles commitments		
Committed but not provided for and payable:		
Not later than one year	99	97
Later than one year but not later than five years	1,582	1,675
Later than five years	4	8
	1,685	1,780
Operating lease commitments		
Future operating lease rentals no provided for and payable:		
Not later than one year	-	1
Later than on year but not later than five years	-	-
Later than five years	2	1
	2	2

Lease commitments for short term leases (as a lessee)
The lease commitments for short term leases (excluding contracts of one month or less) at the end of the reporting period was $0.1 million as at 31 March 2023 (2022: $0.7 million).

Investment commitments
Refer to Notes 23 and 24 for details of commitments in relation to joint ventures and joint operations.

Contingent asset

Optus has cyber insurance, and a claim has been lodged, no assumptions around the recovery have been taken into account at this point.

NOTE 22. CONTROLLED ENTITIES

Name of Company	Note	Group interest % 31 March 2023	31 March 2022
Akal Pty Limited		100	100
Alpha West Holdings Limited		100	100
Alphawest Pty Limited		100	100
Alphawest Services Pty Ltd		100	100
Amaysim Mobile Pty Limited		100	100
AUE Music TV Pty Limited	(i)	-	100
Aussat New Zealand Limited	(i)	-	100
Bkal Pty Limited		100	100
Eastpoint IP Pty Limited		100	100
Eatability Pty Limited		100	100
Ensyst Pty Limited		100	100
Evolution IS (ACT) Pty Ltd	(i)	-	100
Evolution IS Pty Ltd	(i)	-	100
Inform Systems Australia Pty Limited		100	100
Optus Administration Pty Limited		100	100
Optus ADSL Pty Limited		100	100
Optus Billing Services Pty Limited		100	100
Optus Broadband Pty Limited		100	100
Optus C1 Satellite Pty Limited		100	100
Optus Content Pty Limited		100	100
Optus Data Centres Pty Limited		100	100
Optus Finance Pty Limited		100	100
Optus Fixed Infrastructure Pty Limited		100	100
Optus Insurance Services Pty Limited	(ii)	-	100
Optus Internet Pty Limited		100	100
Optus Kylie Holdings Pty Limited		100	100
Optus Mobile Investments Pty Limited		100	100
Optus Mobile Pty Limited		100	100
Optus Multimedia Pty Limited		100	100
Optus Mobile Migrations Pty Limited (formerly Virgin Mobile (Australia) Pty Limited)		100	100
Optus Narrowband Pty Limited		100	100
Optus Networks Pty Limited		100	100
Optus Retailco Pty Limited		100	100
Optus Satellite Pty Limited		100	100
Optus Satellite Network Pty Limited		100	100
Optus Smart Spaces Pty Limited		100	100
Optus Space Systems Pty Limited		100	100
Optus Systems Pty Limited		100	100
Optus Vision Investments Pty Limited		100	100
Optus Vision Media Pty Limited	(iii)	20	20
Optus Vision Pty Limited		100	100
Optus Wholesale Pty Limited		100	100
Prepaid Services Pty Limited		100	100
Reef Networks Pty Ltd		100	100
Sibalo Pty Limited		100	100

NOTE 22. CONTROLLED ENTITIES (continued)

Name of Company		Group interest % 31 March 2023	31 March 2022
Simplus Mobile Pty Limited		100	100
Uecomm Pty Limited		100	100
Uecomm Operations Pty Limited		100	100
Ue Access Pty Limited		100	100
Unwired Australia Pty Limited		100	100
Vaya Pty Limited		100	100
Vaya Communications Pty Limited		100	100
Virgin Mobile (Australia) Services Pty Limited		100	100
Vividwireless Pty Limited		100	100
Vividwireless Group Limited		100	100
VR Music TV Pty Ltd	(i)	-	100
XYZed LMDS Holdings Pty Limited	(i)	-	100
Yes Labs Group Pty Limited		100	100

(i) The companies were deregistered during the year

(ii) Optus Insurance Services Pty Limited was sold on 31 Jul 2022

(iii) Optus Vision Media Pty Limited is deemed to be a controlled entity by virtue of section 47(b) of the Corporations Act 2001

NOTE 23. JOINT VENTURES

Southern Cross Cable Consortium

This consortium operates through two separate companies. Southern Cross Cable Holdings Limited ("SCCHL") owns a cable network between Australia and the USA and conducts operations of that network outside the USA. Pacific Carriage Holdings Limited ("PCHL") conducts operations within the USA. Both these companies are incorporated in Bermuda. The Group owns 32.40% of PCHL (2022: 32.59%). The reporting date of these entities is 30 June. PCHL paid no dividends during the financial year.

	2023 $m	2022 $m
The Group has agreed to purchase capacity on this cable network payable as follows:		
Not later than one year	-	-
Later than one year but not later than five years	7	13
	7	13

Main Event Television Pty Limited

The Group's interest in this company, which is a provider of pay television programs and channels, is 33.33% (2022: 33.33%).

Equity accounting was suspended for these entities since the 2005 financial year because the Group's net investment was reduced to zero.

NOTE 23. JOINT VENTURES (Continued)

Bridge Mobile Pte Limited

This company which is incorporated in Singapore is principally involved in the provision of regional mobile services. The Group's interest is 10% (2022: 10%).

	2023 $m	2022 $m
The maximum amount that the Group may be required to contribute in equity to this company is:	5	5
Carrying amounts of investments in each joint venture entity		
Pacific Carriage Holdings Limited	20	20
Main Event Television Pty Limited	-	-
Bridge Mobile Pte Limited	1	1
	21	21

	2023 $m	2022 $m
Share of joint ventures' results		
Share of:		
Revenues	28	30
Expenses	(19)	(20)
Operating profit before income tax	9	10
Income tax expenses	(3)	(4)
Operating profit after income tax	6	6
Equity accounting suspended	(6)	(6)
Share of joint ventures' net profit/loss - equity accounted	-	-
Cumulative share of loss not recognised	(56)	(74)
Share of joint ventures' net liabilities		
Current assets	5	7
Non- Current Assets	48	60
Total Assets	53	67
Current Liabilities	11	3
Non-current liabilities	98	138
Total Liabilities	109	141
Carrying amount of investments in joint venture entities		
At the beginning of the financial year	21	5
Share of joint venture entities' net income	-	-
Equity contribution	-	16
At the end of the financial year	21	21

Joint ventures' contingent liabilities and capital commitments

At reporting date, there were no material contingent liabilities or capital expenditure commitments of joint venture entities for which the Group will or may become liable.

NOTE 24. JOINT OPERATIONS

Optus / TPG Joint Venture

The Group has an interest in an unincorporated joint operation to share selected 4G and 5G network sites and radio infrastructure across Australia and shares some cost of building and operating the network.

Assets

Included in the assets of the Group are the following items that represent the Group's interest in the assets employed in the joint operations, recorded in accordance with the accounting policies described in Note 2.

	2023 $m	2022 $m
Current other assets	24	22
Non-current other assets	65	62
Property, plant and equipment	824	963
Total assets	913	1,047
Current other liabilities	15	15
Non-current other liabilities	43	45
Total liabilities	58	60

NOTE 25. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation for the years ended 31 March 2023 and 31 March 2022 are set out below. The key management personnel are the directors and executives with the greatest authority for the strategic direction and management of the Group.

The total compensation for the Australian-based directors and executives of the Group was as follows:

	2023 $000	2022 $000
Short-term benefits	13,659	17,365
Post-employment benefits	363	394
Share-based payments	3,799	2,613
Total key management compensation	17,821	20,372

NOTE 26. AUDITOR'S REMUNERATION

The auditor of Singtel Optus Pty Limited is KPMG.

	2023 $000	2022 $000
Amounts received or due and receivable by KPMG:		
An audit or review of the financial report of the entity and any other entity in the Group	2,135	1,300
Other services in relation to the entity and any other entity in the Group		
- Assurance and regulatory related	261	234
	2,396	1,534

NOTE 27. RELATED PARTIES

Directors

The names of each person holding the position of director of the Company during the financial year or as at the date of this report are as follows:

Directors:

- Paul Dominic O'Sullivan;
- Robin Kelly Bayer;
- Lim Cheng Cheng and
- Yuen Kuan Moon.

Details of key management personnel compensation are set out in Note 25.

Apart from the details disclosed in this note, no director has entered into a contract with the Company or the Group since the end of the previous financial year and there were no contracts involving director's interests existing at reporting date.

From time to time, directors of the Company or of its controlled entities or their director-related entities may purchase goods or services from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers and are trivial or domestic in nature.

NOTE 27. RELATED PARTIES (Continued)

Joint ventures and operations
Details of interest in joint ventures are set out in Note 23. Details of interest in joint operations are set out in Note 24. The Group incurred certain costs as agent for joint ventures and was reimbursed those costs.

	2023 $000	2022 $000
Shareholder related entities The aggregate amounts brought to account in respect of the following types of transactions with shareholder related entities were:		
International outpayments expense	35,484	46,872
International inpayments revenue	10,175	11,260
Information technology and consultancy expense	73,030	78,401
Lease payments	99,753	96,295
Interest expense	62,702	55,591
All transactions were with entities related to Singapore Telecommunications Limited and were at normal commercial terms and conditions and at market rate.		
The aggregate amounts receivable at reporting date from shareholder related entities were:		
Trade debtors - for international inpayments	5,427	5,547
Other debtors	2,357	6,560
Due from parent	3,863,604	3,686,193
The aggregate amounts payable at reporting date to shareholder related entities were:		
Trade creditors - for international outpayments	10,418	9,984
Other trade creditors	-	7
Other creditors	594	1,409

All of these amount's receivable and payable are in respect of transactions with entities related to Singapore Telecommunications Limited.

NOTE 28. DEED OF CROSS GUARANTEE

The Company and certain wholly owned controlled entities are parties to a deed of cross guarantee under which each Company guarantees the debts of the others. By entering into the deed, the controlled entities have been relieved from the requirements to prepare a financial report and directors reports under class order 2016/785 issue by the Australian Securities and Investments Commission.

The controlled entities subject to the Deed are:

- Akal Pty Limited
- Alpha West Holdings Limited
- Alphawest Pty Limited
- Alphawest Services Pty Ltd
- Amaysim Mobile Pty Limited
- Bkal Pty Limited
- Eastpoint IP Pty Limited
- Ensyst Pty Limited
- Inform Systems Australia Pty Limited
- Optus Administration Pty Limited
- Optus ADSL Pty Limited
- Optus Billing Services Pty Limited
- Optus Broadband Pty Limited
- Optus C1 Satellite Pty Limited
- Optus Content Pty Limited
- Optus Data Centres Pty Limited
- Optus Finance Pty Limited
- Optus Fixed Infrastructure Pty Limited
- Optus Internet Pty Limited
- Optus Mobile Pty Limited
- Optus Mobile Investments Pty Limited
- Optus Mobile Migrations Pty Limited
- Optus Multimedia Pty Limited
- Optus Networks Pty Limited
- Optus Retailco Pty Limited
- Optus Satellite Pty Limited
- Optus Satellite Network Pty Ltd
- Optus Smart Spaces Pty Limited
- Optus Space Systems Pty Limited
- Optus Systems Pty Limited
- Optus Vision Pty Limited
- Optus Wholesale Pty Limited
- Prepaid Services Pty Limited
- Reef Networks Pty Limited
- Simplus Mobile Pty Limited
- Sibalo Pty Limited
- UE Access Pty Ltd
- Uecomm Pty Limited
- Uecomm Operations Pty Limited
- Unwired Australia Pty Limited
- Vaya Pty Limited
- Vaya Communications Pty Limited
- Vividwireless Group Limited

Below is a condensed consolidated statement of comprehensive income for the financial year ended 31 March 2023 for the closed group comprising the Company and those subsidiaries that are a party to the Deed, after eliminating all transactions between those parties.

	2023 $m	2022 $m
(Loss) / profit from ordinary activities before income tax	(112)	234
Income tax relating to ordinary activities	30	12
Net (loss) / profit	(82)	246
Other comprehensive income	24	9
Total comprehensive (loss) / income	**(58)**	**255**
Retained profits at the beginning of the financial year	3,206	2,971
Adjusted opening retained profits for companies added to the Cross Guarantee	-	(11)
Net (loss) / profit for the year	(83)	246
Retained profits at the end of the financial year	**3,123**	**3,206**

NOTE 28. DEED OF CROSS GUARANTEE (continued)

A consolidated statement of financial position as at 31 March 2023 for the closed group comprising the Company and those subsidiaries that are a party to the Deed, after eliminating all transactions between those parties, is set out below:

	2023 $m	2022 $m
Statement of financial position		
Current assets		
Cash and cash equivalents	98	726
Trade and other receivables	1,562	1,686
Inventories	205	137
Derivative Financial Instruments	21	-
Other current assets	368	356
Total current assets	**2,254**	**2,905**
Non-current assets		
Trade and other receivables	4,548	4,415
Investments in joint venture entities	21	21
Property, plant and equipment	7,879	7,513
Right-of-use assets	2,052	1,995
Subsidiaries	6	6
Telecommunication licences	976	976
Intangible assets	2,058	2,228
Derivative financial instruments	39	20
Other non-current assets	232	232
Total non-current assets	**17,811**	**17,406**
Total assets	**20,065**	**20,311**
Current liabilities		
Trade and other payables	3,020	3,328
Borrowings	961	1,240
Derivative financial instruments	5	14
Provisions	252	119
Total current liabilities	**4,238**	**4,701**
Non-current liabilities		
Trade and other payables	333	196
Borrowings	5,006	4,791
Deferred tax liabilities	91	104
Derivative financial instruments	112	129
Provisions	61	106
Total non-current liabilities	**5,603**	**5,326**
Total liabilities	**9,841**	**10,027**
Net assets	**10,224**	**10,284**
Shareholders' equity		
Contributed equity	5,317	5,317
Reserves	3	(20)
Retained profits	4,904	4,987
Total equity	**10,224**	**10,284**

NOTE 29. PARENT ENTITY

	2023 $m	2022 $m
Assets		
Current assets	391	388
Non-current assets	852	852
Total assets	1,243	1,240
Liabilities	50	50
Current liabilities	50	50
Net assets	1,193	1,190
Equity		
Issued capital	5,317	5,317
Accumulated losses	(4,124)	(4,127)
Total equity	1,193	1,190
Profit for the year (dividend income)	3	31
Total comprehensive income for the year	3	31

The Company did not pay a dividend to its sole shareholder during the year (2022: nil). No other dividends have been paid or declared by the Company during or since the end year.

There are no contingent liabilities for the parent entity as at 31 March 2023 (2022: nil).

NOTE 30. EVENTS SUBSEQUENT TO REPORTING DATE

Financing arrangements

Subsequent to year end, on 12 April 2023, Optus through its wholly owned subsidiary, Optus Finance Pty Limited (Optus Finance), issued an AUD 100 million 5-year fixed rate Sustainability-Linked Bond (SLB). The Notes will mature on 12 April 2028 and carry a coupon of 4.577%.

On 21 April 2023, a class action was filed against certain companies in the consolidated group, which is further detailed in Note 21 of the consolidated financial statements.

Optus Finance Pty Limited (Optus Finance), has priced HKD 1.5 billion 10-year fixed rate Notes which have been issued on 7 June 2023. The fixed rate Notes will be denominated in Hong Kong dollars, will carry a coupon of 4.635% per annum and will be drawn down under Optus Finance's EUR3 billion Euro Medium Term Note Programme. The Notes will mature on 7 June 2033.

In July 2023, Optus entered into a committed AUD 300m Bilateral Committed Revolving Facility with DBS maturing in March 2028. This will be subject to a negative pledge that requires the Company and other controlled entities to maintain certain financial ratios.

There have been no other events subsequent to the financial year up to the date of this report that may significantly affect the entity's operations, results or state of affairs in future financial years.

DIRECTORS' DECLARATION

1. In the opinion of the directors of Singtel Optus Pty Limited:

   (a) the financial statements and notes are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the financial position of the Group as at 31 March 2023 and of its performance, as represented by the results of its operations and cash flows, for the financial year ended on that date;

      (ii) complying with Australian Accounting Standards and the Corporations Regulations; and

      (iii) complying with International Financial Reporting Standards, as stated in Note 2 to the financial statements; and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. There are reasonable grounds to believe that the Company and the subsidiaries identified in Note 28 will be able to meet any obligations or liabilities to which they are or may become subject by virtue of the Deed of Cross Guarantee between the Company and those subsidiaries pursuant to in ASIC Corporations (Wholly owned Companies) Instrument 2016/785 dated 24 March 2016 and individual order under subsection 340(1) of the Corporations Act 2001 dated 28 March 2007.

Signed in accordance with a resolution of the directors made pursuant to s295(5) of the Corporations Act 2001:

DocuSigned by:

A4619DE4CB54492...

Robin Kelly Bayer
Director
Sydney

31 July 2023

KPMG

Independent Auditor's Report

To the shareholder of Singtel Optus Pty Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Singtel Optus Pty Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group***'s financial position as at 31 March 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 31 March 2023
- Consolidated statement of profit or loss, Consolidated statement of other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG

Other Information

Other Information is financial and non-financial information in Singtel Optus Pty Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our Auditor’s Report.

KPMG

Kevin Leighton

Partner

Sydney

31 July 2023

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

SINGTEL OPTUS PTY LIMITED

ACN 052 833 208

ANNUAL REPORT

31 MARCH 2022

DIRECTORS' REPORT

The directors present their report on the consolidated entity ("Optus", the "Group"), consisting of Singtel Optus Pty Limited (the "Company", "SOPL") and its controlled entities, for the financial year ended 31 March 2022 (the "financial year").

Directors

The directors in office at any time during or since the end of the financial year are:

- Paul Dominic O'Sullivan;
- Robin Kelly Bayer;
- Lim Cheng Cheng (appointed 31 May 2021);
- Yuen Kuan Moon (appointed 31 May 2021);
- Jeann Ngiap Jong Low (resigned on 31 May 2021).

Principal activities

The principal activities of the Group during the financial year were the provision of telecommunications services principally within Australia. There was no significant change in the nature of those activities during the financial year.

Review of operations

Optus' profit from ordinary activities before income tax expense was $118 million. Total revenue for the year decreased by 6 per cent to $7,953 million.

After an income tax expense of $1 million, the net income amounted to $117 million, compared to a net loss of $213 million in the previous financial year.

Cash capital expenditure for the year was $1,568 million (2021: $1,495 million). The ratio of cash capital expenditure to total revenue was 19.7 per cent, compared to 17.7 per cent in the previous financial year.

Changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Group during the financial year. Please see paragraph below for disposal of assets to Australia Tower Network Pty Ltd.

Environmental regulations

Optus' operations are subject to environmental regulations under both Commonwealth and State legislation. In particular, Optus is subject to the requirements of the Telecommunications Act 1997 and Telecommunications Code of Practice 2018, and in certain circumstances, Optus may also be subject to a range of State and Territory planning and environmental laws.

Optus has established an Environmental Management System ("EMS") to ensure compliance with current regulations and any new regulations enacted. It identifies the criteria for environmental assessment and the performance measures to be applied to those criteria. The EMS outlines pre-construction assessment procedures and construction environmental management plan requirements in addition to post-construction auditing and monitoring.

A process of initial assessment, environmental review and construction supervision, with subsequent and continued environmental auditing is in place to ensure the Company fully meets its obligations under the current legislation. After making due inquiries, the directors are not aware of any material breaches of environmental regulations during the financial year.

Dividends

The Company did not pay a dividend to its sole shareholder (Singapore Telecom Australia Investments Pty Limited) in the year ended 31 March 2022 (2021: nil). No other dividends have been paid or declared by the Company during or since the end of the financial year.

COVID impacts

The border closures at the back of COVID meant customer growth, roaming and prepaid revenues continued to be impacted by shutdowns and travel restrictions which curtailed the number of inbound travellers and foreign students. Additionally, the ongoing uncertainty and recurring lockdowns are affecting consumer spending which has impacted equipment sales.

The above COVID closures have impacted the financials of the Group for the year ended 31 March 2022.The Directors currently believe this will not have a going concern or material financial impacts to the business in the foreseeable future. However, the ongoing developments of COVID-19 and the associated economic impacts remain uncertain and the Group continues to closely monitor developments.

Disposal of Assets to Australia Tower Network (ATN)

On 1 April 2021, Optus sold its passive network related assets to Australian Tower Network Pty Ltd (ATN) for $1.5 billion and leased back these assets. The respective assets and liabilities were classified as a disposal group held for sale as at 31 March 2021.

Likely developments

Comments on likely developments in the operations and expected results of Optus are included in the public announcements of Singapore Telecommunications Limited, the parent entity, and other media releases to the Australian market.

In the opinion of the directors, disclosure of any further information on likely developments in operations would be prejudicial to the interests of the Group.

Options

There are no unissued shares or interests under option as at the date of this report, and there were no shares or interests issued, during or since the end of the financial year, as a result of the exercise of an option over unissued shares or interests.

Officers' indemnities and insurance

The Company's constitution provides for the Company, to the extent permitted by law, to indemnify every person who is or has been a director, secretary or executive officer of the Company against any liability incurred by that person as an officer of the Company, unless the liability arises out of conduct that involved a lack of good faith or was contrary to the Company's expressed instructions.

The constitution also provides that, to the extent that any director or officer is not indemnified by any director and officer liability insurance, the Company indemnifies every director and officer against any liability for costs and expenses incurred by that person in their capacity as a director or officer of the Company:

a) in defending any proceedings in which judgement is given in favour of or results in the acquittal of the person; or
b) the Court grants relief to the person in connection with an application made under the Corporations Law.

The Company has previously entered into deeds of indemnity on the same terms as provided by the constitution with a number of former directors of the Company and their alternates.

Under the terms of the deeds of indemnity, and to the extent permitted by law and notwithstanding any changes to the constitution, the Company must, for a period of seven years after the director ceased to hold office, maintain in full force and effect and pay the premium on a directors' and officers' policy of insurance for the director that is on terms no less generous than those terms applying at the time the director left office or, if there is no policy, on terms of such policies typically maintained by other companies similar to the Company.

During the financial year, a controlled entity paid insurance premiums in respect of contracts insuring all directors and executive officers of the Company and its controlled entities against a liability arising as a result of work performed in their capacity as directors or officers of the Company and its controlled entities.

The names of the directors of the Company that are covered by these insurance policies are detailed on page 1 of this report.

The insurance policies prohibit disclosure of the premiums paid in respect of those policies, and the nature of the liabilities insured by the policies.

Since the end of the previous financial year, the Group has not indemnified or made a relevant agreement for indemnifying against a liability towards the auditor of the Group.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instruments 2016/191 dated 24 March 2016. In accordance with that Corporations Instrument amounts in the directors' report and the financial report have been rounded off to the nearest million dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors made pursuant to s298 (2) of the Corporations Act 2001.

Robin Kelly Bayer
Director
Sydney

DocuSigned by:
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27 July 2022

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Singtel Optus Pty Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Singtel Optus Pty Limited for the financial year ended 31 March 2022 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Kevin Leighton

Partner

Sydney

27 July 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	31 March 2022 $m	31 March 2021 $m
Operating revenue	4	7,733	8,196
Other income	4	220	234
Total revenue	4	**7,953**	**8,430**
Expenses	4	(5,818)	(6,733)
Depreciation and amortisation	4	(1,820)	(1,811)
Finance costs	4	(197)	(176)
Profit / (loss) before income tax expense		**118**	**(290)**
Income tax (expense) / credit	5	(1)	77
Profit / (loss) after tax		**117**	**(213)**

The consolidated statement of profit or loss is to be read in conjunction with the notes to the consolidated financial statements as set out on pages 9 to 49.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Notes	31 March 2022 $m	31 March 2021 $m
Profit / (loss) after tax		**117**	**(213)**
Other comprehensive income / (loss) Items that may be reclassified subsequently to the income statement			
Cash flow hedges			
-Fair value changes during the year – gross		(12)	(310)
-Fair value changes during the year - tax impact		4	93
-Fair value changes during the year - net of tax		(8)	(217)
-Fair value changes transferred to income statement – gross		25	286
-Fair value changes transferred to income statement - tax impact		(8)	(86)
-Fair value changes transferred to income statement - net of tax		17	200
Total other comprehensive income / (loss)		9	(17)
Total comprehensive income / (loss) for the year		**126**	**(230)**

The consolidated statement of other comprehensive income is to be read in conjunction with the notes to the consolidated financial statements set out on pages 9 to 49.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 March 2022 $m	31 March 2021 $m
Current assets			
Cash and cash equivalents		726	106
Receivables and contract assets	7	1,686	1,775
Inventories	8	137	136
Other assets	9	356	353
Assets held for sale	13	38	780
Total current assets		**2,943**	**3,150**
Non-current assets			
Receivables and contract assets	7	4,415	4,380
Investments in joint venture entities	24	21	5
Property, plant and equipment	10	7,513	7,442
Right-of-use assets	11	1,995	1,158
Telecommunication licences		976	976
Intangible assets	12	2,229	2,150
Derivative financial instruments	21	20	2
Other assets	9	232	237
Total non-current assets		**17,401**	**16,350**
Total assets		**20,344**	**19,500**
Current liabilities			
Payables and contract liabilities	14	3,258	3,301
Borrowings	15	1,240	558
Derivative financial instruments	21	14	17
Provisions	17	119	112
Liabilities held for sale	13	7	143
Total current liabilities		**4,638**	**4,131**
Non-current liabilities			
Payables and contract liabilities	14	196	86
Borrowings	15	4,791	4,786
Deferred tax liabilities	5	104	73
Derivative financial instruments	21	129	66
Provisions	17	106	104
Total non-current liabilities		**5,326**	**5,115**
Total liabilities		**9,964**	**9,246**
Net assets		**10,380**	**10,254**
Equity			
Contributed equity	18	5,317	5,317
Cash flow hedge reserve		(20)	(29)
Retained profits		5,083	4,966
Total equity		**10,380**	**10,254**

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated financial statements set out on pages 9 to 49.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Fully paid ordinary shares (Note 18) $m	Cashflow hedge reserves (Note 19) $m	Retained profits $m	Total $m
Balance as of 1 April 2020	5,317	(12)	5,179	10,484
Profit / (loss) after tax	-	-	(213)	(213)
Other comprehensive income for the year	-	(17)	-	(17)
Total comprehensive income for the year	**-**	**(17)**	**(213)**	**(230)**
Distributions to owners				
Dividends to equity holders	-	-	-	-
	-	**-**	**-**	**-**
Balance as of 31 March 2021	**5,317**	**(29)**	**4,966**	**10,254**
Balance as of 1 April 2021	5,317	(29)	4,966	10,254
Profit after tax	-	-	117	117
Other comprehensive income for the year	-	9	-	9
Total comprehensive income for the year	**-**	**9**	**117**	**126**
Distributions to owners				
Dividends to equity holders	-	-	-	-
	-	**-**	**-**	**-**
Balance as of 31 March 2022	**5,317**	**(20)**	**5,083**	**10,380**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial statements as set out on pages 9 to 49.

CONSOLIDATED STATEMENT OF CASH FLOWS

	2022 $m	2021 $m
Cash flows from operating activities		
Profit / (loss) before tax	118	(290)
Adjustments for:		
Depreciation and amortisation	1,820	1,811
Impairment loss property, plant and equipment	-	154
Disposal of property, plant and equipment	-	43
Net finance costs	197	176
Change in receivables and contract assets	147	237
Change in current inventories	(1)	22
Change in other current assets	(4)	(16)
Change in other non-current assets	5	(58)
Change in payables and contract liabilities	(41)	(77)
Change in provisions	9	90
Income tax refund	23	153
Net cash inflow from operating activities	**2,273**	**2,245**
Cash flows from investing activities		
Interest received	1	1
Payment for property, plant and equipment	(1,568)	(1,495)
Proceeds from sale and lease back of assets	638	-
Advances made to parent entity	-	(148)
Payment for new business acquisition	-	(250)
Payment for joint ventures	(16)	-
Payment for intangible assets	(145)	(83)
Net cash used in investing activities	**(1,090)**	**(1,975)**
Cash flows from financing activities		
Proceeds from borrowings	786	1,539
Repayments of borrowings	(1,926)	(1,263)
Proceeds from bond issue	299	846
Repayment of bonds	-	(1,321)
Proceeds for swap settlement on bond redemption	-	199
Payment of lease liabilities	(325)	(296)
Payment of interest on lease liabilities	(111)	(47)
Net interest paid on borrowings and swaps	(90)	(124)
Repayment of ATN borrowing	482	-
Proceeds from sale and lease back of assets (additional financing)	323	-
Other	(1)	(1)
Net cash used in financing activities	**(563)**	**(468)**
Net increase / (decrease) in cash and cash equivalents	**620**	**(198)**
Cash and cash equivalents at the beginning of the financial year	106	304
Cash and cash equivalents at the end of the financial year	**726**	**106**

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated financial statements as set out on pages 9 to 49.

NOTE 1. CORPORATE INFORMATION

Singtel Optus Pty Limited is a private Company limited by shares. The Company is incorporated and domiciled in Australia and its registered office and principal place of business is 1 Lyonpark Road, Macquarie Park, New South Wales, Australia.

The Company's parent entity is Singapore Telecom Australia Investments Pty Limited, a wholly owned subsidiary of Singapore Telecommunications Limited ("Singtel") (incorporated in Singapore). The ultimate parent entity is Temasek Holdings (Private) Limited (incorporated in Singapore).

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards, Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

The financial statements were approved by the Board of Directors on 27 July 2022.

The financial report includes the consolidated financial statements of Singtel Optus Pty Limited and its controlled entities.

The Company is a for profit company. All amounts are presented in Australian dollars.

Statement of compliance
Compliance with Australian Accounting Standards ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board.

Historical cost convention
This financial report has been prepared under the historical cost convention, except where stated otherwise.

Critical accounting estimates
The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Rounding
The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instruments 2016/191 dated 24 March 2016. In accordance with that Corporations instrument, amounts in the financial report have been rounded off to the nearest million dollars, unless otherwise stated.

2.2 Principles of consolidation

The consolidated accounts of the Group include the financial statements of the Company and its controlled entities.

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company has power over the entity, is exposed to, or has right to, variable return from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Where an entity either began or ceased to be controlled during the financial year, the results are included only from the date control commenced or up to the date control ceased.

Intercompany transactions, balances and unrealised gains and losses resulting from transactions with or between controlled entities are eliminated in full on consolidation. Investments in subsidiaries are accounted for at cost in the individual financial statements of the Company.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Operating revenue

Revenue is recognised when the Group satisfies a performance obligation by transferring control of a promised good or service to the customer. It is measured based on the amount of the transaction price allocated to the satisfied performance obligation, and are net of tax, rebates and discounts within the Group.

For information, communication and technology projects ("ICT"), revenue is recognised over time on percentage of completion method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs as it depicts the Groups effort in satisfying the performance obligation to transfer control, while invoicing is typically based on milestones. A contract asset is recognised for work performed. Any amount previously recognised as a contract asset is transferred to trade receivable upon invoicing to the customer. If the milestone payment exceeds the revenue recognised to date, then the Group recognises a contract liability for the difference.

When the Group has control of goods or services prior to delivery to a customer, the Group is the principal in the sale to the customer. If another party has control of goods and services prior to transfer to a customer, then the Group is acting as an agent for the other party and revenue is recognised net of any related payments. Revenue includes the gross income received and receivable from revenue sharing arrangements entered into with overseas telecommunication companies in respect of traffic exchanged.

For prepaid cards which have been sold, revenue is recognised based on usage. A contract liability is recognised for advance payments received from customers where services have not been rendered as at the end of the reporting period. Expenses directly attributable to the unearned revenue are deferred until the revenue is recognised.

Revenue from the sale of equipment (primarily handsets and accessories) is recognised upon the transfer of control to the customer or third-party dealer which generally coincides with delivery and acceptance of the equipment sold. Revenue from service contracts are recognised over the contract period as control passes to the customers as services are provided. Service revenue is also recognised based on usage (e.g. minutes of traffic/ bytes of data).

Contracts with customers generally do not include a material right or financing component. In cases where material rights are granted, a portion of the transaction price is deferred as a contract liability and is not recognised as revenue until this additional performance obligation has been satisfied or has lapsed. Incentives given to customers are recognised as a reduction from revenue in accordance with the specific terms and conditions of each contract. Non-refundable, upfront service activation and setup fees associated with service arrangements are deferred and recognised over the associated service contract period or customer life.

Equipment and services deliverable under bundled telecommunication contracts are identified as separate performance obligations to the extent that the customer can benefit from them on their own. The transaction price is allocated between equipment and services based on their relative standalone selling prices. The standalone selling prices are determined based on the list prices at which the Group sells the standalone equipment and for service-only contracts. Where standalone selling prices are not directly observable, estimation techniques are used. Services rendered beyond contracts are treated as separate contracts.

2.4 Other income

Income from service and network arrangements include revenue from the provision of products, including transmission capacity.

2.5 Foreign currency

Functional and presentation currency

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Transactions

Foreign currency transactions are translated into the Australian currency at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges and other operations held at cost.

Translation of foreign joint ventures

Assets and liabilities of overseas joint ventures are translated at the rates of exchange ruling at reporting date. Income and expenses are translated at a weighted average rate for the year. Exchange differences arising on translation of the net investment in foreign joint venture entities, and of the financial instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Borrowing costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in arranging borrowings, and lease finance charges. Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets that generally take more than one year to get ready for their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of assets.

2.7 Income tax

The Group uses the balance sheet method of tax effect accounting. Income tax expense (or income) for the period is the tax payable (or receivable) on the current period's taxable loss (or income) adjusted by changes in deferred tax assets and liabilities attributable to amounts recognised as assets or liabilities, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the tax bases of those assets and liabilities, and for unused tax losses. The tax rates expected to apply when the assets are recovered or liabilities are settled, based on the tax rates which are enacted or substantively enacted for each jurisdiction, are applied to the cumulative amounts of deductible and assessable temporary differences to measure the deferred tax asset or liability.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation
With effect from 1 July 2002, the Company's parent entity, Singapore Telecom Australia Investments Pty Limited (the "Head Entity"), elected to consolidate the consolidated Group, comprised of the Company and its wholly owned controlled entities, in accordance with the Income Tax Assessment Act 1997.

2.8 Cash and cash equivalents

Cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity and are readily convertible to cash on hand and are subject to insignificant risk of changes in value.

2.9 Contract Assets

Where revenue recognised in respect of a customer contract exceeds the amount received or receivable from a customer, a contract asset is recognised. Contract assets arise from bundled telecommunications contracts where the control of equipment passes to the customer at the point of delivery and acceptance of equipment however, it is invoiced with monthly bundled services, which are delivered over time. They also arise from information technology contracts where performance obligations are delivered over time however, invoicing is as per contract terms i.e. based on milestone. Contract assets are transferred to trade receivables when the consideration for performance obligations are billed. Contract assets are subject to impairment review for credit risk in accordance with the expected loss model.

2.10 Contract Costs

Contract costs such as sales commission directly attributed to acquiring a customer’s contract are capitalised in the statement of financial position and amortised as operating expenses over the contract period or expected customer relationship period. Capitalised contract costs are included in “other assets” depending on the period over which the economic benefits from these assets are expected to be received.

2.11 Receivables

Trade and other receivables, including contract assets are initially recognised at fair values and subsequently measured at amortised cost using the effective interest method, less an allowance for expected credit loss (“ECL”).

The Group applied the ‘simplified approach’ for determining the allowance for ECL, where lifetime ECL are recognised from initial recognition of the receivables and contract assets. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of the receivable. When determining the allowance for ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information based on the Group’s historical experience and forward-looking information as applicable. Loss events include financial difficulty or bankruptcy of the debtor, significant delay in payments and breaches of contracts.

Trade and other receivables are written off against the allowance for ECL when there is no reasonable expectation of recovery. Subsequent recoveries of amounts previously written off are recognised in the income statement.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Inventories

Finished goods include handsets, devices and accessories and are stated at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at the statement of financial position date using the moving average price. Costs comprise of purchase price and expenditure that is directly attributable to the acquisition of the handsets after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business and the estimated costs necessary to make the sale.

2.13 Impairment of assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that were previously impaired are reviewed for possible reversal of the impairment at each reporting date.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 an asset's fair value less costs to sell and value-in-use.

In assessing value-in-use, the estimated future cash flows are discounted to their present value at a discount rate reflecting the relevant weighted average cost of capital and asset specific risks.

2.14 Investments in subsidiaries

Investments in controlled entities are carried at the lower of cost and recoverable amount. Dividends and distributions are brought to account in the income statement of the Company when they are declared by the controlled entities.

2.15 Joint arrangements

Investments in joint arrangements are classified as either joint ventures or joint operations. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint Ventures
A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. 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 control.

In the consolidated financial statements, investments in joint ventures are accounted for using equity accounting principles. Investments in joint ventures are carried at the lower of the equity accounted amount and recoverable amount.

The Group's share of a joint venture's net profit or loss after tax is recognised in the consolidated income statement. Other movements in reserves are recognised directly in consolidated reserves. Adjustments are made, where practicable, to the profit or loss and the reserves of joint ventures to achieve consistency with the Group's accounting policies, and to eliminate unrealised profits and losses on transactions between the Group and joint ventures.

Joint operations
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. 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 control.

The Group's interest in joint operations is brought to account by including its interest in the following amounts in the appropriate categories in the consolidated statement of financial position and consolidated statement of profit or loss:

- Each of the individual asset categories employed in the joint operations;
- Liabilities incurred by the Group in relation to the joint operations and the liabilities for which it is jointly or severally liable; and
- Revenue derived from, and expenses incurred in relation to the joint operations.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Property, plant and equipment

All classes of property, plant and equipment are stated at cost. An asset's carrying value is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Items of property, plant and equipment, including buildings and leasehold property but excluding freehold land, are depreciated or amortised using the straight-line method over their estimated useful lives to an estimated residual value. The depreciation rates used for each asset class, for the current and previous financial years, are as follows:

Freehold buildings	5 to 40 years
Leasehold property	Shorter of 25 years or lease term
Plant and equipment	2 to 25 years
Leased plant and equipment	6 to 13 years

These useful lives are reviewed annually. They are estimated based on the period of time over which the future economic benefits embodied in the depreciable assets are expected to be consumed by the Group.

Assets are depreciated or amortised from the month of acquisition or, in respect of internally constructed assets, from the month the asset is completed and held ready for use.

Capital work-in-progress is stated at cost and not depreciated. The costs of assets constructed or internally generated by the Group include the cost of materials and direct labour. Directly attributable overhead and other incidental costs are also capitalised to the asset. Borrowing costs are capitalised to qualifying assets. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

2.17 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lessee accounting
The Group is a lessee mainly for mobile base stations, central offices, properties and other network related assets.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group implements a single accounting model where lessees recognise right-of-use assets and lease liabilities for all leases. The Group accounts for short-term leases, i.e. leases with terms of 12 months or less, as well as low-valued assets as operating expenses in the income statement over the lease term.

A right-of-use asset and a lease liability are recognised at commencement date of the contract for all leases conveying the right to control the use of identified assets for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

Renewal and termination options exercisable by the Group are included in lease terms across the Group if the Group is reasonably certain that they are to be extended (or not terminated). The Group has considered renewal and termination options based on the economic benefits derived.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

After the commencement date, the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

Depreciation is calculated using the straight-line method over the shorter of the asset's useful life or the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the Group's incremental borrowing rate or the rate implicit in the lease.

After the commencement date the Group measures the lease liability by:
- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect lease payments made; and
- re-measuring the carrying amount to reflect any reassessment or lease modifications.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Leases (continued)

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-to-use assets and lease liabilities for leases of low-value and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

Lessor accounting

The Group is a lessor mainly for property.

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Finance leases are leases of assets where substantially all the risks and rewards incidental to ownership of the assets are transferred by the Group to the lessees. Receivables under finance leases are presented in the statement of financial position at an amount equal to the net investment in the leases and the leased assets are derecognised. Finance income is allocated using a constant periodic rate of return on the net investment over the lease term.

Operating leases are leases where the Group retains substantially all the risks and rewards of ownership of the assets. Income from operating leases are recognised on a straight-line basis over the lease terms as the entitlement to the fees accrues. The leased assets are included in the statement of financial position as property, plant and equipment.

Intermediate lessor
The Group as an intermediate lessor accounts for a head lease and a sublease as two separate contracts. The sublease transaction is accounted as either finance lease or operating lease by reference to the right-of-use asset arising from the head lease. Leasing transactions with customers are accounted as operating or finance leases by reference to the head lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

Sale and Leaseback

Sale according to AASB 15
If the sale qualifies as a sale according to AASB 15 then:
(i) de-recognise the underlying asset; and
(ii) recognise a right-of-use asset equal to the retained portion of the net carrying amount of the asset.

Sale not according to AASB 15
If the sale -does not qualify as a sale according to AASB 15, the goods transferred remain on balance sheet and a financial liability equal to the disposal price (received from the buyer-lessor) is recognised.

The Group classify cash flows relating to the right transferred as investing activities and those relating to the rights retained as financing activities.

2.18 Intangible assets

Goodwill
Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of identifiable net assets, including identifiable intangible assets and contingent liabilities, at the date of acquisition.

Goodwill is stated at cost less accumulated impairment losses. The unamortised balance of goodwill is tested for impairment annually or more frequently, if events or changes in circumstances indicate that it might be impaired.

Telecommunication licences
Telecommunication licences are carried at cost. The licences were originally granted to the Group 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. The cancellation conditions are such that the directors believe that cancellation is highly unlikely. The directors believe that there were inherent benefits of the licences granted in 1991 that are unique to the Group as the second licence carrier under the Federal Government's deregulation policy. These benefits continue post deregulation of the telecommunications industry and are not available to other new licence holders since 1 July 1997. Accordingly, the directors believe that the lives of these assets are indefinite.

Telecommunication licences are not amortised and are reviewed for impairment on at least an annual basis.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Intangible assets (continued)

Spectrum licences
Digital mobile spectrum licence fees are carried at cost and amortised on a straight-line basis over the shorter of the licence term and the period of expected benefits, which range from 1 year to 18 years. Amortisation commences when the spectrum, and associated plant and equipment, are completed and held ready for use.

Deferred expenditure
Deferred expenditure, primarily representing co-location access charges, is stated at cost less accumulated amortisation and accumulated impairment losses. The amortisation is over 20 years.

Software-as-a-Service (SaaS) arrangements
SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred for SaaS arrangements are expensed as incurred.

Brand name
Brand names acquired in a business combination are initially recognised at fair value. Brand names have an indefinite useful life as there is no foreseeable limit to the period over which it is expected to generate cash flows.

Subscriber relationships

Subscriber relationships acquired as part of a business combination are initially measured at fair value. They are subsequently measured at cost less accumulated amortisation and any impairment losses. Amortisation is calculated based on the average tenure of the subscriber relationship with the Group.

2.19 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss Is allocated to inventories, financial assets, deferred tax assets, or employee benefit assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in the profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.20 Contract Liabilities

Where the amount received or receivable from a customer exceeds the revenue recognised for a contract, a contract liability is recognised. Contract liabilities or advance billings are recognised as revenues when services are provided to customers.

2.21 Payables

Trade and other payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

2.22 Borrowings

Bank borrowings and bonds are initially recognised at fair value, net of transaction costs incurred. These are subsequently measured at amortised cost using the effective interest method.

2.23 Employee entitlements

Wages and salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long service leave
Liability for long service leave is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bond rates with terms to maturity and currency that match, as closely as possible, to the estimated future cash outflows.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Employee entitlements (continued)

Superannuation fund
The Group contributes to defined contribution superannuation funds. These contributions include superannuation guarantee contributions and additional contributions made under employee remuneration arrangements. Contributions are charged against the income statement as they are incurred.

Equity-based benefits
The Group's parent, Singapore Telecommunications Limited, has made awards to certain employees under its Share Plans ("Plans"). Participants in the Plans will receive fully paid ordinary shares of Singtel free of charge, the equivalent in cash, or combinations thereof, provided that certain prescribed performance targets or vesting conditions are met within a prescribed performance period. The performance period for the awards is two to three years. At the end of the performance period, Singtel will determine the number of Singtel shares to be allocated to each participant or category of participants based on the level of attainment of the performance targets or vesting conditions. Awards under the Plans will lapse if the employee ceases employment during the vesting period of two to three years. The Group expects to pay for shares to be acquired and transferred to employees in satisfaction of these awards.

Where the Group grants equity instruments of Singtel directly to its employees, the Group has accounted for the arrangement as cash-settled in its own financial statements. The fair value of cash-settled awards is initially measured at grant date, taking into account both market and non-market vesting conditions. The fair value is recognised as an employee benefit expense with a corresponding increase in liabilities. The fair value is then re-measured at each reporting date, with changes in the liability also recognised as an employee benefit expense.

2.24 Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date the derivative contract is entered into and are subsequently re-measured to their fair values at each reporting date. Details of balances are included in Note 21.

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 the fair value of a derivative financial instrument are recognised immediately in the income statement, unless they qualify for hedge accounting.

Hedge accounting
At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception and an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of the hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward currency contract (i.e. including the forwards elements) as the hedging instrument for all its hedging relationships involving forward currency contracts.

Fair value hedge
Derivative financial instruments that qualify for fair value hedge accounting are initially recognised at fair value on the date that the contract is entered into. Changes in fair value of derivatives are recorded in the income statement together with any changes in the fair value of the hedged items that are attributable to the hedged risks.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised in the income statement from that date.

Cash flow hedge
The effective portion of changes in the fair value of the derivative financial instruments that qualify as cash flow hedges are recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in the cash flow hedge reserve are transferred to the income statement in the periods when the hedged items affect the income statement.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Derivative financial instruments (continued)

Cash flow hedge (continued)
However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gain or loss previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect 'Other Comprehensive Income'. Furthermore, if the Group expects some or all the loss accumulated in "Other Comprehensive Income' will not be recovered in the future, that amount is immediately reclassified to the income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is 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.

2.25 Fair Value Estimation of Financial Instruments

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

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

Bank balances, receivables and payables, current borrowings
The carrying amounts approximate fair values due to the relatively short maturity of these instruments.

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 are 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.

2.26 Goods and services tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the GST amount included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities that are recoverable from, or payable to, the ATO are classified as operating cash flows.

2.27 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the statement of financial position date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Onerous contracts
Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 Provisions (continued)

Restructurings
Provisions are recognised when the Group has developed a detailed formal plan for the restructuring and has either:

- entered into formal contracts to carry out the restructuring; or
- raised a valid expectation in those affected by the restructuring that the restructuring will occur.

Contingencies
A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and for which fair values can be reliably determined.

2.28 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquisition over the fair value of the net identifiable assets acquired is recorded as goodwill.

2.29 Parent entity financial information

The financial information for the parent entity, SOPL, disclosed in Note 30 has been prepared on the same basis as the consolidated financial statements.

2.30 New accounting standards and interpretations

Management considered all new accounting standards, interpretations and amendments. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Accounting Standards and Interpretations issued but not yet effective
Australian Accounting Standards and Interpretations that are issued, but are not yet effective, up to the date of issuance of the Group's financial statements are not expected to have a significant impact on the preparation of the Group's financial statements. The Group intends to adopt these standards, as applicable, when they become effective.

New, revised or amended Accounting Standards and Interpretations
A number of new standards are effective from 1 January 2022. These standards do not have a material impact to the Group's financial statements.

NOTE 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The following are the critical accounting estimates and judgements that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

3.1 Expected credit loss of receivables and contract assets

At each reporting date, the Group assesses whether receivables and contract assets are credit-impaired. Probability of default constitutes a key input in measuring Expected Credit Loss ("ECL"). It is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The exposure to credit risk for receivables and contract assets is disclosed in Note 7.

3.2 Impairment of goodwill and intangibles

In accordance with the accounting policy in relation to intangible assets, goodwill and intangible assets with indefinite life are subject to an annual impairment review. In making this impairment assessment, the Group evaluates the value-in-use using cash flow projections which have been discounted at an appropriate rate. These calculations require the use of assumptions.

Forecasts of future cash flows are based on the Group's estimates using historical industry trends, general market and economic conditions, changes in technology and other available information. Refer to Note 12 for details of the key assumptions.

3.3 Estimated useful lives of property, plant and equipment and intangibles

The Group reviews annually the estimated useful lives of property, plant and equipment and intangibles based on factors such as business plans and strategies, expected levels 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 referred to above. A reduction in the estimated useful lives would decrease the carrying value of property, plant and equipment or intangibles.

3.4 Revenue recognition

The application of AASB 15 requires the Group to exercise judgement in identifying distinct or non-distinct performance obligations. For bundled telecommunications contracts, the Group is required to estimate the standalone selling prices of performance obligations, which materially impacts the allocation of revenue between performance obligations. Where the Group does not sell equivalent goods or services in similar circumstances on a standalone basis, it is necessary to estimate the standalone selling price. Changes in estimates of standalone selling prices can significantly influence the allocation of the transaction price between performance obligations. When estimating the standalone selling price, the Group maximises the use of observable inputs.

The assessment of whether the Group presents operating revenue as the principal, or net after deduction of costs as an agent, is a matter of judgement which requires an analysis of both the legal form and the substance of contracts. Depending on the conclusion reached, there may be differences in the amounts of revenues and expenses, though there is no impact on profit.

Contract costs are amortised over the contract period or the expected customer relationship period.

The accounting policies for revenue recognition are stated in Note 2.

3.5 Leases

Key assumptions include lease terms and discount rates on the lease payments.

In determining the lease term, the Group considers all relevant facts and circumstances that create an economic incentive for the Group to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the Group is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

The lease payments are discounted using the rate implicit in the lease or the Group's incremental borrowing rate. This requires the Group to estimate the rate of interest that it would have to pay to borrow the funds to obtain a similar asset over a similar term. Changes in these assumptions may significantly impact the measurement of the lease liabilities.

The accounting policies for leases are stated in Note 2.

NOTE 4. INCOME STATEMENT

	Notes	2022 $m	2021 $m
Profit before income tax has been arrived at after including:			
Operating revenue			
Equipment revenue		1,451	1,728
Service revenue		5,417	5,423
Information, Communication and Technology ("ICT") revenue		549	561
Interconnect revenue		225	273
Handset operating lease revenue		14	128
Insurance revenue		77	83
		7,733	8,196
Other income			
Income from service and network arrangements		103	123
Interest received or due and receivable		1	1
Other		116	110
		220	234
Total revenue		**7,953**	**8,430**
Revenue recognised in the reporting periods that was included in the contract liabilities balance at the beginning of the year		389	318
Contracts with consumers typically range from a month to 3 years, and contracts with enterprises typically range from 1 to 3 years.			
Expenses			
Expenses from ordinary activities classified by nature are:			
Traffic expenses		1,227	1,259
Selling & administrative expenses		1,134	1,273
Amortisation of contract costs		104	80
Employee benefit expenses		1,162	1,186
Capitalisation of costs		(185)	(180)
Cost of equipment sold		1,351	1,681
Other direct cost of sales of services		756	937
Repair and maintenance expenses		246	209
Impairment of assets		-	154
Lease expenses for short term leases		2	2
Lease expenses for low-value leases		3	1
Disposal of goodwill		23	-
Others		(5)	131
		5,818	6,733
Depreciation and amortisation			
Depreciation of:			
Freehold buildings		14	16
Plant and equipment		1,270	1,250
Leasehold property		11	19
Right-of-use assets		295	315
Amortisation of:			
Deferred expenditure and subscriber relationship		50	44
Spectrum and other licences		180	167
		1,820	1,811

NOTE 4. INCOME STATEMENT (continued)

	Notes	2022 $m	2021 $m
Net finance costs			
Interest paid or due and payable to:			
Bonds and borrowings		85	127
Lease liabilities		110	47
Unwinding of discounts		2	2
Total finance costs		197	176
Others			
Profit / (Loss) before income tax includes the following specific expenses:			
Impairment of trade receivables and contract assets			
Amount provided		86	134
Bad debts recovered		(13)	(13)
Net expense for impairment of receivables and contract assets	7	73	121
Net expense / (write back of expense) from movements in other provisions:			
Employee entitlements		122	88
Inventories		(7)	1
Other		(2)	(2)
Total net expense from movements in other provisions		113	87

NOTE 5. INCOME TAX

	2022 $m	2021 $m
Income tax expense / (income)		
Income tax expense / (income) on profit / (loss) from ordinary activities before income tax calculated at 30% (2021: 30%).	35	(88)
Tax effect of amounts which are not deductible / (assessable) in calculating taxable income:		
Research and development claims	(2)	(1)
Share of joint ventures' tax	1	3
Disposal of network assets to ATN	(37)	-
Other non-deductible items	6	2
Prior year over provision / (under) provision	(2)	7
Income tax expense / (income) relating to ordinary activities	1	(77)
Income tax expense / (income) comprises:		
Current income tax (income)	(18)	(29)
Deferred tax expense / (income)	19	(56)
	1	(85)
Adjustments in respect of prior years:		
Current income tax (income)	(43)	(30)
Deferred tax expense / (income)	43	38
	1	(77)

NOTE 5. INCOME TAX (continued)

	Notes	2022 $m	2021 $m
Deferred tax assets			
The balance of this asset comprises temporary differences attributable to:			
Liabilities not currently deductible		243	248
Cash flow hedges		57	12
Leases		-	29
Tax loss		92	32
Other		2	(9)
		394	312
Set-off of deferred tax liabilities		(394)	(312)
Net deferred tax asset		-	-
Deferred tax liabilities			
The balance comprises temporary differences attributable to:			
Telecommunications licences		294	293
Deferred expenditure		69	64
Brand and subscriber relationships		18	18
Leases		58	-
Property, plant, and equipment		59	10
		498	385
Set-off against deferred tax assets		(394)	(312)
		104	73

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 –

Deferred tax assets / (liabilities)	2022 $m	2021 (i) $m
Balance in beginning of the year	(73)	(78)
Charged to income statement	(61)	18
Charged to other comprehensive income	(4)	7
Payment from ATO	(23)	-
Acquisition of Amaysim	-	(18)
Tax loss	59	-
Others	(2)	(2)
Balance as at 31 March	(104)	(73)

(i) Comparative information has been revised due to finalisation of Purchase Price Allocation during the year. Refer Note 6 for details.

Tax consolidation

With effect from 1 July 2002, the Group's parent entity, Singapore Telecom Australia Investments Pty Limited (the "Head Entity") and its wholly owned Australian controlled entities, have implemented the tax consolidation legislation. The relevant accounting policy is set out in Note 2.

The entities have entered into a tax funding agreement under which the wholly-owned entities fully compensate the Head Entity for any current tax payable assumed and are compensated by the Head Entity for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to the Head Entity under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements. The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the Head Entity, which is issued as soon as practicable after the end of each financial year. The funding amounts are recognised as current intercompany receivables or payables. No amounts have been recognised in equity as a result of the tax consolidation implementation.

NOTE 6. BUSINESS COMBINATIONS

There were no acquisitions in the year ended 31 March 2022.

During the year management finalised the purchase price allocation (PPA) in relation to the Amaysim acquisition in accordance with AASB 3 Business Combinations. The adjustments made are recognised retrospectively and comparative information is revised.

Acquisitions relating to the year ended 31 March 2021

On 1 February 2021, the Group acquired 100% of the share capital of Amaysim Mobile Pty Limited, the fourth largest mobile provider in Australia for cash consideration of $251 million. The acquisition of Amaysim has built the Group's presence in the mobile virtual network operation ("MVNO") market.

Amaysim Mobile Pty Limited fully owns the following subsidiaries:

1. Eastpoint IP Pty Limited – holds the brand of Amaysim and trademarks;
2. Vaya Pty Limited – holds the post-paid customers; and
3. Vaya Communications Pty Limited – holds the post-paid customers.

The finalised purchase price allocation is as follows:

A. Consideration transferred

	2022 $m
Total consideration	251
Cash and cash equivalents acquired	-
Total consideration net of cash and cash equivalents acquired	**251**

B. Acquisition-related costs

During the year ended 31 March 2021, the Group incurred acquisition-related costs of $4.3m on due diligence and legal costs. These costs have been included in 'administrative expenses'.

C. Identifiable assets acquired and liabilities

The recognised fair values of assets acquired and liabilities assumed at the date of acquisition are summarised below:

	2022 $m
Trade and other receivables	3
Property, plant and equipment	2
Subscriber relationships	37
Brand	23
Intangible assets	3
Total assets	**68**
Trade payables	(4)
Customer deposits	(1)
Deferred revenue	(11)
Current lease liabilities	(1)
Make-good provision	(1)
Deferred tax liabilities	(18)
Total liabilities	**(36)**
Total identifiable net assets acquired	**32**
D. Goodwill	
Consideration transferred	251
Net assets	(32)
Goodwill	**219**

NOTE 7. RECEIVABLES AND CONTRACT ASSETS

	2022 $m	2021 $m
Current		
Trade receivables	584	783
Contract assets	1,139	1,039
	1,723	1,822
Less allowance for expected credit loss	(132)	(164)
	1,591	1,658
Finance lease receivable (i)	2	2
Other receivables	93	115
	1,686	**1,775**
Non-current		
Due from parent (ii)	3,686	3,588
Finance lease receivable (i)	-	2
Contract assets	729	790
	4,415	**4,380**

(i) The maturity profile of the finance lease receivables is between 1 and 5 years.

(ii) The Group has an at call non-interest bearing loan to its parent entity. Whilst the loan is at call, it has been disclosed as non-current as the company has no intention to call upon the loan in the 12 months from signing of the financial statements.

Trade receivables are non-interest bearing and are generally on 30-day terms, while balances due from carriers are 60-day terms. 120-day terms relates mainly to Device Repayment Plans. There was no significant change in contract assets during this year.

The age analysis of the trade receivable and contract assets (before allowance for expected credit loss) was as follows:

	2022 $m	2021 $m
Less than 60 days	861	881
61 to 120 days	257	549
More than 120 days	1,334	1,182
Balance as at 31 March	2,452	2,612

The movements in the allowance for expected credit losses of trade receivables and contract assets were as follows:

	2022 $m	2021 $m
Balance as at 1 April	164	209
Allowance for impairment	73	121
Utilisation of allowance for impairment	(105)	(166)
Balance as at 31 March	132	164

NOTE 7. RECEIVABLES AND CONTRACT ASSETS (continued)

The maximum exposure to credit risk for trade receivables and contract assets was as follows:

	2022 $m	2021 $m
Individuals	2,011	2,118
Business	441	494
Balance as at 31 March	2,452	2,612

The expected credit losses for debts which are collectively assessed are estimated based on a provision matrix by reference to historical credit loss experience of the different segments, adjusted as appropriate to reflect current conditions and estimates of future economic conditions as applicable. The expected credit losses for debts which are individually assessed are based on an analysis of the debtor's current financial position and are adjusted for factors that are specific to the debtors.

NOTE 8. INVENTORIES

	2022 $m	2021 $m
Finished goods - at cost	152	154
Provision for obsolescence	(15)	(18)
	137	136

NOTE 9. OTHER ASSETS

	2022 $m	2021 $m
Current		
Prepayments	266	272
Contract costs	90	81
	356	353
Non-current		
Prepayments	76	84
Contract costs	156	153
	232	237

Reconciliations of the carrying amount of contract costs at the beginning and end of the current financial year are set out below:

	2022 $m	2021 $m
Year ended 31 March		
Opening net book amount:	234	152
Additions	116	162
Amortisation charge	(104)	(80)
Closing net book amount	246	234

NOTE 10. PROPERTY, PLANT AND EQUIPMENT

	2022 $m	2021 $m
Freehold land and buildings:		
At cost	439	420
Accumulated depreciation	(318)	(304)
Total freehold land and buildings	121	116
Leasehold property:		
At cost	188	187
Accumulated depreciation	(156)	(145)
Total leasehold property	32	42
Plant and equipment:		
At cost	24,197	22,955
Accumulated depreciation and impairment	(17,674)	(16,404)
Total plant and equipment	6,523	6,551
Capital works in progress:		
At cost	837	733
Total capital works in progress	837	733
Total net carrying amount of property, plant and equipment	**7,513**	**7,442**

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

	Notes	2022 $m	2021 $m
Freehold land and buildings:			
Carrying amount at the beginning of the financial year		116	129
Additions		19	3
Depreciation expense	4	(14)	(16)
Carrying amount at the end of the financial year		121	116
Leasehold property:			
Carrying amount at the beginning of the financial year		42	60
Additions		1	1
Depreciation expense	4	(11)	(19)
Carrying amount at the end of the financial year		32	42
Plant and equipment:			
Carrying amount at the beginning of the financial year		6,551	6,893
Additions		1,242	1,531
Acquisitions through business combinations		-	2
Impairments		-	(134)
Depreciation expense	4	(1,270)	(1,250)
Disposals		-	(43)
Reclassification to assets held for sale	13	-	(448)
Carrying amount at the end of the financial year		6,523	6,551
Capital works in progress:			
Carrying amount at the beginning of the financial year		733	886
Additions less transfers to other categories		104	(109)
Impairment		-	(20)
Reclassification to assets held for sale	13	-	(24)
Carrying amount at the end of the financial year		837	733

NOTE 11. RIGHT-OF-USE ASSETS

Sale and leaseback

On 1 April 2021, Optus sold network assets and leased these assets back for 20 years. The sale and leaseback transaction enabled Optus to access more capital while continuing to use these network assets. The rents are reviewed every year.

During the year, $97m was paid in rents for the lease back of these assets.

	Mobile base stations / Central offices $m	Properties $m	Others $m	Total $m
Cost				
Balance as at 1 April 2021	1,325	326	13	1,664
Additions	1,112	19	2	1,133
Right-of-use assets deactivation	(87)	(6)	(1)	(94)
Balance as at 31 March 2022	**2,350**	**339**	**14**	**2,703**
Accumulated depreciation				
Balance as at 1 April 2021	(323)	(174)	(9)	(506)
Depreciation charge for the year	(256)	(35)	(4)	(295)
Right-of-use assets deactivation	87	5	1	93
Balance as at 31 March 2022	**(492)**	**(204)**	**(12)**	**(708)**
Total net carrying amount as at 31 March 2022	**1,858**	**135**	**2**	**1,995**
Total net carrying amount as at 31 March 2021	1,002	152	4	1,158

NOTE 12. INTANGIBLE ASSETS

	31 March 2022 $m	31 March 2021 $m
Goodwill - at cost	352	375
Accumulated impairment	(4)	(4)
	348	371
Spectrum and other licences - at cost	2,170	1,941
Accumulated amortisation	(814)	(665)
	1,356	1,276
Deferred expenditure - at cost	687	584
Accumulated amortisation	(207)	(141)
	480	443
Subscriber relationship – at cost	37	37
Accumulated amortisation	(15)	-
	22	37
Brand – at cost	23	23
Accumulated amortisation	-	-
	23	23
Total intangible assets	**2,229**	**2,150**

NOTE 12. INTANGIBLE ASSETS (continued)

Consolidated	Notes	Goodwill	Spectrum and other licences	Deferred expenditure	Subscriber relationship	Brand	Total (i)
Year ended 31 March 2022							
Opening net book amount		371	1,276	443	37	23	2,150
Additions		-	260	72	-	-	332
Amortisation charge	4	-	(180)	(35)	(15)	-	(230)
Disposal of subsidiaries		(23)	-	-	-	-	(23)
Closing net book amount		348	1,356	480	22	23	2,229
Year ended 31 March 2021							
Opening net book amount		152	1,411	592	-	-	2,155
Additions		-	32	51	-	-	83
Amortisation charge	4	-	(167)	(44)	-	-	(211)
Acquisitions through business combinations	6	219	-	-	37	23	279
Reclassification to assets held for sale	13	-	-	(156)	-	-	(156)
Closing net book amount		371	1,276	443	37	23	2,150

(i) Comparative information has been revised due to finalisation of Purchase Price Allocation during the year. Refer Note 6 for details.

Impairment testing

The carrying value of goodwill and intangible assets with indefinite lives (telecommunication licenses) was assessed for impairment during the financial year. Telecommunications operations of the Group were assessed to be a single cash generating unit ("CGU") for the purpose of this review, as the generation of the Group's core revenue streams is heavily reliant on the use of integrated and interdependent customer access and transmission networks throughout Australia.

The recoverable amount of the Singtel Optus CGU has been determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets (including growth rates, operating margins, capital expenditure and discount rates) approved by management and the Board covering a 7-year period.

Cash flows beyond the budget period are extrapolated using the estimated growth rates stated below. The terminal growth rates do not exceed the long-term average growth rates for the country and industry in which the Group operates.

	Terminal growth rate		Pre-tax discount rate	
	2022	2021	2022	2021
Singtel Optus CGU	2.75%	2.5%	8.0%	5.9%

As at 31 March 2022, no impairment charge was required for goodwill arising from acquisition of subsidiaries and intangible assets with indefinite lives (telecommunication licenses), with any reasonably possible change to the key assumptions applied not likely to cause the recoverable values to be below their carrying values.

NOTE 13. DISPOSAL GROUP HELD FOR SALE

On 21 December 2021, Optus entered into an agreement to sell 100% of the shares in Optus Insurance Services Pty Limited ("OIS") to Likewize for a total consideration of $200 million. The transaction is expected to be completed in the first half of next financial year.

Assets and liabilities of disposal group held for sale

At 31 March 2022, the disposal group was stated at the lower of carrying value and fair value less costs to sell and comprised the following.

	2022 $m
Cash and Cash Equivalents	38
Total assets held for sale	**38**
Trade and Other Payables	1
Unearned Premiums	3
Outstanding Claims	3
Total liabilities held for sale	**7**

At 31 March 2021, the Group has presented the assets and liabilities which were disposed to ATN on 1 April 2021 as assets and liabilities held for sale. The disposal group was stated at the lower of carrying value and fair value less costs to sell and comprised the following.

		2021 $m
Property, plant and equipment	10	448
Work in progress	10	24
Intangible assets	12	156
Right-of-use assets	11	152
Total assets held for sale		**780**
Lease liabilities - current		38
Lease liabilities – non-current		105
Total liabilities held for sale		**143**

NOTE 14. PAYABLES AND CONTRACT LIABILITIES

	2022 $m	2021 $m
Current		
Trade payables (i)	1,323	1,352
Other payables and accruals (ii)	323	286
Contract liabilities (iii)	424	389
Performance share plan	7	3
Other financial liabilities (iv)	1,181	1,271
	3,258	3,301
Non-current		
Trade payables	136	-
Other payables and accruals	53	74
Contract liabilities (iii)	1	3
Performance share plan	6	9
	196	86

(i) The trade payables are non-interest bearing and are generally settled on 30 to 60 days terms.

(ii) Other payables and accruals include the interest payable on borrowings. These are settled on a half-yearly basis except for interest payable on certain bonds and syndicated loan facilities which are settled on a quarterly basis. The total interest payable on the borrowings at year end was $20 million (2021: $17 million).

(iii) Contract liabilities include advance billings, unearned revenue and NBN migration payments.

(iv) The other financial liabilities relate to handsets and network investments, where vendor terms are up to 364 days.

NOTE 15. BORROWINGS

	2022 $m	2021 $m
Current		
Lease liabilities (i)	427	247
Short-term bank facilities - unsecured (ii)	-	300
Notes payable - unsecured (iii)	798	-
Short-term related party facilities - unsecured (iv)	1	3
Short-term other borrowings – unsecured (v)	14	8
	1,240	558
Non-current		
Lease liabilities (i)	2,412	1,008
Medium-term bank facilities - unsecured (ii)	-	850
Notes payable - unsecured (iii)	2,363	2,916
Long-term other borrowings – unsecured (v)	16	12
	4,791	4,786

(i) The incremental borrowing rate per annum for the Company at the end of the reporting period was 3.82%.

(ii) There are no outstanding borrowings under the bilateral or syndicated bank facilities denominated in Australian dollars as at 31 March 2022. In April 2022, the Group entered into a $1.4billion Sustainability Linked Loan (SLL) which will expire on 24 May 2025. It is governed by a negative pledge and facility documents, which amongst other things require the Company and other controlled entities to maintain certain financial ratios. This new SLL for $1.4billion replaced the $1.0 billion syndicated bank facility, which expired on 29 April 2022. The $650 million syndicated facility was renewed up to 14 April 2022 with a reduced amount of $400million. This facility has not been renewed. The $150 million bilateral facility with Citi expired on 16 April 2021 and has not been renewed.

(iii) Unsecured notes payable denominated in Euro, Singapore dollars and Australian dollars have been issued by a controlled entity and guaranteed by the Company and certain controlled entities. The notes are subject to a negative pledge that requires the Company and other controlled entities to maintain certain financial ratios. The value of these notes includes a fair value hedge gain adjustment of $21 million (2021: $10 million loss adjustment).

(iv) The Company has a short term uncommitted related party facility. The facility is denominated in Australian dollars.

(v) The Company has a 3-year uncommitted third party facility. The facility is denominated in Australian dollars.

The maturity periods of the lease liabilities at the end of the reporting period were as follows:

	2022 $m Discounted	2022 $m Undiscounted	2021 $m Discounted	2021 $m Undiscounted
Less than one year	427	531	247	284
Between one and two years	285	382	164	193
Between two and five years	668	839	378	444
Over five years	1,459	1,947	466	520
	2,839	3,699	1,255	1,441

NOTE 15. BORROWINGS (continued)

	2022 $m	2021 $m
Principal amounts and repayment dates are:		
1,000 million Hong Kong dollars due 10 June 2020	-	-
700 million Euro due 15 September 2020	-	-
200 million Australian dollars due 17 June 2022	199	199
50 million Australian dollars due 17 June 2022	50	50
400 million Australian dollars due 23 August 2022	400	399
150 million Singapore dollars due 29 September 2022	149	147
500 million Australian dollars due 6 September 2023	499	499
350 million Australian dollars due 1 July 2025	349	349
500 million Euro due 20 June 2029	721	778
500 million Australian dollars due 1 July 2030	496	495
300 million Australian dollars – Sustainability-linked bond due Nov 2028	298	-
	3,161	2,916
Disclosed as:		
Current	798	-
Non-current	2,363	2,916

The weighted average interest rate for bonds is 2.78% (2021: 2.40%) and bank borrowings is 0.00% (2021: 0.57%).

NOTE 16. FINANCING ARRANGEMENTS

At reporting date, the Group had access to the following committed lines of credit:

	2022 $m	2021 $m
Total facilities available at reporting date:		
Short-term bank facilities (less than 1 year)	1,400	700
Medium-term bank facilities (1 year to 3 years)	-	1,400
Other borrowings	30	21
	1,430	2,121
Facilities utilised at reporting date:		
Short-term bank facilities (less than 1 year)	-	300
Medium-term bank facilities (1 year to 3 years)	-	850
Other borrowings	30	19
	30	1,169
Facilities not utilised at reporting date:		
Short-term bank facilities (less than 1 year)	1,400	400
Medium-term bank facilities (1 year to 3 years)	-	550
Other borrowings	-	2
	1,400	952

NOTE 17. PROVISIONS

		2022 $m	2021 $m
Current			
Employee entitlements	20	114	104
Other (i)		5	8
		119	112
Non-current			
Employee entitlements	20	80	66
Other (i)		26	38
		106	104

(i) Other current and non-current provisions primarily represent asset retirement obligations for corporate properties and self-insurance provisions.

Reconciliations of the carrying amount of other provisions at the beginning and end of the current financial year are set out below:

	2022 $m	2021 $m
Other provisions (Current and non-current)		
Carrying amount at the beginning of the financial year	46	38
Additional provision recognised by charge to profit or loss	2	2
Others	(17)	6
Carrying amount at the end of the financial year	31	46

NOTE 18. CONTRIBUTED EQUITY

Issued and paid up capital

	2022 $m	2021 $m
3,795,254,335 (31 March 2021: 3,795,254,335)		
Fully paid ordinary shares	5,317	5,317

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. At a shareholders' meeting, every holder of ordinary shares present in person or by proxy is entitled to one vote on a show of hands, and upon a poll, each share is entitled to one vote.

There have been no changes in share capital during the year.

The Company did not pay a dividend to its parent entity (during the year 2021: nil).

Changes to the Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and its issued shares do not have a par value.

NOTE 19. RESERVES

Nature and purpose of reserves as disclosed in the statement of changes in equity

The cash flow hedge reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, net of tax, as described in Note 2. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss. In the cash flow hedge reserve a component of $14 million is recognised in relation to movement in currency basis from cross currency interest rate swap.

NOTE 20. EMPLOYEE ENTITLEMENTS

	Note	2022 $m	2021 $m
Aggregate employee entitlements			
Current long service leave and other provision	17	114	104
Non-current long service leave and other provision	17	80	66
		194	170
Number of Employees			
Number of employees at year end		6,704	7,081
Superannuation fund			
The Group contributes to employee defined contribution superannuation funds.			
Contributions to the funds during the financial year		88	83

Equity based employee benefits

During the current or previous financial year, the Group did not provide to employees any equity based instruments (such as share options or performance rights) based on equities of the Company or its controlled entities, nor were there any such instruments outstanding at the beginning or end of the financial year.

The Group's expense arises under the equity-based compensation plans of its parent, Singapore Telecommunications Limited which are described at Note 2.

	2022 $m	2021 $m
This expense amounted to:	7	5

NOTE 21. FINANCIAL RISK MANAGEMENT

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: interest rate risk, foreign exchange risk, credit risk and liquidity risk. The group's overall risk management seeks to minimise potential adverse effects of these risks on the financial performance of the Group.

The Group has established risk management policies, guidelines and control procedures to manage its exposure to financial risks. Hedging transactions are determined in the light of commercial commitments and are reviewed regularly.

The Group uses financial instruments, including foreign exchange contracts, cross currency swaps and interest rate swaps in its management of exchange rate and interest rate exposures. Financial instruments are used only to hedge underlying commercial exposures and are not held for speculative purposes.

Derivative financial instruments	2022 $m	2021 $m
Balance as at 1 April	(81)	437
Fair value gains:		
- included in income statement:		
Hedge ineffectiveness	1	(2)
Fair value hedge movements	(56)	(292)
- included in the balance sheet:		
Cash flow hedge reserve	13	(25)
Payment for swap settlement	-	(199)
Balance as at 31 March	(123)	(81)

Derivative financial instruments	2022 $m	2021 $m
Non-current asset	20	2
Current liabilities	(14)	(17)
Non-current liability	(129)	(66)
	(123)	(81)

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 2023, 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 15.

Fair value estimation

Optus bonds which are currently on issue and offered solely to wholesale investors total $703 million (2021: $785 million). They are maturing by year 2030 and no other financial assets or liabilities are traded on the exchange markets. It is calculated as the present value of the estimated future cash flows, discounted using interest rates based on a zero-coupon yield curve at the reporting date.

NOTE 21. FINANCIAL RISK MANAGEMENT (continued)

Hedging activities

The hedge accounting policy of the Group is described in Note 2 and the Group has entered into the following derivative financial instruments to hedge its risks:

- Cross currency interest rate swaps with dual designation as fair value hedges for interest rate risk and cash flow hedges for currency risk, arising from the Group's issue of foreign currency denominated debt instruments.

  These cross currency interest rate swaps involve the exchange of principal and fixed interest receipts in the foreign currency of the Group's debt instruments, for principal and floating (as well as fixed) interest payments in the Group's Australian dollar functional currency.

- Interest rate swap contracts that are cash flow hedges for Australian interest rate risk. These contracts involve the exchange of Australian floating interest receipts for fixed interest payments. These are in line with the Group's interest rate risk management policy of maintaining a mix of floating and fixed rate debt.

- Forward foreign exchange contracts, all of which are designated as cash flow hedges, for the Group's exposure to currency risks arising from forecast or committed expenditure and receipts denominated in foreign currencies.

The fair values of the derivative financial instruments are as follows:

31 March 2022	Nominal amounts $m	Fair values $m	
		Assets	Liabilities
Fair value hedges			
Cross currency swaps	402	-	20
Cash flow hedges			
Cross currency swaps	564	4	88
Interest rate swaps	170	15	-
Forward foreign exchange contracts	996	1	35
		20	143

31 March 2021	Nominal amounts $m	Fair values $m	
		Assets	Liabilities
Fair value hedges			
Cross currency swaps	402	10	-
Cash flow hedges			
Cross currency swaps	564	-	65
Interest rate swaps	170	-	1
Forward foreign exchange contracts	442	1	26
		11	92

NOTE 21. FINANCIAL RISK MANAGEMENT (continued)

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 2023, 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 15.

As at 31 March 2022 and 2021, the details of the outstanding derivative financial instruments were as follows:

	2022 $m	2021 $m
Interest rate swaps		
Notional principal		
(AUD$ million equivalent)	170	170
Fixed Interest rates	1.58%	1.58%
Floating Interest rates	BBSW3M	BBSW3M
Cross Currency swaps		
Notional principal		
(AUD$ million equivalent)	564	564
Fixed Interest rates	4.08%	4.08%
Floating Interest rates	BBSW3M + 1.54%	BBSW3M + 1.54%
Forward foreign exchange contracts		
Notional principal		
(AUD$ million equivalent)	996	442

The interest rate swaps entered into by the Group are re-priced every six-months.

Hedge ineffectiveness across all hedge relationships was $1 million (2021: ($2 million)) and was recorded in the Income Statement . Hedge ineffectiveness arose due to changes in the fair value of the hedging instrument exceeding the change in fair value of the hedged item. The Group did not discontinue hedging accounting for any relationships and had no reclassifications from the cash flow hedge reserve to the Income Statement during the 2022 financial year.

Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the previous financial year.

The capital structure of the Group consists of net debt (borrowings as detailed in Notes 15 and 16 offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves and retained earnings).

Interest rate risk

The Group's objective is to minimise interest expense consistent with maintaining an acceptable level of exposure to the risk of interest rate fluctuations. In order to achieve this objective, the Group targets a mix of fixed and floating rate debt. To obtain this mix in a cost-efficient manner the Group primarily uses cross currency and interest rate swaps that have the effect of converting specific debt obligations of the Group from a variable to a fixed rate of interest and change the currency of the debt, or vice versa, as required.

As at 31 March 2022, 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 $1.4 million (2021: $6 million).

The critical terms of the interest rate swaps and their corresponding hedged bonds are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swaps and the value of the corresponding hedged bonds will systematically change in opposite direction in response to movement in the underlying interest rates.

The main source of hedge ineffectiveness in these hedging relationships is the effect of counterparty and the Group's own credit risk on the fair value of the interest rate swaps, which is not reflected in the fair value of the hedge items attributable to changes in interest rates. No other sources of ineffectiveness emerged from this hedging relationship.

NOTE 21. FINANCIAL RISK MANAGEMENT (continued)

Foreign exchange risk

The Group maintains a policy to minimise the adverse impact of movements in foreign exchange rates on the Group's cash flows.

The Group has borrowings denominated in foreign currencies that have primarily been hedged into the functional currency of the Group using cross currency swaps in order to reduce the foreign currency exposure on these borrowings. As the hedges are perfect, any changes in the fair value of the cross-currency swaps has minimal impact on profit and equity.

Foreign exchange contracts are predominantly used to hedge the foreign exchange risk associated with the purchase and sale of goods and services denominated in foreign currencies and the resulting foreign currency denominated assets and liabilities.

The critical terms (i.e. the notional amount, life and underlying) of the derivative financial instruments and their corresponding hedged items are the same. The Group performs a qualitative assessment of effectiveness and it is expected that derivative financial instruments and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying exchange rates.

The main source of hedge ineffectiveness in these hedging relationships is the effect of counterparty and the Group's own credit risk on the fair value of the derivative financial instruments, which is not reflected in the fair value of the hedged items attributable to changes in foreign currency rates. No other sources of ineffectiveness emerged from these hedging relationships.

As at 31 March 2022, assuming the Australian dollar appreciated 10% against the United States Dollar, with all other variables held constant, pre-tax equity would decrease by $78 million (2021: $26 million). Conversely, if the Australian dollar depreciated 10% against the United States Dollar, with all other variables held constant, pre-tax equity would increase by $91 million (2021: $32 million).

All hedge relationships remain intact and there is no hedge relationship in which hedge accounting is no longer applied.

Credit risk

The Group has no significant concentration of credit risk from trade receivables and contract assets due to its diverse customer base. Credit risk is managed through the application of credit assessments and approvals. Where applicable the Group obtains credit insurance. In addition, the Group has policies and procedures in place to monitor trade receivables and contract assets on an ongoing basis.

The carrying value amount reflected in Note 7 represents the Group's maximum exposure to credit risk for trade receivables and contract assets.

The Group has cash investments and other financial instruments such as forward foreign exchange contracts, cross currency swaps and interest rate derivative hedges with major financial institutions. The Group has policies in place to monitor the credit ratings of these counterparties on an ongoing basis.

The Group has policies in place that limit the financial exposure to any one financial institution and does not have a significant exposure to any individual counterparty.

NOTE 21. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

The Group manages liquidity risk by monitoring and maintaining the level of cash equivalents and financing facilities considered adequate by management to fund the operations as well as mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the business, the Group aims at maintaining flexibility in funding by keeping a number of committed credit facilities available.

The expected undiscounted contractual cash flows of the borrowings for the Group, including the effects of hedging as at 31 March 2022 and 2021, are set out below. These amounts do not reflect the carrying amounts in the statement of financial position.

	Less Than 1 year $m	Between 1 and 2 years $m	Between 2 and 5 years $m	Over 5 years $m	Total $m
As at 31 March 2022					
Net-settled interest rate swaps	(1)	3	9	6	17
Cross currency interest rate swaps (gross settled):					
Inflow	10	7	22	22	61
(Outflow)	(26)	(34)	(107)	(78)	(245)
	(17)	(24)	(76)	(50)	(167)
Borrowings:					
Bonds	(862)	(541)	(442)	(1,698)	(3,543)
Unsecured bank loans	-	-	-	-	-
Others	(14)	(16)	-	-	(30)
	(876)	(557)	(442)	(1,698)	(3,573)
Other financial liabilities	(1,181)	-	-	-	(1,181)
	(2,074)	(581)	(518)	(1,748)	(4,921)
As at 31 March 2021					
Net-settled interest rate swaps	(3)	(2)	(1)	6	-
Cross currency interest rate swaps (gross settled):					
Inflow	12	157	23	802	994
(Outflow)	(23)	(170)	(71)	(920)	(1,184)
	(14)	(15)	(49)	(112)	(190)
Borrowings:					
Bonds	(70)	(855)	(933)	(1,404)	(3,262)
Unsecured bank loans	(305)	(851)	-	-	(1,156)
Others	(8)	(8)	(4)	-	(20)
	(383)	(1,714)	(937)	(1,404)	(4,438)
Other financial liabilities	(1,271)	-	-	-	(1,271)
	(1,668)	(1,729)	(986)	(1,516)	(5,899)

NOTE 21. FINANCIAL RISK MANAGEMENT (continued)

Net fair value of financial assets and liabilities

The carrying amounts and fair values of the Group's financial assets and liabilities at reporting date are:

	Carrying amount		Net Fair value	
	31 March 2022 $m	31 March 2021 $m	31 March 2022 $m	31 March 2021 $m
Financial assets				
Cash	726	106	726	106
Receivables and contract assets	2,415	2,567	2,415	2,567
Derivative financial instruments	20	2	20	2
Due from parent	3,686	3,588	3,686	3,588
	6,847	6,263	6,847	6,263
Financial liabilities				
Payables and contract liabilities	3,454	3,387	3,454	3,387
Derivative financial instruments	143	83	143	83
Bank borrowings (incl. related party)	1	1,153	1	1,153
Other borrowings - unsecured	30	20	30	20
Domestic notes payable	2,292	1,991	2,170	2,082
Foreign currency notes payable	869	925	852	931
Lease liabilities	2,839	1,255	2,839	1,255
	9,628	8,814	9,489	8,911

Fair Value Measurements

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 -

- quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**);
- 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 and credit margins at inception of contract) (**Level 2**); and
- derived from valuation techniques that include inputs for the asset or liability which are not based on observable market data (unobservable inputs) (**Level 3**).

31 March 2022	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Derivative financial instruments	-	19	-	19
- Forward foreign exchange contract	-	1	-	1
	-	20	-	20
Financial liabilities				
Derivative financial instruments				
- Interest rate swaps	-	-	-	-
- Cross currency swaps	-	(108)	-	(108)
- Forward foreign exchange contract	-	(35)	-	(35)
	-	(143)	-	(143)

NOTE 21. FINANCIAL RISK MANAGEMENT (continued)

31 March 2021	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Derivative financial instruments				
- Forward foreign exchange contract	-	2	-	2
	-	2	-	2
Financial liabilities				
Derivative financial instruments				
- Interest rate swaps	-	(1)	-	(1)
- Cross currency swaps	-	(56)	-	(56)
- Forward foreign exchange contract	-	(26)	-	(26)
	-	(83)	-	(83)

NOTE 22. CONTINGENCIES AND COMMITMENTS

Guarantees

During the year, the Group requested banks and financial institutions, in the ordinary course of business, to issue bank guarantees and performance bonds on its behalf. The amounts outstanding at reporting date amount to $152 million (2021: $17 million).

Legal proceedings and claims

The Group is in dispute with third parties regarding certain transactions and/or representations arising out of the ordinary course of business. Some of these disputes involve legal proceedings relating to the contractual obligations of the parties and/ or representations made, including the amounts payable by the consolidated entities under the contracts and claims against the Group for compensation for alleged breach of contract and/ or representations. Optus is vigorously defending all these claims and considers any outflow of economic benefit is not probable and accordingly no provision has been made as at 31 March 2022.

Commitments

	2022 $m	2021 $m
Operating expenditure commitments		
Committed but not provided for and payable:		
Not later than one year	183	187
Later than one year but not later than five years	623	59
Later than five years	18	4
	824	250
Capital expenditure commitments		
Committed but not provided for and payable:		
Not later than one year	254	121
Later than one year but not later than five years	1,842	254
Later than five years	8	-
	2,104	375
Operating lease commitments		
Future operating lease rentals not provided for and payable:		
Not later than one year	1	23
Later than one year but not later than five years	-	128
Later than five years	1	292
	2	443

Lease commitments for short term leases (as a lessee)
The lease commitments for short term leases (excluding contracts of one month or less) at the end of the reporting period was $0.7 million as at 31 March 2022 (2021: $1.5 million).

Investment commitments
Refer to Notes 24 and 25 for details of commitments in relation to joint ventures and joint operations.

NOTE 23. CONTROLLED ENTITIES

Name of Company	Note	Group interest %	
		2022	2021
Akal Pty Limited		100	100
Alpha West ERP Pty Ltd	(i)	100	100
Alpha West Holdings Limited		100	100
Alphawest Pty Limited		100	100
Alphawest Services Pty Ltd		100	100
Amaysim Mobile Pty Limited	(ii)	100	100
AUE Music TV Pty Limited		100	100
AUEVR Music TV Pty Limited	(i)	100	100
Aussat Finance Limited	(i)	100	100
Aussat New Zealand Limited	(iii)	100	100
Bkal Pty Limited		100	100
CV Services International Wholesale Pty Limited	(i)	100	100
Eastpoint IP Pty Limited	(ii)	100	100
Eatability Pty Limited		100	100
Ensyst Pty Limited		100	100
Evolution IS (ACT) Pty Ltd		100	100
Evolution IS Pty Ltd		100	100
Inform Systems Australia Pty Limited		100	100
Microplex Pty Limited	(iv)	100	100
Optus Administration Pty Limited		100	100
Optus ADSL Pty Limited		100	100
Optus Billing Services Pty Limited		100	100
Optus Broadband Pty Limited		100	100
Optus C1 Satellite Pty Limited		100	100
Optus Content Pty Limited		100	100
Optus Data Centres Pty Limited		100	100
Optus ECommerce Pty Limited	(i)	100	100
Optus Finance Pty Limited		100	100
Optus Fixed Infrastructure Pty Limited		100	100
Optus Insurance Services Pty Limited		100	100
Optus Internet Pty Limited		100	100
Optus Kylie Holdings Pty Limited		100	100
Optus Mobile Investments Pty Limited		100	100
Optus Mobile Pty Limited		100	100
Optus Multimedia Pty Limited		100	100
Optus Mobile Migrations Pty Limited (formerly Virgin Mobile (Australia) Pty Limited)		100	100
Optus Narrowband Pty Limited		100	100
Optus Network Investments Pty Ltd	(iv)	100	100
Optus Networks Pty Limited		100	100
Optus Retailco Pty Limited		100	100
Optus Rental & Leasing Pty Limited	(i)	100	100
Optus Satellite Pty Limited		100	100
Optus Satellite Network Pty Limited		100	100
Optus Smart Spaces Pty Limited	(v)	100	100
Optus Stockco Pty Limited	(i)	100	100
Optus Space Systems Pty Limited		100	100
Optus Systems Pty Limited		100	100
Optus Vision Interactive Pty Limited	(i)	100	100
Optus Vision Investments Pty Limited		100	100
Optus Vision Media Pty Limited	(vi)	20	20
Optus Vision Pty Limited		100	100
Optus Wholesale Pty Limited		100	100
Path Communications Pty Ltd	(i)	100	100
Perpetual Systems Pty Ltd	(i)	100	100
Prepaid Services Pty Limited		100	100
Reef Networks Pty Ltd		100	100
Satellite Platform Investment Pty Limited	(i)	100	100
Sibalo Pty Limited		100	100

NOTE 23. CONTROLLED ENTITIES (continued)

Name of Company		Group interest %	
		2022	**2021**
Simplus Mobile Pty Limited		100	100
Source Integrated Networks Pty Limited	(i)	100	100
The Net Effect Pty Limited	(i)	100	100
Ubowireless Pty Limited	(i)	100	100
Uecomm Pty Limited		100	100
Uecomm Operations Pty Limited		100	100
Uecomm Share Plans Custodian Pty Limited	(iv)	100	100
Ue Access Pty Limited		100	100
Ue Vialight Pty Limited	(iv)	100	100
Unite.Com Pty Limited	(i)	100	100
Unwired Australia Pty Limited		100	100
Vanilla Shelf Co No 2 Pty Limited	(iv)	100	100
Vaya Pty Limited	(ii)	100	100
Vaya Communications Pty Limited	(ii)	100	100
Virgin Mobile (Australia) Services Pty Limited		100	100
Virgin Mobile Pty Limited	(vii)	100	100
Vividwireless Pty Limited		100	100
Vividwireless Group Limited		100	100
VR Music TV Pty Ltd		100	100
World Wide Web Pty Limited	(iv)	100	100
XYZed LMDS Holdings Pty Limited		100	100
XYZed LMDS Pty Limited	(i)	100	100
Yes Labs Group Pty Limited		100	100

(i) Companies deregistered effective 21 March 2022.

(ii) The transfer of ownership of the Amaysim companies was effective from 1 February 2021.

(iii) Incorporated in New Zealand. All other subsidiaries are incorporated in Australia.

(iv) Companies deregistered effective 20 June 2021.

(v) Optus E-Solutions Pty Limited changed its name to Optus Smart Spaces Pty Limited on 27 September 2021.

(vi) Optus Vision Media Pty Limited is deemed to be a controlled entity by virtue of section 47(b) of the Corporations Act 2001.

(vii) Companies deregistered effective 23 September 2021.

NOTE 24. JOINT VENTURES

Southern Cross Cable Consortium

This consortium operates through two separate companies. Southern Cross Cable Holdings Limited ("SCCHL") owns a cable network between Australia and the USA, and conducts operations of that network outside the USA. Pacific Carriage Holdings Limited ("PCHL") conducts operations within the USA. Both these companies are incorporated in Bermuda. The Group owns 32.59% of PCHL (2021: 30.07%). The reporting date of these entities is 30 June. Equity accounting was suspended for these entities since the 2005 financial year because the Group's net investment was reduced to zero. PCHL paid no dividends during the financial year.

	2022 $m	2021 $m
The Group has agreed to purchase capacity on this cable network payable as follows:		
Not later than one year	-	-
Later than one year but not later than five years	13	30
	13	30

Main Event Television Pty Limited

The Group’s interest in this company, which is a provider of pay television programs and channels, is 33.33% (2021: 33.33%).

NOTE 24. JOINT VENTURES (continued)

Bridge Mobile Pte Limited

This company which is incorporated in Singapore is principally involved in the provision of regional mobile services. The Group's interest is 10% (2021: 10%).

	2022 $m	2021 $m
The maximum amount that the Group may be required to contribute in equity to this company is:	5	5
Carrying amounts of investments in each joint venture entity		
Pacific Carriage Holdings Limited	20	3
Main Event Television Pty Limited	-	-
Bridge Mobile Pte Limited	1	2
	21	5

	2022 $m	2021 $m
Share of joint ventures' results		
Share of:		
Revenues	30	28
Expenses	(20)	(15)
Operating profit before income tax	10	13
Income tax expenses	(4)	(5)
Operating profit after income tax	6	8
Equity accounting suspended	(6)	(8)
Share of joint ventures' net profit/loss - equity accounted	-	-
Share of joint ventures' net liabilities		
Current assets	7	(13)
Non- Current Assets	60	55
Total Assets	67	42
Current Liabilities	3	3
Non-current liabilities	138	136
Total Liabilities	141	139
Carrying amount of investments in joint venture entities		
At the beginning of the financial year	5	3
Share of joint venture entities' net income	-	-
Equity contribution	16	2
At the end of the financial year	21	5

Joint ventures' contingent liabilities and capital commitments

At reporting date, there were no material contingent liabilities or capital expenditure commitments of joint venture entities for which the Group will or may become liable.

NOTE 25. JOINT OPERATIONS

Optus / TPG Joint Venture

The Group has an interest in an unincorporated joint operation to share selected 4G and 5G network sites and radio infrastructure across Australia and shares some cost of building and operating the network.

Assets

Included in the assets of the Group are the following items that represent the Group's interest in the assets employed in the joint operations, recorded in accordance with the accounting policies described in Note 2.

	2022 $m	2021 $m
Current other assets	22	21
Non-current other assets	62	72
Property, plant and equipment	963	984
Total assets	1,047	1,077
Current other payables	15	21
Non-current other payables	45	68
Total liabilities	60	89

NOTE 26. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation for the years ended 31 March 2022 and 31 March 2021 are set out below. The key management personnel are the directors and executives with the greatest authority for the strategic direction and management of the Group.

The total compensation for the Australian-based directors and executives of the Group was as follows:

	2022 $000	2021 $000
Short-term benefits [1]	17,365	11,755
Post-employment benefits	394	264
Share-based payments	2,613	972
Total key management compensation	20,372	12,991
In addition, the total compensation for the Singapore-based directors of the Group was as follows: [2]		
Short-term benefits	4,016	2,265
Share-based payments	1,842	1,009
	5,858	3,274

[1] Bonus has been included on an accrual basis.

[2] No proportion of these amounts has been allocated to or paid by Optus.

NOTE 27. AUDITOR'S REMUNERATION

The auditor of Singtel Optus Pty Limited is KPMG.

	2022 $000	2021 $000
Amounts received or due and receivable by KPMG:	1,300	993
An audit or review of the financial report of the entity and any other entity in the Group		
Other services in relation to the entity and any other entity in the Group:		
- Assurance and regulatory related	234	164
	1,534	1,157

NOTE 28. RELATED PARTIES

Directors

The names of each person holding the position of director of the Company during the financial year or as at the date of this report are as follows:

Directors:

- Paul Dominic O'Sullivan;
- Robin Kelly Bayer;
- Lim Cheng Cheng;
- Yuen Kuan Moon;

Details of key management personnel compensation are set out in Note 27.

Apart from the details disclosed in this note, no director has entered into a contract with the Company or the Group since the end of the previous financial year and there were no contracts involving director's interests existing at reporting date.

From time to time, directors of the Company or of its controlled entities or their director-related entities may purchase goods or services from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers and are trivial or domestic in nature.

Joint ventures and operations
Details of interest in joint ventures are set out in Note 24. Details of interest in joint operations are set out in Note 25. The Group incurred certain costs as agent for joint ventures and was reimbursed those costs.

	2022 $000	2021 $000
Shareholder related entities		
The aggregate amounts brought to account in respect of the following types of transactions with shareholder related entities were:		
International out payments expense	46,872	50,678
International in-payments revenue	11,260	11,330
Information technology and consultancy expense	78,401	126,593
Lease payments	96,907	-
Interest revenue / expense	55,591	-
All transactions were with entities related to Singapore Telecommunications Limited and were at normal commercial terms and conditions and at market rate.		
The aggregate amounts receivable at reporting date from shareholder related entities were:		
Trade debtors - for international in-payments	5,547	28,701
Other debtors	6,560	2,987
Due from parent	3,686,193	3,588,686
The aggregate amounts payable at reporting date to shareholder related entities were:		
Trade creditors - for international out payments	9,984	63,095
Other trade creditors	7	1,161
Other creditors	1,409	310

All of these amounts receivable and payable are in respect of transactions with entities related to Singapore Telecommunications Limited.

NOTE 29. DEED OF CROSS GUARANTEE

The Company and certain wholly owned controlled entities are parties to a deed of cross guarantee under which each Company guarantees the debts of the others. By entering into the deed, the controlled entities have been relieved from the requirements to prepare a financial report and directors reports under class order 2016/785 issue by the Australian Securities and Investments Commission.

The controlled entities subject to the Deed are:

Akal Pty Limited
Alpha West Holdings Limited
Alphawest Pty Limited
Alphawest Services Pty Ltd
Amaysim Mobile Pty Limited**
Bkal Pty Limited
Eastpoint IP Pty Limited**
Ensyst Pty Limited**
Inform Systems Australia Pty Limited
Optus Administration Pty Limited
Optus ADSL Pty Limited
Optus Billing Services Pty Limited
Optus Broadband Pty Limited
Optus C1 Satellite Pty Limited
Optus Content Pty Limited
Optus Data Centres Pty Limited
Optus Finance Pty Limited
Optus Fixed Infrastructure Pty Limited
Optus Internet Pty Limited
Optus Mobile Pty Limited
Optus Mobile Investments Pty Limited
Optus Mobile Migrations Pty Limited*
Optus Multimedia Pty Limited
Optus Networks Pty Limited
Optus Retailco Pty Limited
Optus Satellite Pty Limited
Optus Satellite Network Pty Ltd
Optus Smart Spaces Pty Limited**
Optus Space Systems Pty Limited**
Optus Systems Pty Limited
Optus Vision Pty Limited
Optus Wholesale Pty Limited
Prepaid Services Pty Limited
Reef Networks Pty Limited
Simplus Mobile Pty Limited
Sibalo Pty Limited
UE Access Pty Ltd
Uecomm Pty Limited
Uecomm Operations Pty Limited
Unwired Australia Pty Limited
Vaya Pty Limited**
Vaya Communications Pty Limited**
Vividwireless Group Limited

* Optus Mobile Migrations Pty Limited was formerly Virgin Mobile (Australia) Pty Limited.

** Entities added to the Deed of Cross Guarantee effective from 24 May 2021.

Below is a condensed consolidated statement of comprehensive income for the financial year ended 31 March 2022 for the closed group comprising the Company and those subsidiaries that are a party to the Deed, after eliminating all transactions between those parties.

	2022 $m	2021 $m
Profit / (loss) from ordinary activities before income tax	234	(310)
Income tax relating to ordinary activities	12	87
Net profit / (loss)	246	(223)
Other comprehensive income / (loss)	9	(17)
Total comprehensive income / (loss)	**255**	**(240)**
Retained profits at the beginning of the financial year	4,752	4,974
Adjusted opening retained profits for companies added to the Cross Guarantee	(11)	-
Net profit / (loss) for the year	246	(222)
Retained profits at the end of the financial year	**4,987**	**4,752**

NOTE 29. DEED OF CROSS GUARANTEE (continued)

A consolidated statement of financial position as at 31 March 2022 for the closed group comprising the Company and those subsidiaries that are a party to the Deed, after eliminating all transactions between those parties, is set out below:

	2022 $m	2021 $m
Statement of financial position		
Current assets		
Cash and cash equivalents	726	56
Trade and other receivables	1,686	1,766
Inventories	137	136
Other current assets	356	352
Assets held for sale	-	780
Total current assets	**2,905**	**3,090**
Non-current assets		
Trade and other receivables	4,415	4,380
Investments in joint venture entities	21	5
Property, plant and equipment	7,513	7,407
Right-of-use assets	1,995	1,158
Subsidiaries	6	267
Telecommunication licences	976	976
Intangible assets	2,228	1,867
Derivative financial instruments	20	2
Other non-current assets	232	246
Total non-current assets	**17,406**	**16,308**
Total assets	**20,311**	**19,398**
Current liabilities		
Trade and other payables	3,328	3,431
Borrowings	1,240	558
Derivative financial instruments	14	17
Provisions	119	112
Liabilities held for sale	-	143
Total current liabilities	**4,701**	**4,261**
Non-current liabilities		
Trade and other payables	196	86
Borrowings	4,791	4,786
Deferred tax liabilities	104	56
Derivative financial instruments	129	66
Provisions	106	103
Total non-current liabilities	**5,326**	**5,097**
Total liabilities	**10,027**	**9,358**
Net assets	**10,284**	**10,040**
Shareholders' equity		
Contributed equity	5,317	5,317
Reserves	(20)	(29)
Retained profits	4,987	4,752
Total equity	**10,284**	**10,040**

NOTE 30. PARENT ENTITY

	2022 $m	2021 $m
Assets		
Current assets	388	353
Non-current assets	852	856
Total assets	1,240	1,209
Liabilities	50	50
Current liabilities	50	50
Net assets	1,190	1,159
Equity		
Issued capital	5,317	5,317
Accumulated losses	(4,127)	(4,158)
Total equity	1,190	1,159
Profit for the year (dividend income)	31	19
Total comprehensive income for the year	31	19

The Company did not pay a dividend to its sole shareholder (during the year 2021: nil). No other dividends have been paid or declared by the Company during or since the end of the financial year. Refer note 18 and 19 for other equity transactions during the year.

There are no contingent liabilities for the parent entity as at 31 March 2022 (2021: nil).

NOTE 31. EVENTS SUBSEQUENT TO REPORTING DATE

A$1.4 BILLION SUSTAINABILITY-LINKED REVOLVING CREDIT FACILITY

On 27 April 2022, Optus Finance Pty Limited, a wholly owned subsidiary, has inked a A$1.4 billion sustainability-linked revolving credit facility. Launched under Olives, Singtel's sustainable financing programme, this is the first such revolving credit facility by an Australian telco. The interest rate discounts are linked to Optus' achievement of reducing its absolute greenhouse gas emissions by 25% (Scope 1 and 2 in tCO_2e) by 2025, compared to a 2015 baseline. The loan is guaranteed by the Company, and certain of its subsidiaries, and will be used to refinance its existing credit facilities, as well as other general corporate purposes.

Except for the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

DIRECTORS' DECLARATION

1. In the opinion of the directors of Singtel Optus Pty Limited:

   (a) the financial statements and notes are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the financial position of the Group as at 31 March 2022 and of its performance, as represented by the results of its operations and cash flows, for the financial year ended on that date;

      (ii) complying with Accounting Standards and the Corporations Regulations; and

      (iii) complying with International Financial Reporting Standards, as stated in Note 2 to the financial statements; and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. There are reasonable grounds to believe that the Company and the subsidiaries identified in Note 29 will be able to meet any obligations or liabilities to which they are or may become subject by virtue of the Deed of Cross Guarantee between the Company and those subsidiaries pursuant to in ASIC Corporations (Wholly owned Companies) Instrument 2016/785 dated 24 March 2016 and individual order under subsection 340(1) of the Corporations Act 2001 dated 28 March 2007.

Signed in accordance with a resolution of the directors made pursuant to s295(5) of the Corporations Act 2001:

Robin Kelly Bayer
Director
Sydney

DocuSigned by:
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27 July 2022

Independent Auditor's Report

To the shareholder of Singtel Optus Pty Limited

Opinion

We have audited the ***Financial Report*** of Singtel Optus Pty Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 March 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 31 March 2022
- Consolidated statement of profit or loss, Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Group*** consists of Singtel Optus Pty Limited (the Company) and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of Singtel Optus Pty Limited, would be in the same terms if given to the Directors as at the time of this Auditor's Report.

Other Information

Other Information is financial and non-financial information in Singtel Optus Pty Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf This description forms part of our Auditor's Report.

KPMG

KPMG

Kevin Leighton

Partner

Sydney

29 July 2022

GLOSSARY

Terms referred to in this Offering Circular and commonly used in the telecommunications industry are set out below.

3G	Third generation wireless technology.
4G	Fourth generation wireless technology.
5G	Fifth generation wireless technology.
AI	Artificial intelligence.
ADSL2+	Second generation asymmetric digital subscriber line that provides higher bit rate.
Analogue	Communications by transmission of continuously varying representations of the input signal, as compared to binary coding of information in digital transmission.
Apparatus licence	Licence to transmit a certain radio frequency within a defined area.
Backbone	The part of a communications network that connects main nodes, central offices or local area networks.
Bandwidth	The capacity of a communications link.
Base station	Base transceiver station transmitter and receiver which serves as a bridge between all mobile users in a cell and connects mobile calls to the mobile switching centre.
Digital	A method of storing, processing and transmitting information through the use of distinct electronic or optical pulses that represent the binary digits 0 and 1. Digital transmission and switching technology employ a sequence of discrete, distinct pulses to represent information, as opposed to the continuously variable analogue signal.
Digital Dividend	Spectrum in the range 694 to 820MHz inclusive, freed up by the transition from analogue to digital television services.
DSL	Digital Subscriber Line, the family of protocols for transmission of data via copper lines.
DSLAM	DSL access multiplexer. The device installed at an exchange to connect to customers via DSL.
EY	Ernst & Young.
Ethernet	A protocol for the transmission of packet based data. It can be at various speeds from 10Mbps to 10Gbps.
Fibre optic	A cable made up of strands of extremely fine glass fibres through which signals are transmitted as pulses of light.
FIRB	Foreign Investment Review Board.

Gbps	Giga bits per second.
GSM	Global system for mobile communications, a mobile telephone system based on digital transmission.
HFC	Hybrid fibre coaxial. The HFC network is a system that can deliver voice, video and data as a Fibre-To-The-Node network architecture using fibre-optic cable for transmission connectivity between the head-end exchange and the node, and coaxial cable for connection between the node and the premises.
HSPA	High speed packet access.
ICT	Information and communication technology.
IP	Internet protocol.
ISP	Internet service provider, an internet service provider provides the link between an end user and the internet.
IOT	Internet of things.
IT	Information technology.
Layer 2	The second protocol layer in the Open Systems Interconnect model termed the "data link layer".
Long Distance Voice	Voice calls extending beyond local call boundaries. Typically this would be calls from one town or city to another town or city.
Mbps	Mega bits per second.
MHz	Megahertz, a unit of measure of frequency; 1 MHz is equal to one million cycles per second.
NBN	National Broadband Network.
NBN Co	National Broadband Network Company.
PSTN	Public switched telephone network, the public telephone network which includes local loops, exchange trunks and international links.
Roaming	The cellular service that permits subscribers of one network to use their cellular telephones in another operator's network.
SAAS	Software as a service (SaaS).
SMS	Short Message Service.
SpaceX	The Space Exploration Technologies Corporation.
TAS	Total access services. A family of Optus products which allow an organisation to use a special number to receive incoming calls (eg: 13, 1300, or 1800 numbers).
Transfer Orbit	A service to provide support in the launch of a new satellite.

VoIP	Voice over Internet Protocol. A technology that allows telephone calls to be made over computer networks like private corporate data networks. VoIP converts analog voice signals into digital data packets and supports real time, two-way transmission of conversations using internet protocols.
VPN	Virtual private network, a virtual network constructed by connecting computers together over the internet and encrypting their communications.
WAN	Wide area network, any form of network (private or public) that covers a wide geographical area and usually uses public carrier facilities.

REGISTERED OFFICES OF THE OBLIGORS

OPTUS FINANCE PTY LIMITED
Building C, Level 4,
1-7 Lyonpark Road, Macquarie Park,
New South Wales 2113, Australia

SINGTEL OPTUS PTY LIMITED
Building C, Level 4,
1-7 Lyonpark Road, Macquarie Park,
New South Wales 2113, Australia

OPTUS NETWORKS PTY LIMITED
Building C, Level 4,
1-7 Lyonpark Road, Macquarie Park,
New South Wales 2113, Australia

OPTUS ADMINISTRATION PTY LIMITED
Building C, Level 4,
1-7 Lyonpark Road, Macquarie Park,
New South Wales 2113, Australia

OPTUS MOBILE PTY LIMITED
Building C, Level 4,
1-7 Lyonpark Road, Macquarie Park,
New South Wales 2113, Australia

OPTUS SYSTEMS PTY LIMITED
Building C, Level 4,
1-7 Lyonpark Road, Macquarie Park,
New South Wales 2113, Australia

OPTUS VISION PTY LIMITED
Building C, Level 4,
1-7 Lyonpark Road, Macquarie Park,
New South Wales 2113, Australia

OPTUS BILLING SERVICES PTY LIMITED
Building C, Level 4,
1-7 Lyonpark Road, Macquarie Park,
New South Wales 2113, Australia

OPTUS C1 SATELLITE PTY LIMITED
Building C, Level 4,
1-7 Lyonpark Road, Macquarie Park,
New South Wales 2113, Australia

OPTUS FIXED INFRASTRUCTURE PTY LIMITED
Building C, Level 4,
1-7 Lyonpark Road,
Macquarie Park, New South Wales 2113, Australia

FISCAL AGENT
The Bank of New York Mellon,
London Branch
One Canada Square
40th Floor
London E14 5AL
United Kingdom

REGISTRAR AND TRANSFER AGENT
The Bank of New York Mellon SA/NV,
Luxembourg Branch
Vertigo Building-Polaris
2-4 rue Eugène
Ruppert L-2453 Luxembourg

LEGAL ADVISERS

To the Issuer and the Guarantors

as to English Law
Freshfields Bruckhaus Deringer
55th Floor, One Island East
Taikoo Place, Quarry Bay
Hong Kong

as to Australian Law
Clayton Utz
Level 15, 1 Bligh Street
Sydney NSW 2000
Australia

To the Arrangers and the Dealers

as to English and Australian Law
Clifford Chance
27th Floor, Jardine House
One Connaught Place
Hong Kong

AUDITORS

KPMG
Level 38 Tower Three
International Towers Sydney
300 Barangaroo Avenue
Sydney NSW 2000
Australia

ARRANGERS AND DEALERS

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

The Hongkong and Shanghai Banking
Corporation Limited
Level 17
HSBC Main Building
1 Queen’s Road Central
Hong Kong